



Tuesday, January 22, 2013
21 Lodge Street 8:00 a.m.

CAPITALIZE ALBANY
CORPORATION

Capitalize Albany Corporation
Board of Directors Meeting
Agenda

1. Review of Minutes from the Regular Meeting of December 18, 2012
2. Finance and Investment Committee Update
 - a. Selection of Central Avenue Broker Resolution 1-2013
 - b. Joint Venture Agreement Resolution 2-2013
3. PAAA/PARA Update
 - a. ABO Compliance Review
 - b. Draft CAC Discretionary Spending Policy Resolution 3-2013
 - c. Mission Statement Metrics Discussion
4. Regional Economic Development Council Update
 - a. City of Albany Awards Summary
 - b. CFA Award Contracts Resolution 4-2013
5. Downtown Tactical Plan Update
 - a. Committee Structure
 - b. RFQ Responses

c. RFP Discussion

d. Donor Solicitation

6. Executive Session (if necessary)

Capitalize Albany Corporation Board Meeting

January 22, 2013

Agenda Item #1: Review of Minutes from the Regular Board Meeting of December 18, 2012

Materials:

- 12/18/12 Capitalize Albany Corporation Board Minutes

DRAFT – NOT APPROVED

**Capitalize Albany Corporation Board Meeting
MINUTES
Tuesday, December 18, 2012**

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, December 18, 2012 at the SEFCU Dora Maxwell Center.

The following were in attendance:

Board of Directors:

Michael Castellana	Michael Fancher	Jeff Sperry
Anders Tomson	Michele Vennard	Robert Curley
Dorsey Whitehead	Lee McElroy	John Harris
David Parente	James Linnan	
Nancy Zimpher	John Vero	

Other:

Thomas M. Owens, Esq.

Staff:

Michael Yevoli, Erik Smith, Sarah Reginelli, Mark Opalka, Brad Chevalier, Amanda Vitullo and Amy Gardner.

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation Board to order at 8:05 a.m.

Approval of Minutes for November 27, 2012 Board Meeting

The Board reviewed the minutes of the November 27, 2012 meeting. Robert Curley made a motion for approval. Lee McElroy seconded. The Board agreed unanimously to approve the minutes.

Finance Update

Penta on Broadway, LLC Subordination Resolution 23-2012

During 2011, Capitalize Albany Corporation (CAC) extended both a construction and permanent loan in the amount of \$250,000 to Penta on Broadway, LLC (Penta) to finance the renovation and construction of 14 residential apartments and approximately 2,700 square feet of first floor commercial space at 522-524 Broadway. The CAC loan is subordinate to an \$875,000 construction and permanent loan from Capital Bank extended to Penta for the same purpose. The loan is current with 11 of the 14 units rented. The Borrower has secured an additional loan from Capital Bank to finance the fit-up of the commercial space in the building. The terms of this loan will require Capitalize Albany's security position on the building to move from second to third. After a review of Penta's request, rental history, rental income and debt service, staff recommended that the Board adopt the resolution and approve the request.

DRAFT – NOT APPROVED

A motion to adopt the resolution was made by Lee McElroy and seconded by Robert Curley. A vote being taken, the motion passed unanimously.

526 Central Avenue RFP for commercial broker services update

Staff reported that they had received four (4) responses to the Request for Proposal (RFP) from commercial real estate brokers; three (3) responses were evaluated as responsive and would be considered. The Board advised staff that they would like the Finance and Investment Committee to conduct interviews with the three firms that submitted robust responses. The Finance and Investment Committee would then make a recommendation to the Board for the hiring of a firm.

Audit Committee Update

UHY Engagement for 2012 Audit Resolution 24-2012

A meeting of the Audit Committee was held on December 5, 2012 to review the UHY Audit Engagement Letter and UHY Form 990 and Form CHAR500 Engagement Letter with UHY. Pre-field work is scheduled to commence during the first week of January. The 2012 audit will be completed under Governmental Auditing Standards.

A motion to adopt the resolution was made by Michael Fancher and seconded by Jeff Sperry. A vote being taken, the motion passed unanimously.

Downtown Tactical Plan RFQ Update

Staff advised the Board that the Request for Qualifications (RFQ) had been distributed directly to 30 consultants and had been posted to two reputable national planning/economic development websites. Staff is also following up with other consultants that Capitalize Albany and the City Planning Department have worked with previously. The governing structure that would be implemented to select the consultant and develop the plan was discussed. The Board asked that the full list of consultants be made available to them. The Board encouraged staff to ensure they work closely with NYS Office of General Services when developing the plan. Funding the plan and seeking donors was discussed.

Other Business

Staff presented Winn Development's proposed project at the former Livingston Academy. Staff advised the Board that Winn Development has asked them to find an appropriate nonprofit to support the project as part of their application for low income tax credits. Staff advised the Board that Capitalize Albany qualified as the appropriate type of nonprofit to support the project if they chose to do so. The Board advised staff that they would like to review the project further before providing a letter of support. Staff advised the Board that they would provide more in depth information for review following the Board meeting.

Executive Session

A motion to enter into executive session was made by Robert Curley, seconded by John Harris and passed unanimously to discuss any employment matters related to any members of the staff. The Board entered into executive session at 8:50am. Staff was excused and the following Directors were present: Michael Castellana, Anders Tomson, Dorsey Whitehead, David Parente, Michele Vennard, Lee McElroy, Michael Fancher, Jeff Sperry, Robert Curley, John Harris,

DRAFT – NOT APPROVED

Nancy Zimpher, James Linnan and John Vero. The Board left executive session at 9:27am. No actions were taken during executive session.

Staff Compensation Resolution 25-2012

The Chairman opened discussion on staff compensation, including specifically the compensation for the CAC President and the Vice President of Finance. The Board discussed the current compensation of such Officers, thier job performance and responsibilities, and the desire to both retain/attract qualified and talented personnel, and determined that a salary of \$31,365 for the CAC President and \$97,850 for the Vice President of Finance was reasonable for the duties assigned and contributed towards meeting the Board's goals of retaining/attracting talented employees. Additionally, it was discussed that the President could be authorized to set non-officer staff salaries within the Board approved 2013 budget. Following Board discussion, a motion, a motion to adopt Resolution 25-2012 was made by Lee McElroy and seconded by Jeff Sperry. A vote being taken, the motion passed unanimously.

There being no further business the Capitalize Albany Corporation Board of Directors regular meeting was adjourned at 9:30 a.m.

Capitalize Albany Corporation Board Meeting

January 22, 2013

Agenda Item #2: Finance and Investment Committee Update

Materials:

- Selection of Central Avenue Broker Resolution 1-2013
- Vangaurd-Fine response to RFP
- Joint Venture Agreement Resolution 2-2013
- Draft Joint Venture Agreement

**RESOLUTION 1-2013
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the mission of the Capitalize Albany Corporation (“CAC”) is to facilitate the creation of new employment opportunities, retention of existing jobs and encouragement of investment that will expand the commercial and industrial tax base within the City of Albany; and

WHEREAS, Resolution 29-2011 authorized the Vice-President of Finance to execute a 5-year purchase option agreement for the acquisition of the properties at 445 Manning Boulevard, 524 and 526 Central Avenue and Rear 526 Central Avenue (“Development Site”), by Citywide Property Holdings LLC, and deposit \$500,000 with the City upon execution of the agreement.

WHEREAS, the Development Site is a 3.41 acre development opportunity along Central Avenue located within the Central BID, identified by the BID as an outstanding potential site location for developing new services, job opportunities and investment for the area; and

WHEREAS, CAC issued an RFP on November 7, 2012 to identify a Real Estate Broker to market the Development Site for sale; and

WHEREAS, staff reviewed the bids received against the RFP requirements and identified three (3) potential brokers from the pool of RFP respondents and recommended those three bidders to the Finance & Investment Committee for further review; and

WHEREAS, the Finance & Investment Committee interviewed those three (3) respondents to the RFP on January 17, 2012; and

WHEREAS, the Finance & Investment Committee recommends the selection of Vanguard Fine, LLC as the Real Estate Broker for the marketing and sale of the Development Site;

NOW, therefore be it resolved that the Board of Directors of the Capitalize Albany Corporation authorizes the Vice-President of Finance to execute a contract with Vanguard Fine, LLC to serve as the Real Estate Broker to market the Development Site for sale at a commission not to exceed 5%.

Signed: _____
Erik J. Smith
Vice-President of Finance

Date of Authorization: January 22, 2013
Prepared by Erik J. Smith

**Reply To Request For Proposals For
Commercial Real Estate Brokerage Services
Capitalize Albany Corporation**

**For
A 3.4 Acre Site Located At:
526 Central Ave
Albany, New York**

Exclusively Presented By:

Paul E. Bulmer
Senior Vice President

Christopher J. Farrell
Senior Sales Associate



Vanguard-Fine, LLC
1529 Western Ave., Suite 102
Albany, New York 12203

Phone – 518.862.0861
Fax – 518.867.3082

Dated: 11/20/2012

VF Vanguard-Fine, LLC
Commercial Real Estate Professionals

REQUEST FOR PROPOSALS
Commercial Real Estate Brokerage Services

Issue Date: November 7, 2012

Due Date: November 21, 2012 at 4:00 PM

Owner: Capitalize Albany Corporation
Attention: RFP Response
21 Lodge Street
Albany, NY 12207

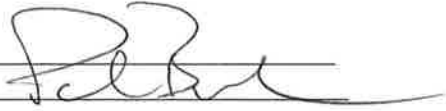
All inquiries for information should be directed to: Capitalize Albany Corporation, address listed above or phone 518-434-2532 or email agardner@capitalizealbany.com.

HARD-COPY, ORIGINAL PROPOSALS MUST BE RECEIVED BY CAPITALIZE ALBANY CORPORATION ON OR BEFORE THE DATE AND TIME DESIGNATED ON THIS SOLICITATION. ELECTRONIC SUBMISSIONS AND FACSIMILE SUBMISSIONS WILL NOT BE ACCEPTED IN LIEU OF THE HARD-COPY, ORIGINAL PROPOSAL. OFFERORS ARE RESPONSIBLE FOR THE DELIVERY OF THEIR PROPOSAL. PROPOSALS RECEIVED AFTER THE OFFICIAL DATE AND TIME WILL BE REJECTED.

SEND PROPOSALS BY MAIL, HAND DELIVERY, OR COURIER TO: CAPITALIZE ALBANY CORPORATION, 21 LODGE STREET, ALBANY, NEW YORK 12207. THE RFP TITLE, DATE AND TIME OF PROPOSAL SUBMISSION DEADLINE, AS REFLECTED ABOVE, MUST CLEARLY APPEAR ON THE FACE OF THE RETURNED PROPOSAL PACKAGE.

In compliance with this Request for Proposals and to all conditions imposed therein and hereby incorporated by reference, the Undersigned offers and agrees to furnish the goods/services described herein in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name and Address of Firm:

Vanguard-Fine LLC.	Date: 11/19/2012	
1529 Western Ave	By (Signature in Ink):	
Albany	Zip Code 12203	Name Typed: Paul Bulmer
E-Mail Address:	Title: Senior Vice President	
Telephone (518) 862-0862	Fax Number: (518) 867-3082	
FEI/FIN NO:		



**1529 Western Avenue., Suite 102
Albany, New York 12203
(518) 862-0861
(518)867-3082 fax
www.vanguardfine.com**

Managing Directors

Kenneth T. Brownell ♦ Barry J. Feinman

Senior Vice President

Paul Bulmer

Vice President

Steve C. Lerner

Senior Sales Associate

Christipher Farrell

OUR SERVICES

Advisory Services

Overview

Our wide array of services is a direct response to client market demands. In today's real estate business environment, any successful transaction requires several levels of expertise and insight. Just a few areas we cover include:

Our Services -

- ♦ Real Estate Sales
- ♦ Demographic Data
- & Market Mapping
- ♦ Buyer/Tenant Representation for Investment
- ♦ Build-to-Suit Development
- ♦ Leasing
- ♦ Lease Renegotiation
- ♦ Quantitative Financial Analysis
- ♦ Construction Management

Our Track Record

The principals and our team at Vanguard-Fine, LLC have a combined 75 years of experience in the brokerage, tenant representation, development and construction aspect of the real estate industry.

Vanguard – Fine, LLC -

- ♦ Has access to commercial and investment market information on a global basis.
- ♦ Has a commercial client base consisting of many of the largest United States and International corporations.
- ♦ Has successfully completed a number of development projects, on time, on budget for its clientele.
- ♦ Has consistently ranked in the top 5 of the largest volume real estate brokers in Eastern New York State (*as rated by the Capital District Business Review*). Our per agent volume is the highest in the Eastern New York State market.



What Makes Us Special?

Reaction Time -

Our decisions aren't processed through three levels of management 2000 miles away. They're made through our office in Albany, New York, by professionals who know how to analyze market conditions and react in a timely manner.

Advanced systems for advanced needs!

The extent and sophistication of our information systems allows our organization to process data for intelligent decisions. Our offices have direct access to real estate databases and advanced demographic tracking software. Our staff creates client specific reports for individual properties, as well as, financial, economic and demographic data.

OUR TEAM



Kenneth T. Brownell

Managing Director

Ken is a Managing Director of Vanguard-Fine, LLC and a partner in the Schenectady, NY based real estate developer Wood Partners. He has been in the commercial real estate business for over 22 years in the capacity of a broker, developer and advisor.

His work in the real estate industry has been enhanced by his well rounded experience in the industry, as well as his personal interests as a developer. From this varied experience, Mr.

Brownell has a unique perspective in finding comprehensive solutions to his client's real estate needs.

For the fiscal year ended 2011, Vanguard-Fine, was responsible for total brokerage lease and sale transactions in excess of \$69 million and more than five million dollars in development projects.

Prior to entering the real estate industry, Mr. Brownell was the President and CEO of Help Wanted Publications, Inc., a northeastern regional trade publisher.

Ken is a graduate of the College of Saint Rose in Albany, New York with a Bachelor's of Science with a concentration in Finance and Accounting and a minor in Computer Science. Ken serves on the Board of Advisors of the College of St. Rose Business School.

Ken served on the Board of Directors of the Commercial and Industrial Real Estate Brokers (CIREB), and Albany, NY based network of commercial real estate brokers. He is the Past President of CIREB serving as the President during 2004.

Ken is an active community volunteer, currently serving on the Town of Guilderland's Ethics Board and he is also the Chairman of the Town of Guilderland's Zoning Review Committee, which is currently reviewing the town's planning, zoning and making recommendations for changes.

OUR TEAM



Barry Feinman *Managing Director*

Barry is a Managing Director of Vanguard-Fine, LLC, a partner in the Schenectady, NY based real estate developer Wood Partners and a partner in Albany, NY based Safe Storage, Inc., a regional operator of self storage facilities. He has been in the commercial real estate business for over 25 years in the capacity of a broker, developer and advisor.

His work in the real estate industry has been enhanced by his well rounded experience in the industry, as well as his personal interests as a developer. Mr. Feinman has successfully developed over 500,000 square feet of buildings for his personal and family real estate holdings.

For the fiscal year ended 2011, Vanguard-Fine, was responsible for total brokerage lease and sale transactions in excess of \$69 million and more than five million dollars in development projects.

Prior to entering the real estate industry, Mr. Feinman owned a number of retail outlets in shopping malls.

Barry graduated from the University at Albany in Albany, New York.

Barry is also involved in the New York State Self Storage Association, serving on the Board of Directors and having been its' past President during 2002 and 2005.

Barry is also on the Board of Directors of the Albany Jewish Community Center (JCC) and currently serves as the President.

OUR TEAM



Paul Bulmer
Senior Vice President

Paul Bulmer is a Senior Vice President and Associate Broker with Vanguard-Fine, LLC. Paul is responsible for the sale and leasing of commercial projects throughout New York State and New England.

Paul has over 27 years of experience in the field of Commercial Real Estate. Prior to joining Vanguard-Fine, Paul was a Director of Real Estate for Stewart's Shops, a \$1.4 billion convenience store chain in Upstate New York & New England. Prior to Stewart's, Paul was a Director Real Estate for McDonald's Corp., acquiring new store sites in throughout Upstate New York, Vermont and Northern Pennsylvania and Western Mass. Paul has also been employed by the State of New York's Department of Labor and the United Realty Group in Albany.

Paul is a graduate of the State University of New York at Potsdam.

Paul has served on the Board of Directors of the Commercial and Industrial Real Estate Brokers (CIREB) and was the President of CIREB in 2009. Additionally, he serves on the Board of Directors for the Hudson Valley Community College Foundation and National Little League in Albany, NY.

OUR TEAM



Steven C. Lerner,
Vice President

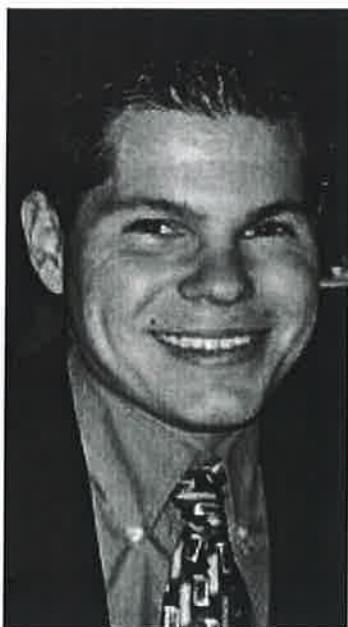
Steve Lerner is a Director of Real Estate and Associate Broker with Vanguard-Fine, LLC. He is a graduate of Bryant College where he received a bachelor's degree in business with a major concentration in Industrial management.

Steve has been a recognized and respected professional in the real estate and mortgage banking industries since he joined Roberts Real Estate in 1983. He quickly moved on to multifamily and commercial property sales and held several management positions until moving on to mortgage organizations and National Savings Bank and commercial business development at Cohoes Savings.

In 2001 Steve co founded the First Rate Funding Corporation where, as executive Vice President, he built a staff of over 20 people, two offices, (Albany and Saratoga) and a closed loan volume of over \$150,000,000. In 2005 he joined the commercial real estate financing firm of Axiom Capital, Inc., where he originated over \$40,000,000 in retail, multi family, office, and light industrial financing.

Steve has served on several Boards and committees with organizations such as the Center for Disability Services and currently serves on the Albany Jewish Community Center's Board of Directors. He resides in Albany, NY with his wife Nancy and their two children, Jennifer and Matthew.

OUR TEAM



Christopher Farrell *Senior Sales Associate*

Christopher Farrell is the Senior Sales Associate and New York State Licensed Sales Associate with Vanguard- Fine LLC. Over the past several years Chris has been involved with a multitude of Local, Regional, and National tenants and landlords. Chris works on sales and leasing of commercial property throughout New York State.

Chris joined Vanguard- Fine in August of 2010. Prior to joining Vanguard- Fine, Chris graduated from Siena College in Loudonville, NY, with a Bachelors of Science in Business and Marketing. While at Siena College, Chris worked in the Department of Residential Life as a Resident Assistant, and in Athletic Department as a Band Manager for the Siena College Pep Band. Before starting in Real Estate, Chris was the Director of Business Development for Robinson Ace Hardware in Guilderland, NY and currently works on Media and Public Relations for the Store.

Chris also works for Siena College Athletic Department as the Director of the Siena College Pep Band.

THE LIST OF LARGEST EASTERN NY REAL ESTATE BROKERS

Celebrating businesses



The Business Review recognizes outstanding businesses and business leaders in its annual Achievers Awards, which shows more than 100 people in the driver celebrating the honorees. Go to businessreview.com for information about nominating candidates for these prestigious awards.

The Business Review celebrates the brightest young members of the Capital Region business community each year with its 48 Under Forty program. The spring honoree has driven more than 700 people in the last three years. It is a remarkable award for everyone involved. Go to businessreview.com for information about nominating someone under the age of 40 who is making a difference.

Money in the bank

Firm	2011 Year-to-Date % Change	2010 Year-to-Date % Change
CMH-Albany	204.18%	204.18%
Capital Bank	109.11%	109.11%
BNH Realty Group	104.13%	104.13%
BNH Realty Group	103.13%	103.13%
BNH Realty Group	101.13%	101.13%
BNH Realty Group	100.13%	100.13%
BNH Realty Group	99.13%	99.13%
BNH Realty Group	98.13%	98.13%
BNH Realty Group	97.13%	97.13%
BNH Realty Group	96.13%	96.13%

Notes

Ranked by 2011 year-to-date volume generated in Capital Region commercial real estate. Figures represent only property volume for commercial real estate services. The year-to-date volume includes all sales, leases, assignments, broker fees, commissions, and other fees. Volume includes all sales, leases, assignments, broker fees, commissions, and other fees. Volume includes all sales, leases, assignments, broker fees, commissions, and other fees.

OFFICES

Capital Region (CR)

West Side (WS), East Side (ES)

South Side (SS)

North Side (NS)

West Side (WS), East Side (ES)

South Side (SS)

North Side (NS)

The List

2011 YEAR-END RANKING

Ranking by Volume

2011 YEAR-END RANKING

COMMERCIAL REAL ESTATE FIRMS

Ranked by Capital Region commercial real estate volume

2011 Rank	Firm	2011 Volume (\$ mil.)	% Change	Volume Last Year (\$ mil.)	% of Transactions	Capital Region Licensed Agents	Services	Principal/President/Partner
1	CMH-Albany 300 Broad St., Suite 110, Albany, N.Y. 12242 402-338-1000 cmhny.com	114,212,126	+11.0%	102,811,343	31	18	Commercial, property management	Robert C. Brown, Jr. President/Managing Director
2	Capital Bank 90 Washington Ave., Suite 100, Albany, N.Y. 12242 402-338-1000 capitalbank.com	102,811,343	+10.0%	93,456,789	30	17	Commercial, property management	Charles C. Brown President/Managing Director
3	BNH Realty Group 2000 Parkside Ave., Suite 200, Schenectady, N.Y. 12304 518-388-1000 bnhny.com	102,811,343	+10.0%	93,456,789	30	17	Commercial, property management	Robert C. Brown, Jr. President/Managing Director
4	BNH Realty Group 300 Broad St., Suite 110, Albany, N.Y. 12242 402-338-1000 bnhny.com	102,811,343	+10.0%	93,456,789	30	17	Commercial, property management	Robert C. Brown, Jr. President/Managing Director
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13	BNH Realty Group 300 Broad St., Suite 110, Albany, N.Y. 12242 402-338-1000 bnhny.com	102,811,343	+10.0%	93,456,789	30	17	Commercial, property management	Robert C. Brown, Jr. President/Managing Director
14	Capital Bank 90 Washington Ave., Suite 100, Albany, N.Y. 12242 402-338-1000 capitalbank.com	102,811,343	+10.0%	93,456,789	30	17	Commercial, property management	Charles C. Brown President/Managing Director

Summary of Company Experience for Similar Properties

The following is a brief list of similar retail projects that were listed and sold by Vanguard-Fine, LLC (VFLLC):

- VFLLC had listed and sold the Hannaford Plaza in Hudson Falls, New York for \$2,250,000. This center is approximately 7 miles from Northway Plaza. This was a 125,000 sf vacant shopping center that was once anchored by Ames. The buyers subsequently hired VFLLC to complete the leasing of the plaza for the spaces adjacent to the new Hannaford. Successfully leased spaces in this plaza to Dollar tree, Aaron's Rents, Subway, Verizon and Hudson River Community Credit Union.
- VFLLC listed and sold Webster Plaza in Webster NY to BAG Investments, who is a California based company. The site is a 165,000 sf regional shopping center and sold for \$10,300,000.
- VFLLC listed and sold Quaker Plaza located at 108 Quaker Rd in Queensbury, NY. This is a 32,000 sf neighborhood shopping center that we sold for \$1,100,000 while it was only 50% occupied. Since the sale, VFLLC has been hired to lease the center and it is now 90% occupied.
- VFLLC has listed and has a pending contract on 4 acres of land owned by Macy's Corp. within Colonie Center in Colonie, NY. The site was listed in December of 2011 and the contract with a hotel developer is for approximately 88% of the original asking price. We can not disclose the price until the sale is completed, which is expected to occur in March 2013 pending municipal approvals.
- VFLLC listed and sold a Rite Aid at 124 Ridge St., Glens Falls, NY for \$900,000.00, which was later developed into a new prototypic store.

Proposed Services:

The following is a list of the basic services that Vanguard-Fine, LLC will provide to Capitalize Albany Corporation as the Listing Broker for 526 Central Avenue, Albany, NY:

- Prepare a Broker Opinion of Value (BOV) to help properly set the asking price for the property. We have already starting working on completing the BOV.
- Create all marketing materials, both hardcopies and electronic versions.
- Create a list of initial prospective buyers, based on our market knowledge.
- Execute Marketing Plan (*a detailed marketing plan is included after this list of Proposed Services*).
- Continually identify any changes in the local market that may influence this site.
- Provide and present regular updates to Capitalize Albany Corporation on the progress with the marketing of the site.
- After receipt of an offer on the property, work closely with Capitalize Albany Corporation on negotiating acceptable terms.
- Assist prospective Buyers with items they may need from Capitalize Albany Corporation to help facilitate a timely closing.

Marketing Plan:

The following is a proposed Marketing Plan for 526 Central Avenue, Albany, NY:

- A 4' x 8' sign will be ordered for the site on the day we receive the signed Agreement.
- An extensive Offering Package will be completed within 3 days of receiving the signed Agreement. We will have both hardcopies and electronic versions of the package available.
- We will create a list of logical prospective buyers within the first couple of days and market the site directly to them via phone, email and in-person meetings.
- We will send out a marketing flyer to all CIREB (Commercial & Industrial Real Estate Brokers) members within the first few days after receiving the Agreement.
- In addition to the CIREB members, we will do an email blast to over 2,500 real estate professionals throughout the entire Northeastern U.S.
- We will post the site on Loopnet, CoStar, Craigslist, Facebook and Twitter.
- We will pay for ads in the New York State Real Estate Journal and on BigBoysBlast, which is an email service that sends an email blast to over 95,000 real estate professionals.
- We will be presenting the property at CIREB's monthly marketing sessions.
- We attend four (4) ICSC (International Council of Shopping Centers) conferences each year. The site will be displayed at our booth at each of these conferences.

- The key to successful real estate marketing is proper follow-up with all prospective leads. We will follow up with all prospects via phone and email at least twice per month. After the initial marketing push, we will also send out a monthly email blast to continually market the site.

Vanguard-Fine LLC. Current Listings

Below is a list of a few of Vanguard-Fine LLC's current local listings:

- | | |
|---|-----------------------|
| 1. 1632A Central Ave-
Albany, NY | Former Restaurant |
| 2. 911 Central Ave-
Albany, NY | Westgate Plaza |
| 3. 180 Delaware Ave-
Delmar, NY | Delaware Plaza |
| 4. 1007 Central Ave-
Albany, NY | Retail Site |
| 5. 515 Troy Schenectady Rd-
Latham, NY | Circle West Plaza |
| 6. 1839 Central Ave-
Colonie, NY | Central Square |
| 7. 226 North Allen-
Albany, NY | Flex Building |
| 8. 1054-56 Broadway-
Albany, NY | Commercial Building |
| 9. 145 Wolf Rd-
Albany, NY | Wolf Rd Shoppers Park |
| 10. 1315 Central Ave-
Colonie, NY | Omega Plaza |
| 11. 19 Wolf Rd-
Colonie, NY | Macy's Pad Site |

Time to Sell Property:

As the economy is making a very slow recovery out of the recession, commercial real estate is following a slow path to recovery as well. Properties that would have sold quickly years ago are now sitting on the market for longer periods. This is due to both fewer buyers in the market and Sellers still trying to achieve pre-recession prices. The key to a quicker sale is to set a fair price and then aggressively market the site.

Assuming that we price the property correctly, we feel that within 5-9 months you should have a fully executed contract and depending on the amount of permitting required, a closing 4-8 months after the contract is signed.

Client References

The following is a brief list of clients for whom we have performed similar services:

- Mr. Paul Bayer
Executive Vice President Acquisitions
National Retail Properties, Inc.
450 S. Orange Ave., Suite 900
Orlando, FL 32801
(407) 650-3697
- Mr. Kim Fiedler
Executive Vice President Acquisitions
Benderson Development
8441 Cooper Creek Boulevard
University Park, Florida 34201
(941) 400-5012
- Mr. Alan Gindi
General Partner
B.A.G. Investments, L.P.
8665 Wilshire Blvd.
Beverly Hills, CA 90210
(310) 289-0446
- Mr. Steven Powers
Nigro Companies
20 Corporate Woods Blvd.
Albany, NY 12211
(518) 436-8421
- Mr. David Fusco
General Partner
Fusco Realty, LP
407 State St.
Schenectady, NY 12305
(518) 857-0850
- Mr. Mark Gambil
Director of Real Estate
Macy's Corporation
7 West Seventh St.
Cincinnati, OH 45202
(513) 579-7116

- Mr. Michael Markman
BET Investments/Bruce Toll Enterprises
200 Witmer Road, Suite 200
Horsham, PA 19044
(215) 938-7115
- Mr. Michael Wachs
Wachs Investments
215 W. Church Road, Suite 107
King of Prussia, PA 19406
(610)662-9945
- Mr. Gregory Konover
Executive Vice President/Partner
Konover Development Corp.
135 South Rd.
Farmington, CT 06032
(860) 284-7200

Proposed Summary and Schedule for Key Activities:

The following is a schedule for Key Activities:

1. Kick-Off Meeting between VFLLC and Capitalize Albany Corporation should occur as soon as possible. We will provide you with a detailed timeline for our Marketing Plan plus our Broker Opinion of Value. The items we should receive from you should include, but not limited to; Deeds, surveys, utility information, any appraisals that have been completed, any easement language, environmental reports and a brief history of your own marketing efforts on the site. In addition, we will set up a schedule for providing regular updates to Capitalize Albany Corporation.
2. Within 2-3 days after signing the Agreement we will provide you with a completed Marketing / Offering Package for you to review and comment on.
3. Sign to be installed within two weeks of receiving the signed Listing Agreement.
4. All marketing materials will be initially distributed within the first two weeks of having the listing.

Proposed Fee Structure & Listing Agreement Term

We are proposing the following two tiered fee structure:

1. If Vanguard-Fine, LLC (VFLLC) is the sole Broker involved in a sale transaction, the total commission due to VFLLC will be 4% of the purchase price.
2. If the buyer is represented by another Broker, the total commission due to VFLLC will equal 5% of the purchase price, and VFLLC will then pay the broker representing the buyer 50% of their commission proceeds.

We are proposing a one (1) year term on the Listing Agreement

**RESOLUTION 2-2013
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, Winn Development Company, LP (“Developer”) is undertaking a project to convert the former Philip Livingston School into approximately 103 affordable rental housing units (“Project”) which will utilize a mixture of public and private financing including 9% low-income tax credits to be awarded by the New York State Office of Homes and Community Renewal (HCR) through an application process; and

WHEREAS, to enhance the Developer’s application to HCR for low-income tax credit financing, participation in the Project by a not-for-profit entity is required; and

WHEREAS, the participation by the not-for-profit entity will include serving as the Managing General Partner of a to-be-formed Limited Partnership (“LP”) with the Developer; and

WHEREAS, the not-for-profit entity and the Developer will execute a joint venture agreement; to identify each parties responsibilities within the LP; and

WHEREAS, the LP’s activities will include the renovation and operation of 103 affordable rental housing units, including architectural and engineering analysis and design, securing necessary financing, subsidies and grants for acquisition, construction and/or renovation of the Project, the organization of an entity or entities to carry out the Project, and all other acts deemed necessary and proper in furtherance of the purpose of the Project; and

WHEREAS, CAC is considering participating in the Project by serving as the aforementioned not-for-profit entity; and

WHEREAS, CAC’s mission includes “providing for additional . . . employment,” “bettering and maintaining job opportunities,” and “encouraging the development of, or retention of business . . . and lessening the burdens of government and acting in the public purpose” and renovation of the Project would contribute to the success of CAC’s mission; and

WHEREAS, to best determine CAC’s participation in this project, it will be necessary for CAC to conduct due diligence, including, but not limited to procuring any needed professional services;; and

WHEREAS, further CAC participation in this project beyond the above stated joint venture agreement, including entering into a formal Joint Partership Agreement, will be authorized by additional Board Resolution(s);

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Capitalize Albany Corporation authorizes the Chairman to execute a joint venture agreement subject to Counsel and compliance review.

Signed: _____
Michael J. Yevoli
President

Date of Authorization: January 22, 2013

**LV Apartments LP: Joint Venture Agreement Between
Capitalize Albany Corporation
And
WinnDevelopment Company Limited Partnership
Regarding Property known as Livingston Apartments
Located in Albany, NY**

This Joint Venture Agreement (hereinafter referred to as the "Agreement") is made effective as of the ____ day of January 2013 by and between Capitalize Albany Corporation, a New York not-for-profit corporation, located at 21 Lodge Street, Albany, NY 12207 (hereinafter referred to as "CAC") and WinnDevelopment Company Limited Partnership, located at 6 Faneuil Hall Marketplace, Boston, MA 02109 (hereinafter referred to as the "Developer").

1. **Purpose:** The purpose of the Agreement shall be to facilitate the acquisition, design, financing, renovation, and ownership of a project known as Livingston Apartments (the "Development"). The principal activities under this Agreement shall be the renovation and operation of 103 affordable rental housing units in the Development, including architectural and engineering analysis and design, securing necessary financing, subsidies and grants for acquisition, construction and/or renovation of the Development, the organization of an entity or entities to carry out the Development, and all other acts deemed necessary and proper in furtherance of the purpose of the venture.
2. **Program:** The Development shall be used as affordable rental housing in accordance with Federal Low Income Housing Tax Credit requirements. The sources of financing for the Development are expected to include construction and permanent financing, funds from the State of New York, tax credit equity, and other conventional and public financing.
3. **Form of Entity:** The parties have organized a New York Limited Partnership, LV Apartments L.P., that shall own the Project on the terms set forth herein, pursuant to an agreement of Limited Partnership, a certificate of which is to be filed in accordance with New York law (the "Limited Partnership Agreement").
4. **Managing General Partner:** The Managing General Partner of the Limited Partnership shall be a CAC affiliate entity of which it is the sole member. CAC will have no personal liability under this agreement, the Limited Partnership Agreement, or any other agreement relating to the Project.
5. **Administrative General Partner:** The Administrative General Partner of the Limited Partnership shall be an affiliate entity of the Developer.
6. **Special Limited Partners:** The Limited Partnership may have a special limited partner that is an affiliate of the Investor Limited Partnership, defined below.
7. **Limited Partners:** In addition to the Special Limited Partners, the limited partner(s) of the Limited Partnership shall initially be the Developer and/or such other affiliates of the Developer and/or other entities admitted to the Limited Partnership as limited partners by the Developer. It is the intention of the parties to obtain an equity investor (the "Investor Limited Partner") as is customarily done in tax credit low-income housing ventures of similar nature to the Project.

8. **Ownership Percentages:** The ownership percentages of the Limited Partnership, pre-syndication, shall be as follows;

- a) Managing General Partner 51%
- b) Administrative General Partner 49%

Post syndication, shall be as follows;

- a) Investor Limited Partner 99.99%
- b) General Partner Ownership .01%, broken down as;
 - 51% Managing General Partner (CAC)
 - 49% Administrative General Partner (Winn)

9. **Costs:** Each Partner shall pay their own costs including, but not limited to, legal and financial consulting services, and expenses of its organization, as incurred by the Managing General Partner or Administrative General Partner in connection with the transaction. These costs will be considered project costs and any amounts so incurred by and reimbursed to the Managing General Partner shall off-set its Fee amounts due and payable below. Developer shall pay all pre-development costs incurred in connection with the acquisition of the Project, the creation of the Limited Partnership and all related financing and development costs, which shall be reimbursable to Developer at the construction/equity closing as allowable project costs. In the event of the termination of this Agreement pursuant to Section 23, the Developer shall be obligated to pay reasonable costs incurred under this Section 9 only through the date of termination.
10. **Fees:** In connection with the development of the Project as well as the provision of financial guarantees, the Developer shall be paid a development fee in an amount approved by the HCR and the other funding sources for the Project, which amount will be not greater than fifteen percent (15%) of Total Development Costs, as defined in the development budget, provided that Total Development Costs shall not include the builder's profit, if the contractor for the Project is an affiliate of Developer. The Managing General Partner shall share/receive a portion of the Fee equal to One Hundred Thousand Dollars (\$100,000) payable at the syndication/construction loan closing. Provided that the syndication/construction loan closing occurs, the Developer shall guarantee payment of the Managing General Partner's fee payable under this Section 10. As mentioned above the Developer, or its affiliates, shall provide, to the extent acceptable to the Developer in its sole discretion, all guaranties required by the Investor Limited Partner or any lenders to the Project needed to finance the acquisition and rehab of the Project.
11. **Development and Operation Budgets:** The Developer shall prepare an initial development budget for the Project that shall include a projection of all anticipated costs of the acquisition, rehabilitation and development of the Project (the "Development Budget"). Thereafter, the Property Manager shall prepare an annual operation budget for the Project (the "Operating Budget"). The Managing General Partner shall retain the right to review the Development Budget for substantial conformity to the development budget submitted to and approved by the New York State Division of Housing and Community Renewal and review and provide input on Annual Operation Budgets.
12. **Cash Flow:** Cash Flow from the Project shall be paid in accordance with the annual Operating Budget to the extent available and subject to the terms of Limited Partnership

Agreement. Cash flow shall first flow to Developer to repay any deferred development fee and operations loans made to LV Apartments L.P. After repayment of the deferred development fee, incentive management fees, asset and compliance management fees and operating loans, the CAC General Partner shall receive 51% of available cash flow as Managing General Partner and the Winn General Partner shall receive 49% of available cash flow as the Administrative General Partner.

13. **Property Management:** Subject to Approval of CAC, an affiliate of the Developer, Winn Managed Properties LLC, shall be designated as the Property Manager and shall enter into a Property Management Agreement with the Limited Partnership. In connection with such Property Management Agreement, the Property Manager shall be paid a property management fee, which is reasonable and customary in the industry for management of similar types of projects. The Property Manager shall endeavor to utilize minority and women-owned business consistent with past practices of the Property Manager.
14. **Asset Management:** The Investor Limited Partner or its affiliates may be entitled to receive an asset management fee and cash flow, which is reasonable and customary in the industry for similar types of partnerships. The Special Limited Partner shall review operations of the Project for the benefit of the Investor Limited Partner and shall exercise any rights for the benefit of the Investor Limited Partner as may be granted in the Limited Partnership Agreement.
15. **Rights of Administrative General Partner:** The Administrative General Partner shall have the right to make certain day-to-day decisions with respect to the operation/development of the Project, subject to MGP Approval as set forth in Section 16, and except as provided in Section 16, AGP shall not be required to obtain such approval prior to taking such actions.
16. **Rights of Managing General Partner:** The Managing General Partner shall have final decision/Approval making powers for certain major decisions/Approvals of the Project after consultation and input from the AGP, as well as play a lead role in the service coordination for the elderly residents at the Property. A list of such major decisions requiring MGP Approval follow herein:
 - a) Approval of changes to Construction specifications;
 - b) Approval of general contractor;
 - c) Approval of changes to Development Budget;
 - d) Final approval of Financing commitments, loan agreements and security documents;
 - e) Approval of final proposed Operating Budget;
 - f) Approval of final proposed Management Plans;
 - g) Approval of final proposed Tenant selection policy;
 - h) Approval of selection of Investor Limited Partner;

The review and approval by the Managing General Partner of the above will be for the primary (but not exclusive) purpose of confirming that the Project remains substantially in conformance to the project's application to the New York State Division of Housing and Community Renewal. The Administrative General Partner will accept reasonable comments from the Managing General Partner, which are consistent with the foregoing, and will negotiate in good faith with respect to other comments, which the Managing General Partner may propose. The Administrative General Partner retains the right to

make necessary modifications such that the modifications do not materially alter the scope, design or amenities of the Project. For purposes of this agreement MGP Approval shall be defined as approval which is not unreasonably withheld or unnecessarily delayed. And if no response is received within 15 days, such proposal is deemed approved ("MGP Approval").

In addition, the Managing General Partner shall receive (i) copies of all audited and interim unaudited financial statements with respect to the Limited Partnership and the Project, (ii) construction progress reports and operating reports with respect to the Project, (iii) copies of any reports furnished by the General Partner to the Limited Partners, Special Limited Partners, or Investor Limited Partner, (iv) prior notice of any meeting with Limited Partners, the Special Limited Partner or Investor Limited partner and the right, in the discretion of the Managing General Partner, to attend any such meeting and (v) copies of all material correspondence with respect to the Project, including without limitation, any notices from or correspondence with governmental agencies.

- 17. Rights of Investor Limited Partner:** The Investor Limited Partner shall have such rights as are specifically provided for in the Limited Partnership Agreement and shall not have any other rights with respect to any decisions of the Limited Partnership except as set forth therein. The rights of the Investor Limited Partner shall be determined by the Developer and the Administrative General Partner and shall in general be reasonable and customary for Investor Limited Partner in a transaction of this nature.
- 18. Binding Effect:** This Agreement shall be binding upon the parties and shall serve as the Agreement of the parties as to the matters addressed herein (once it has been approved by the Board of Directors of CAC) until such time as a formal Limited Partnership Agreement is agreed upon and fully executed by the parties in accordance with the terms hereof. The Developer has appointed Gilbert J. Winn as the Developer's representative in connection with the Project. The Managing General Partner has appointed _____ as the Managing General Partner's representative in connection with the Project. Each of the parties may rely on the action and signature of their representatives without further inquiry as to the authority of such representative.
- 19. Guaranties; Indemnity:** An affiliate of the Developer shall provide, to the extent acceptable to the Developer in its sole discretion, all guaranties required by the Investor Limited Partner or any lenders to the Project needed to finance the acquisition and rehab of the Project, provided that each such guaranty shall also be reasonably acceptable to the Managing General Partner. Notwithstanding any provisions of this Agreement to the contrary, the project Guarantor shall have sole right to accept, finalize negotiations and enter into any project legal documents which directly affect its guaranteed financial obligations. The Managing General Partner shall have no obligation to guarantee or otherwise commit its funds to the costs required to close the transactions contemplated in this Agreement. The Developer shall indemnify and hold harmless the Managing General Partner for any claim, expense or liability arising solely as a result of Developer's activities as General Partner hereunder or the Limited Partnership Agreement, including reasonable attorney's fees in connection with any allegation or claim made against the Managing General partner as Managing Partner, arising from the acquisition, renovation, ownership or operation of the Project. The Managing General Partner shall indemnify and hold harmless the General partner and Developer for any claim, expense or liability arising solely as a result of Managing General Partner's

activities as Managing General partner hereunder or the Limited Partnership Agreement, including reasonable attorney's fees in connection with any allegation or claim made against the Administrative General Partner and Developer as General Partner and Developer, arising from the acquisition, renovation, ownership or operation of the Project.

20. Press Releases: The Developer agrees that all press releases in connection with the Project shall be jointly issued by the Managing General Partner and the Developer and, to the extent desired by the Managing General Partner, shall prominently feature the Managing General partner as an owner of the Project.

21. Procurement Process: The parties acknowledge that the Project will be owned by the Limited Partnership and that the Limited Partnership will be private for-profit entity that meets all requirements of Section 42 of the Internal Revenue Code to allow the Investor Limited Partner to benefit from low-income housing tax credits. The Managing General Partner further acknowledges that it has complied with all necessary requirements for solicitation and procurement of the Developer in connection with the formation and execution of this Agreement and carrying out the activities contemplated in this Agreement.

22. Authorization: The parties hereby authorize the execution of this Agreement (subject to approval of the Board of Directors of CAC) and the revision and finalization of the Limited Partnership documents in accordance with the provisions contained herein and further authorize the Limited Partnership to take the following actions, subject in each instance to the rights and obligations set forth in this Agreement:

- a) Acquire the Project;
- b) Obtain construction and permanent financing for renovation of the Project or such increased amounts that may be approved by any institutional lender for the Project;
- c) Admit one or more equity investors as Investor Limited Partner and Special Limited Partners;
- d) Rehabilitate the Project in accordance with the scope of repairs as submitted in the NYS DHCR tax credit application.

23. Termination of Agreement: The Agreement may be terminated upon the occurrence of the following events;

- a) If the Project is not acquired on or before July 31, 2013, this Agreement may be terminated by either party giving written notice to other of its desire to terminate the Agreement; and
- b) Upon creation of the Limited Partnership and execution of a Limited Partnership Agreement, the terms of which will be consistent with this Agreement, by all of the General, Special and Limited Partners thereto, this Agreement shall be deemed to be merged into, and thereafter be a part of, the Limited Partnership.

24. Right of First Refusal: CAC will be entitled to enter into a standard nonprofit option to purchase and right of first refusal with the Limited Partnership (and its tax credit investor) to acquire the property at the end of the 15 year tax credit compliance period at a purchase price permitted under Section 42(i)(7) of the Internal Revenue Code and subject to approval by the Investor Limited Partner. CAC will also be entitled to have a right of first refusal to offer 1st mortgage financing to the project.

ACKNOWLEDGED AND AGREED TO BY THE PARTIES OF THE _____ DAY OF JANUARY 2013.

CAPITALIZE ALBANY CORPORATION

By: _____

Its:

WINNDEVELOPMENT COMPANY
LIMITED PARTNERSHIP

By: _____

Its:

Capitalize Albany Corporation Board Meeting

January 22, 2013

Agenda Item #3: PAAA/PARA Update

Materials:

- Compliance Review Requirements
- Preliminary List of Requested Documents for Review
- Compliance Review Process
- Draft CAC Discretionary Spending Policy Resolution 3-2013
- Draft Discretionary Spending Policy
- Authorities Budget Office Recommended Practice



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January 2, 2013

Mr. Michael Yevoli
President
Capitalize Albany Corporation
21 Lodge Street
Albany, New York 12207

Dear Mr. Yevoli:

In accordance with Section 6(a) of the Public Authorities Reform Act (Act), the Authorities Budget Office has scheduled a review of the operations and practices of the Capitalize Albany Corporation (Authority). This operational review will evaluate the effectiveness of the Authority's operations.

We expect to have several Authorities Budget Office staff on site at the Authority conducting this review under my direct supervision. We will be holding the entrance conference for this review at the Corporation's office at 21 Lodge Street on Friday, January 11, 2013 at 9:00 am to discuss the review scope and objectives and to establish appropriate working arrangements. We plan to begin our review immediately following the entrance conference, and anticipate that our on-site work will take place over several weeks.

I've enclosed a copy of our policy guidance on the Compliance Review Process. I hope that you find it useful and that it addresses any questions that you may have of the process. In addition, I am also attaching a list of documents and records that we expect to review. In order to minimize the amount of time that we will need to be on-site, it will be helpful to have this information provided to us in advance of the entrance conference or made available at the entrance conference. As the review progresses, we will also identify additional documents and records for review.

We will appreciate your cooperation and that of your staff during this review. If you have any questions concerning this review, please contact me at (518) 408-1041.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Farrar'.

Michael Farrar
Deputy Director
Compliance & Enforcement

Enclosure

Cc: Micheal Castellana, Capitalize Albany Corporation Chair

Requested Documents for Capitalize Albany Corporation

The ABO's compliance review team will need to review the following documents and reports, if possible:

- Current CAC By-laws
- List of CAC staff and job descriptions
- Organization chart
- Year end payroll reports for 2011 and 2012
- List of funding programs or assistance available for projects provided by CAC, along with the eligibility policies/guidelines and the current amount of funds available for each of the programs
- List of all active projects since January 2011, with type and amount of assistance provided to each project
- List of all real property owned by the CAC and its subsidiary Citywide Property Holdings, LLC
- List of all real property leases and tenants
- List of all professional service agreements currently in place (such as legal, accounting, auditing, engineering, construction)
- Vendor payment files or other reports of payments made by the CAC for 2011 and 2012
- Copies of all operating and administrative agreements between CAC and the City of Albany, as well as other economic development entities such as the Albany CDA, Albany IDA, and Albany CRC.
- CAC's Employee Handbook
- Annual reports prepared by CAC to funding entities identifying uses and results of funds provided.
- CAC Investment Policy

Authorities Budget Office Policy Guidance



No. 11-01

Date Issued: February 1, 2011

Supercedes: 07-03

Subject: Compliance Review Process

Statutory Citation: Section 6(1)(a) of Public Authorities Law

Provisions: The Public Authorities Accountability Act and the Public Authorities Reform Act empower boards of directors to take the steps necessary to promote effective management, improve accountability and oversight, encourage transparent and full disclosure, and establish a culture of ethical behavior and personal responsibility. The Authorities Budget Office (ABO) was created, in part, to assess and enforce the compliance of public authorities with these requirements and to review, analyze, and report on their operations, budgets and practices.

Authorities Budget Office (ABO) Policy Guidance: The ABO is committed to enforcing the requirements of the Acts and other applicable provisions of State law in a fair and balanced way. Its goal is to achieve broad compliance with the intent of the Acts, to identify and address factors that inhibit compliance, and to promote high quality performance consistent with the mission and purpose of the authority.

The ABO's responsibility is to ensure that all public authorities, regardless of size and resources, follow the model governance principles contained in the Acts and operate as efficiently and effectively as possible. Accordingly, its compliance assessments will focus on:

- **Governance Reports.** The purpose of these reviews is to provide an objective determination as to whether the authority has adopted the governance principles codified in the two Acts and in other applicable State laws.
- **Operational Reports.** These reviews are objective assessments of an authority's actual adherence to its adopted governance principles and policies, and how well its actions and activities contribute to achieving its statutory mission and performance objectives.

- **Limited Scope Reports.** These reviews are narrow and targeted assessments of specific operating or procedural issues, practices or activities that could compromise the effectiveness of the authority.

Compliance reviews will provide directors and officers with useful information to assist them manage the financial, operating and business risks associated with public authorities. The reviews will also provide information to the public and other government officials on the governance practices, operations and performance of public authorities.

The ABO will conduct its compliance reviews in accordance with internal protocols developed specifically for these reviews, which are based on generally accepted professional standards. These standards address issues such as the independence, competence, professional judgment, and training of ABO staff; quality control over the review process, the planning, supervision, and documenting of information for the compliance review; and the specific elements that must be included in the compliance review report.

The ABO will notify public authorities sufficiently in advance of a compliance review in order for the authority to have time to prepare and to maximize the efficiency of the process.

The components of the compliance review will consist of the following:

Entrance Conference: The ABO will hold an entrance conference with the authority's executive management to discuss the review process and its proposed scope.

Review Stage: This is the analytical phase and generally will take the most time to perform. During this stage, members of the ABO's compliance team will examine and assess relevant financial, operational, and procedural documents of the authority and interview appropriate board members, management and staff. The review stage will generally take place on-site at the authority, but may also take place in other locations.

Discussion Draft: This preliminary written document provides the authority with the results and conclusions of the compliance review. It is shared with authority management for its review and to address any factual errors or misinterpretations made by the compliance team. Management is expected to circulate the draft to the board for its comments. A written response from the authority to the draft report must be signed by the board chair. As necessary, the board's response will be reflected in a revised final draft.

Exit Conference: After authority management and the board of directors have had sufficient time to review the discussion draft and prepare comments, an exit conference may be scheduled. At the exit conference, the review team and

authority officials will discuss the contents of the discussion draft and the authority's comments and feedback. Based on the exit conference, the ABO may make revisions in advance of the final report, and any revisions will be discussed with authority management. An exit conference may not be held for all limited scope reviews, at the discretion of the ABO.

Final Report: The ABO will issue a final compliance report to the head of the authority. The authority's management is responsible for responding to the compliance issues and recommendations outlined in the report. The authority is expected to adopt policies and procedures that adequately address the concerns raised in the report and that advance the authority toward compliance with its statutory obligations. Subsequent to the release of the report, the ABO, as part of its technical assistance, training, and oversight responsibilities, will be available to work with management on developing and implementing appropriate corrective actions and will monitor progress toward compliance.

If the final report concludes that the authority is out of compliance with one or more reporting requirements, that board actions are inconsistent with its fiduciary responsibilities, or that management has not adopted or adhered to appropriate policies and procedures, the issuance of the final report will constitute an official warning by the ABO. The failure to adequately address these deficiencies could lead to additional enforcement actions being taken by the ABO.

As a general rule, the ABO will also distribute final compliance reports to officials having a direct interest in the results of the review team's work. Such officials could include representatives of the Governor, the chairman and ranking minority member of the Senate and Assembly standing committees on corporations, authorities, and commissions, the chairman and ranking minority member of the appropriate oversight committees, and local officials and appointing authorities. Copies of final compliance reports are also distributed to the media. Compliance reports will not contain information specifically exempted from disclosure by state or federal statute, or such information which if disclosed would constitute an unwarranted invasion of personal privacy or interfere with law enforcement investigations or judicial proceedings. When a compliance report is issued, the report will be made available to the public on the Authorities Budget Office website (<http://www.abo.state.ny.us>).

**RESOLUTION 3-2013
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, Resolution 11-2011 directed the President to comply with the applicable requirements of the New York State Public Authorities Law (PAL); and

WHEREAS, in accordance with Resolution 11-2011, CAC staff, following a review of recently issued ABO guidance, has developed a Discretionary Spending Policy to more specifically guide the Corporation as to what types of expenses are reimbursement and non-reimbursable, with the guidance principle that all Corporation expenses must be primarily intended to advance the CAC mission; and

NOW THEREFORE BE IT RESOLVED, that the Board adopts the attached Discretionary Spending Policy.

Signed: _____
Michael J. Yevoli, President

Date of Authorization: January 22, 2013
Prepared by Erik J. Smith

Discretionary Spending

Purpose:

The expenditure of CAC funds should be for purposes that relate to and support CAC's corporate mission. The Board of Directors have a fiduciary duty which included adopting policies that safeguard the assets of the CAC while ensuring assets are deployed in a way that advances CAC's corporate mission. The purpose of this policy is to establish the proper use of CAC discretionary funds.

Acceptable uses of CAC discretionary funds:

- Reimbursement for travel and travel-related expenses incurred through the delivery of CAC's corporate mission;
- Meal costs incurred (either directly or through reimbursement) in the deliverance of CAC's corporate mission;
- Other uses explicitly approved by the Board of Directors.

Employees are required to perform due diligence to obtain the lowest cost for travel and travel-related expenses. Prior authorization is required by the employee's immediate supervisor and CAC President to ensure travel is reasonable and necessary. Employees are required to submit documentation to justify the nature and purpose of such expenses. For costs related to the CAC President, the Chair of the Board of Directors must approve reimbursement.

Receipts or equivalent documentation is required to receive reimbursement for expenses.

Prohibited uses of CAC's discretionary funds:

Purchases using CAC cash or credit that are primarily personal in nature or that would primarily benefit one of more staff of the authority rather than primarily benefit CAC's mission are not necessary to advance the mission of CAC and are prohibited. By way of example, the following expenses are provided as examples of those which would often be non-reimbursable – as such expenses are likely to be held to primarily provide personal benefits to an employee or director rather than to primarily advance CAC's corporate mission or purposes:

- Flowers and gifts for staff, directors or family members on the personal behalf of CAC staff or directors;
- Subsidized or free use of CAC services or facilities for the personal use of current or former board members, staff, or family members of staff;
- Celebrations for special occasions that do not directly relate to the purpose of the Corporation;
- Charitable contributions or sponsorships of events not associated with the Corporation's mission;

Effective:

Discretionary Spending

- Purchases of alcohol or tobacco products when such purchases are primarily intended to provide a personal benefit to CAC staff or directors rather than to primarily advance the CAC mission;
- Membership dues in professional organizations on behalf of employees except those organizations determined to be specifically related to CAC operations and when membership in such organizations contributes to the professional expertise of CAC staff in achieving the CAC mission;
- Renewal of professional licenses for staff;
- Costs to purchase or mail holiday cards, invitations or expressions of sympathy to staff or families of CAC staff on the personal behalf of CAC staff or directors; or
- Assignment of cell phones or vehicles to non-CAC staff.

In each of the above situations, it is expected that the CAC approval authority will closely examine any requested expenditure to first determine that the primary purpose of such expenditure is to advance CAC's corporate mission rather than to provide a personal benefit to the involved CAC staff and/or directors.

Authorities Budget Office Recommended Practice



This Recommended Governance Practice is intended for use by policymakers, and directors, officers and officials of state and local authorities. These bulletins are intended to promote best practices and encourage their consideration and incorporation into the management policies and oversight of public authorities.

Issue: Written Policies Governing the Use of Authority Discretionary Funds

Provisions: Section 2824(1)(b) of Public Authorities Law requires directors to understand, review and monitor the implementation of fundamental financial and management controls and the operating decisions of the authority.

Objectives: Boards of directors and authority management have an obligation to authorize the expenditure of funds only for purposes that relate to and support the mission of the authority. The fiduciary duty of the board includes adopting policies that safeguard the assets and resources of the authority and protect against the use of funds for purposes that do not advance its core purpose and objectives. It is particularly important for the board to develop a policy on the proper use of authority discretionary funds that clarifies for all employees what would and would not be considered appropriate expenditures.

Recommended Practice: Public authorities are governed by statute. In its legal opinion #2007-F4, the Office of the Attorney General determined that the expenditure of authority funds must relate directly to an enumerated power, duty or purpose of the authority. The funds of an authority may not be spent in support of the private or personal interests or to the benefit of directors, management or staff. Accordingly, the Authorities Budget Office recommends that all state and local authorities adopt written policies that specifically delineate the proper use of an authority's discretionary funds. This policy should address not only what constitutes a proper discretionary expenditure related to the mission and public purpose of the authority, but also address what would be considered an improper use of those funds.

For example, at the discretion of the board or management certain out-of-town business travel and travel-related expenses may be appropriate to advance the mission of an authority. While such an expense would be permissible under the authority's policy, the policy should also provide guidance as to reasonable amounts for such expenses and require that employees perform due diligence to obtain the lowest cost. The policy should also require prior approval of or authorization by an appropriate individual to ensure that such travel is reasonable and necessary. The policy should require documentation to justify the nature and purpose of such expenses, require the employee to provide receipts for

expenses and provide dollar thresholds for what will be considered reasonable (such as amounts allowed by federal GSA guidelines for travel expenses including per diems, government lodging rates and amounts for meals and other incidental expenses).

Certain meal costs also may be incurred through participation in, or sponsorship of, activities integral to meeting the core public purpose of the authority. Similar to appropriate travel expenses, eligible meal costs must be properly documented and reasonable cost thresholds established.

At the same time, the policy should explicitly outline the types of expenses for which the board will not give approval. This section should specifically note the impropriety of purchases using authority cash or credit that are personal in nature, that would benefit one or more staff of the authority rather than benefit those dependent on the authority's services, or are not necessary to advance the mission of the authority. Examples of inappropriate use of authority funds would include, but need not be limited to:

- Food, beverages, and other refreshments purchased for the personal use of directors, management or other employees, or by persons with whom the authority conducts business (unless prior authorization is received);
- Flowers and gifts for staff, directors or family members;
- Subsidized or free use of authority services for the personal use of current or former board members, staff, or family members of staff;
- Celebrations for special occasions that do not directly relate to the purpose of the authority, such as catering or decorations for summer picnics, office parties or holiday or retirement parties;
- Charitable contributions or sponsorships of events not associated with the authority's mission;
- Purchases of alcohol or tobacco products;
- Membership dues in professional organizations on behalf of employees;
- Renewal of professional licenses for staff;
- Personal use of authority vehicles, unless properly documented for tax purposes;
- Costs to purchase or mail holiday cards, invitations or expressions of sympathy to staff or families of authority staff; or
- Assignment of cell phones or vehicles to non-authority staff.

Absent specific statutory power, public authorities may not use public funds to purchase items considered personal expenses or that are intended to personally benefit an employee or director. Expenses such as those listed above do not advance a public purpose and should be considered personal in nature.

Capitalize Albany Corporation Board Meeting

January 22, 2013

Agenda Item #4: Regional Economic Development Council Update

Materials:

- Press Release
- CFA Award Contracts Resolution 4-2013



FOR IMMEDIATE RELEASE – December 19, 2012

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CITY OF ALBANY PROJECTS RECEIVE MORE THAN \$21 MILLION FROM REGIONAL ECONOMIC DEVELOPMENT COUNCIL (REDC) INITIATIVE ROUND II

Albany, NY – The Regional Economic Development Councils initiative awarded City of Albany projects with more than \$21.7 million in funding and bond cap allocation today. Albany fared well with progressive and competitive applications in the second round. Fourteen transformational projects will begin development, and create jobs throughout the City thanks to the funding allocated through the REDC process.

"I would like to thank Governor Cuomo for his vision, leadership and support for our local economic development initiatives," said Albany Mayor Gerald D. Jennings. "The Regional Economic Development Council strategy has charged us all with developing the most competitive projects possible that will elevate not only our local municipalities, but also our regions and the State as a whole. The projects submitted for the City of Albany this round, do just that, and were awarded accordingly. With more than \$21 million in awards, the City of Albany is a winner in round two. I look forward to the jobs and economic activity that will be leveraged by these exciting awards."

The plan developed by the Capital Region Economic Development Council, co-chaired by RPI President Shirley Ann Jackson and Albany Medical Center President and CEO James Barba, received a total of \$50.3 million, leveraging 84 projects in the Region's eight counties. The plan centered on showcasing the region's global competitiveness and highlighted strengths in biomedical technology, nanotechnology and education that make the Region a destination. In the first round, the Capital Region EDC won nearly \$63 million.

"The 14 round two projects awarded in Albany truly showcase and capitalize on the strengths of the Capital Region's economy," said Capitalize Albany Corporation President and City of Albany Development and Planning Commissioner Michael J. Yevoli. "From bringing new investment to the Hudson riverfront, to testing new technology with the College of Nanoscale Science and Engineering (CNSE) at Kiernan Plaza, to leveraging Albany Medical Center's investment in the Park South neighborhood, the State will see strong return on their investment in Albany."

Projects in Downtown total more than \$4.9 million. The largest winner is the re-use of the historic Union Station (Kiernan Plaza) on Broadway as a Smart Cities Technology Investment (SCiTI) center. This \$25 million project received \$4 million from Empire State Development. Capitalize Albany Corporation is working with CNSE to attract "Smart Cities" technology companies to locate in the iconic building and use the City as a test bed for their innovations. This ground-breaking project will not only bring a stunning

historic building back to life, it will anchor revitalization in Downtown and continue to develop new ways to help the City operate effectively and efficiently.

The Albany Waterfront Performance Place project was awarded \$950,000 through the NYS Department of State Local Waterfront Revitalization Program (LWRP) and Empire State Development (ESD) to redevelop the Albany Waterfront into a premier destination for waterfront events, performances and recreation. This project will drive tourism to the Capital City and enhance Downtown through convenient access to its amenities. Capitalize Albany Corporation is working hand-in-hand with the City on this project to maximize the use of the Hudson riverfront and leverage its revitalizing effects.

Initiatives like the \$300,000 award for Hudson Valley Tourism and Marketing, the Albany County Rail Trail Development Project – awarded \$500,000 and the American Music Festival: Christopher Rouse and His American Legacy will enhance Albany's status as a State and regional destination.

Albany's neighborhoods will also benefit greatly from this round of funding. The Quail Street Corridor in Albany's education district has received nearly \$1.8 million in GIGP funds for a green streets initiative that will improve the local roadway and spur business development along the mixed use corridor. This project will leverage bond funds allocated by the City of Albany under its Neighborhood Stabilization Bond this spring and anchor the revitalization of the district. Also in this district, TMG NY Albany I LP was awarded Bond cap allocation totaling \$11.5 million for the \$17 million renovation of a 179 unit affordable senior housing development.

Albany Medical Center received \$500,000 for infrastructure improvements, street trees and pedestrian improvements in the Park South Neighborhood. This infrastructure will complement future Medical Center investment and construction in the nine-block Urban Renewal Plan area and add to the more than \$518 million public, private and Capitalize Albany Corporation investment in the neighborhood since the adoption of the Park South plan. The Albany Medical College was also an awardee, receiving \$500,000 from ESD for the NY CAP Research Alliance Matching Grants Program to attract and leverage federal and corporate funding.

Senior Services of Albany will train 12 newly-hired workers in the City's South End through their Meals on Wheels Culinary Training Initiative. This project, which trains employees in culinary skills was awarded \$52,800 through the Department of Labor.

The Sheridan Hollow Village project will receive \$200,000 to construct three commercial spaces in an affordable mixed-use building. The project will include 93 units and roughly 11,600 square feet of commercial space - a critical development in the revival of one of Albany's key downtown neighborhoods.

Capitalize Albany Corporation received \$200,000 in funding from Housing and Community Renewal for its Blight to Betterment program that will rehabilitate and re-occupy nine abandoned properties in the city of Albany. This project leverages Community Development Block Grant (CDBG) funds and Neighborhood Stabilization Bond to stabilize blocks throughout the City.

CNSE received a \$1 million award from NYSEDA for its Zero Energy Nanotech Building (ZEN) – a zero net energy building at its \$14 billion Albany campus on Washington Avenue Extension.

In total, this \$21.7 million in funding for City of Albany projects will target the State's 5:1 private-to-public investment leverage and create quality local jobs. The City of Albany, Capitalize Albany Corporation and their partners look forward to the transformational results that will be produced by these projects.

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Capitalize Albany Corporation is a registered 501(c) (3) not-for-profit organization which implements programs and resources that create, retain, and attract businesses in the City of Albany. The Corporation achieves this through its facilitation of transformational development projects identified as priorities by planning efforts, such as the "Capitalize Albany" economic development strategy.

**RESOLUTION 4-2013
OF THE
ALBANY LOCAL DEVELOPMENT CORPORATION**

WHEREAS, the State of New York provided funding via the Regional Economic Development Council initiative through the second round of the Consolidated Funding Application process; and

WHEREAS, Capitalize Albany Corporation applied for and received \$200,000 in grant funding for the Blight to Betterment program through New York State's Department of Housing and Community Renewal's Urban Initiatives grant; and

WHEREAS, this project will leverage other Federal and local funding to stabilize and rehabilitate vacant buildings in the City's core urban districts – Arbor Hill, the South End and the Lark Street area; and

WHEREAS, this project aligns strongly with the mission of the Corporation to facilitate transformational projects that the City of Albany has identified as priorities, and the project strengthens the City's economy and revitalizes Albany's neighborhoods; and

WHEREAS, Housing and Community Renewal's Urban Initiatives grant program requires awardees to enter into a contract with New York State to accept program funds;

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Capitalize Albany Corporation authorizes the President, with the Chairman's approval, to negotiate and execute any and all contracts with New York State agencies related to acceptance and use of grant funds awarded to Capitalize Albany Corporation projects in the 2012 New York State Regional Economic Development Council Consolidated Funding Applications round in accordance with counsel review and guidance.

Signed: _____
Michael J. Yevoli, President

Date of Authorization: January 22, 2013
Prepared by Sarah M. Reginelli

Capitalize Albany Corporation Board Meeting

January 22, 2013

Agenda Item #5: Downtown Tactical Plan Update

Materials:

- No Materials are included.

Capitalize Albany Corporation Board Meeting

January 22, 2013

Agenda Item #6: Executive Session (if necessary)

Materials:

- No Materials are included.