



Tuesday, May 27, 2014
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 April 22, 2014
2. Transition Strategy Discussion
 - a. Bylaw Amendment to Increase Number of Directors Resolution 6-2014
3. CFA Round Four Update
4. Finance & Investment Committee Update
 - a. Historic Pastures Mansions LLC
 - b. Columbia 677 LLC Refinancing Resolution 7-2014
5. MWBE Policy Resolution 8-2014
6. Impact Downtown Albany
7. Project Update
8. Executive Session(if necessary)

Capitalize Albany Corporation Board Meeting

May 27, 2014

Agenda Item #1: Review of Minutes from the Regular Board Meeting of April 22, 2014

Materials:

- 4/22/14 Capitalize Albany Corporation Board Minutes

**Capitalize Albany Corporation Board Meeting
MINUTES
Tuesday, April 22, 2014**

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, April 22, 2014 at 21 Lodge Street.

The following were in attendance:

Board of Directors:

Michael Castellana	Michele Vennard	Robert Jones
Anders Tomson	Michael Fancher	Susan Pedo
David Parente	James Linnan	John Harris
Mark Sullivan	John Vero	
Bob Curley	Nancy Zimpher	

Other:

Thomas M. Owens, Esq.

Staff:

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

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation (“Corporation”) Board to order at 8:04 a.m. The following directors were excused: Dorsey Whitehead and Jeff Sperry

Approval of Minutes for March 18, 2014 Board Meeting

The Board reviewed the minutes of the March 18, 2014 meeting. Bob Curley made a motion for approval. Michael Fancher seconded. The Board agreed unanimously to approve the minutes.

Mayor Kathy Sheehan Economic Development Agenda

Mayor Sheehan discussed the challenges facing the City including the budget deficit and the tax rate with the Board. The benefit that Capitalize Albany Corporation (the “Corporation”) provides to the City was also discussed by the Mayor. Discussion of the positive effect the new convention center would have on the City occurred. Creating a cohesive vision and value proposition for the City ensuring that everyone is on the same page was deliberated.

Goody Clancy Update on Impact Downtown Albany

Ben Carlson of Goody Clancy and Dave Dixon of Santeq provided a presentation to the Board on their findings so far and next steps in the Impact Downtown Albany strategy. Mr. Carlson reviewed the findings of the consultants’ existing conditions analysis.

Staff advised the Board that the second meeting to present the findings of the consultants existing conditions analysis to the public was held Thursday, April 24th at 20 Park Street. The results of the analysis presented at the public meeting addressed the lack of Class A office space

in Downtown. The Board discussed the results of the office space analysis presented at the public meeting. Ongoing fundraising efforts and the Board's role in the process were discussed.

Audit Committee Update

Review 2013 Audit and Draft 2013 Audited Financial Statements

Erik Smith gave a brief update on the topics discussed at the most recent Audit Committee meeting and reported the results of the audit. The results of the audit were positive. No deficiencies were identified in regards to the internal controls related to the financial reporting of the Corporation. The audit did not find any external weaknesses.

Finance & Investment Committee Update

Quarterly Financial Report

Anders Tomson, Chairman of the Finance & Investment Committee, advised the Board that the Committee had met on 4/18/14 and discussed maintaining checks and balances in light of the resignation of CFO, Erik Smith. Mr. Tomson advised the Board that Mr. Smith had provided a plan outlining how the work of finance staff would continue in his absence.

The Finance Committee reviewed the investment portfolio and the quarterly financial reports at the April 18th meeting. Mr. Tomson informed the Board that Bob Hennes of Hugh Johnson Advisors attended the April Finance & Investment Committee meeting and reviewed the Portfolio Report and Short Term Investment Services Report as of 3/31/14 with the Committee. Erik Smith reviewed the quarterly financial statements with the Board and went over the highlights outlined in the memo distributed to the Board prior to the meeting.

Project Update

Staff reviewed the status of active projects with the Board.

Other Business

None.

Executive Session

A motion to enter into executive session was made by Bob Curley, seconded by Mark Sullivan and passed unanimously to discuss potential litigation matters and the employment history of certain individuals. The Board entered into executive session at 9:47am. Staff left the room and the following Directors were present: Michael Castellana, Anders Tomson, David Parente, Mark Sullivan, Bob Curley, Michele Vennard, Michael Fancher, James Linnan, Jeff Sperry, John Vero Nancy Zimpher, Dr. Robert Jones and Susan Pedo. The Board left executive session at 10:02 a.m. No actions were taken during executive session.

There being no further business, the Capitalize Albany Corporation Board of Directors regular meeting was adjourned at 10:07 a.m.

Capitalize Albany Corporation Board Meeting

May 27, 2014

Agenda Item #2: Transition Strategy Discussion

Materials:

- Bylaw Amendment to Increase Number of Directors Resolution 6-2014

Capitalize Albany Corporation Board Meeting
May 27, 2014

Agenda Item #3: CFA Round Four Update

Materials:

- No materials are included.

Capitalize Albany Corporation Board Meeting

May 27, 2014

Agenda Item #4: Finance & Investment Committee Update

Materials:

- Columbia 677 LLC Refinancing Resolution 7-2014
- Columbia 677 LLC Ground Lease Summary

**RESOLUTION 7-2014
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the mission of Capitalize Albany Corporation (“CAC”) is to facilitate economic, commercial and business development in the City of Albany; and

WHEREAS, in support of its mission and pursuant to Resolution 22-2002, CAC entered into a Ground Lease (“Lease”) with Columbia 677, LLC (“Tenant”), thereby facilitating the development of the 677 Broadway property (“Property”) and surrounding area; and

WHEREAS, in accordance with the Lease, Tenant is seeking CAC consent to refinance the existing leasehold mortgage debt on the Property and pursuant to the Lease, CAC may not withhold, condition or delay its consent unreasonably; and

WHEREAS, Tenant is fully performing all its Lease covenants and obligations; and

WHEREAS, the terms of Tenant’s proposed new leasehold mortgage debt place Tenant in an improved position from which to meet its Lease obligations; and

WHEREAS, Tenant’s refinancing will not change CAC’s Lease rights and obligations; and

NOW THEREFORE BE IT RESOLVED, that the Board of Directors provides its consent to Tenant for refinancing its existing leasehold mortgage and authorizes the Board Chairman to execute any necessary documents, including a “Ground Lessor Consent and Recognition Agreement,” “Ground Lessor Estoppel Certificate,” and “Mortgage and Security Agreement with Consolidation, Modification, Spreading And Extension Agreement” on terms consistent with the Lease.

Signed: _____
Michael Yevoli
President

Date of Authorization: May 27, 2014

Prepared by: Thomas M. Owens

Columbia 677, LLC Ground Lease Summary/Request to Refinance Leasehold Mortgage

Landlord: Capitalize Albany Corporation
Tenant: Columbia 677, LLC
Property: +/- 0.5 acre real property parcel (677 Broadway, Albany, New York, 12207)

Purpose: CAC leased its real property rights to enable the construction of 677 Broadway Office Building

Lease Term: 12/18/2002 – 12/31/2038 (18-month construction period + 35 years term)

Rent: Lease is “triple net”

- 1) \$100,000 paid on lease execution;
- 2) \$100,000 paid on satisfaction of certain conditions (e.g. government approvals, building permit, etc.);
- 3) \$75,000/yr for years 1-25
- 4) \$50,000/yr for years 26-35

Tenant has pre-paid \$125,000 rent. Pre-paid rent is applied at the end of the lease term (e.g., 2038 and 2037 rent is fully paid, and \$25,000 of 2036 rent is paid).

Tenant Request to CAC:

Columbia 677, LLC is seeking CAC consent to refinance their mortgage on their Leasehold Interest.

Current Financing:

Mortgage Face Amount:	\$24,650,000
Interest Rate:	5.27%
Yearly Payment:	\$1,637,085
Maturity Date:	06/01/2015
Lender:	Prudential Mortgage Capital Funding

Proposed Financing:

Mortgage Face Amount:	\$24,000,000
Interest Rate:	4.21%
Yearly Payment	\$1,410,051
Maturity Date:	06/30/2021
Lender:	Liberty Bank

Lease provides Tenant with right to mortgage their leasehold interest, subject to CAC consent. CAC cannot withhold, delay or condition its consent unreasonably.

Staff Recommendation:

Provide consent to re-finance Tenant's existing leasehold mortgage.

- Tenant is fully performing on its lease obligations;
- Lease provides Tenant with explicit right to enter into a mortgage (subject to CAC's consent), e.g. project financing requirement/need was known when lease was formulated/executed
- Terms of new financing improve the cash flow of Tenant, increasing Tenant's financial ability to continue CAC lease payments.
- New mortgagee's rights do not change; such rights are dictated by the Ground Lease.

Documents to be Executed by CAC:

Consent and Recognition – signifying CAC consent and recognizing the new Lender
Estoppel – telling the Lender that Tenant is not in breach of Ground Lease
Mortgage – recognizing Lender's security interest in accordance with the Ground Lease

Capitalize Albany Corporation Board Meeting
May 27, 2014

Agenda Item #5: MWBE Policy Resolution 8-2014

Materials:

- MWBE Policy Resolution 8-2014

**RESOLUTION 8-2014
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the mission of Capitalize Albany Corporation (“CAC”) is to facilitate economic, commercial and business development in the City of Albany; and

WHEREAS, as part of CAC’s corporate activities, CAC periodically applies for, and may receive, grant funds (and/or other types of grant resources) from various New York State government agencies (“NYS Grants”) and departments in support, and in pursuit, of CAC’s mission; and

WHEREAS, CAC has an unwavering commitment to adhering to ethical, unbiased and legal standards in all of its activities, including, but limited to any and all activities related to NYS Grants; and

WHEREAS, New York State (“NYS”) requires all contractors and subcontractors to adhere to Minority and Women-Owned Business Enterprises (“M/WBE”) regulations and policies in order to enhance MBE and WBE participation in NYS-funded projects; and

NOW, THEREFORE BE IT RESOLVED that CAC has reviewed the NYS M/WBE requirements, as such requirements apply to NYS Grant projects, and hereby endorses and adopts such M/WBE requirements as follows:

CAC will, and will cause its contractors and subcontractors to, take good faith actions to achieve the M/WBE contract participations goals set by NYS for that area in which the State-funded project is located, by taking the following steps:

- (1) Actively and affirmatively solicit bids for contracts and subcontracts from qualified State certified MBEs or WBEs, including solicitations to M/WBE contractor associations.
- (2) Request a list of State-certified M/WBEs from the contracting State agency and solicit bids from such M/WBEs directly.
- (3) Ensure that plans, specifications, request for proposals and other documents used to secure bids are made available in sufficient time for review by prospective M/WBEs.
- (4) Where feasible, divide the work into smaller portions to enhance participation by M/WBEs and encourage the formation of joint venture and other partnerships among M/WBE contractors to enhance their participation.
- (5) Document and maintain records of bid solicitations, including those to M/WBEs and the results thereof. CAC will also maintain records of actions

that its subcontractors have taken toward meeting M/WBE contract participation goals.

- (6) Ensure that progress payments to M/WBEs are made on a timely basis so that undue financial hardship is avoided, and that bonding and other credit requirements are waived or appropriate alternatives developed to encourage M/WBE participation.

Mark Opalka, Controller, is appointed as M/WBE Compliance Officer, to be responsible for insuring adherence to all contract participation goals as set forth by the contracting State Agency and periodically, the Compliance Officer shall report on CAC's compliance, as deemed appropriate, to the Board of Directors; and

FURTHERMORE, IT IS RESOLVED, that the members of the Board of CAC are, and each acting alone is, hereby authorized and directed to take such further action as may be necessary, appropriate or advisable to implement this Resolution and any such prior actions are hereby ratified; and

I, THE UNDERSIGNED, hereby certify that CAC is comprised of 15 Board Directors, of whom __, constituting a quorum, were present at the meeting, duly and regularly called, noticed, convened and held this ___ day of May, 2014, and that the foregoing Resolution was duly adopted at said meeting by the affirmative vote of the __ members and opposed by __ members and that said Resolution has been duly recorded in the Minute Book and is in full force and effect.

Signed: _____
Michael Yevoli
President

Date of Authorization: May 27, 2014

Prepared by: Thomas M. Owens

Capitalize Albany Corporation Board Meeting
May 27, 2014

Agenda Item #6: Impact Downtown Albany

Materials:

- No materials are included.

Capitalize Albany Corporation Board Meeting
May 27, 2014

Agenda Item #7: Project Update

Materials:

- No materials are included.

Capitalize Albany Corporation Board Meeting
May 27, 2014

Agenda Item #8: Executive Session (if necessary)

Materials:

- No materials are included.