



Tuesday, January 27, 2015
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 16, 2014
2. Election of 2015 Officers Resolution 1-2015
3. Report of the Finance & Investment Committee
 - a. Review of 2014 Unaudited 4th Quarter Results
4. Procurement Guidelines Re-adoption Resolution 2-2015
5. IDA/CRC Agreements
 - a. IDA/CRC Professional Service Agreement Approval Resolution 3-2015
 - b. IDA Economic Development Fee for Service Approval Resolution 4-2015
6. IMPACT Downtown Update
7. Administrative Housekeeping
8. Other Business
9. Project Update
10. Executive Session (if necessary)

Capitalize Albany Corporation Board Meeting

January 27, 2015

Agenda Item #1: Review of Minutes from the Regular Meeting of December 16, 2014

Materials:

- 12/16/14 Capitalize Albany Corporation Board Minutes

Capitalize Albany Corporation Board Meeting
MINUTES
Tuesday, December 16, 2014

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, December 16, 2014 at 21 Lodge Street.

The following were in attendance:

Board of Directors:

Michael Castellana	Bob Curley	John Vero
Anders Tomson	John Harris	Nancy Zimpher
Dorsey Whitehead	Michele Vennard	Susan Pedo
David Parente	James Linnan	Michael Fancher
Mark Sullivan	Jeff Sperry	

Other:

Thomas M. Owens, Esq.

Staff:

Sarah Reginelli, Mark Opalka, Brad Chevalier, Andy Corcione, Chantel Burnash and Amy Gardner

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation (“Corporation”) Board to order at 8:11 a.m. The following directors were excused: Matt Peter and Robert Jones.

Approval of Minutes for November 25, 2014 Board Meeting

The Board reviewed the minutes of the November 25, 2014 meeting. Bob Curley made a motion for approval. John Harris seconded. The Board agreed unanimously to approve the minutes.

2014 Year-End Report

Staff made a presentation to the Board reviewing the Corporation’s activity and accomplishments of 2014 including strengthening relationships with partner organizations and stakeholders, stabilizing the Corporation through increased compliance, personnel and strategic planning and increasing the Corporation’s activity including the number of economic and industrial development projects and strategic initiatives. The performance objectives achieved by the Corporation were also reviewed with the Board.

2014 At-Risk Compensation

2014 Performance Goals Reporting

Staff reviewed the 2014 performance goals and outlined how the Corporation was able to achieve these goals over the past year. The Board credited the President and Vice President’s leadership and the effort of staff for the achievement of these goals and the Corporation’s success in 2014.

2014 At-Risk Compensation Pool Distribution Resolution 25-2014

Staff reviewed the resolution and discussed the compensation policy that was passed the previous year with the Board. Mark Sullivan, Chair of the Governance Committee, gave a review of staff's performance in 2014 on behalf of the Governance Committee, and recommended staff be eligible for the full pool based on outstanding performance in attaining the pre-defined goals.

A motion to adopt the resolution was made by Mark Sullivan and seconded by John Harris. A vote being taken, the motion passed unanimously.

2015 Compensation

2015 Officer Salaries Resolution 26-2014

Staff reviewed the resolution with the Board. The Board recommended a study of salaries for comparable positions throughout the region be conducted over the next 3-4 months to ensure the salaries are comparable. This study may lead to amending the resolution.

A motion to adopt the resolution, with the recognition that amendments may be recommended/adopted following completion of the salary/compensation study, was made by Mark Sullivan and seconded by Jeff Sperry. A vote being taken, the motion passed unanimously.

2015 Performance Goals and At-Risk Compensation Pool Resolution 27-2014

Staff reviewed the proposed performance goals for 2015 with the Board. In accordance with the At-Risk Compensation Policy, the achievement of these goals will be used in determining the at risk compensation distribution in 2015. Staff informed the Board that these are interim goals and may need to be revised as the 2015 strategic plan is implemented. The Board requested that the resolution be amended to reflect that the available compensation pool may be affected by the recommended study of comparable salaries and the hiring of staff.

A motion to adopt the resolution contingent on the requested amendment was made by Jeff Sperry and seconded by Jim Linnan. A vote being taken, the motion passed unanimously.

REDC Awards Update

Staff informed the Board that the City was awarded \$2.8 Million for 11 projects at the Regional Economic Development Councils Round Four awards ceremony. Capitalize Albany was awarded a \$236,250 Main Street Anchor Grant for the adaptive reuse of 58 North Pearl Street. This project will add 26 residential units to downtown.

Project Update

Staff reviewed the status of active projects with the Board.

Other Business

Memorandum of Understanding between City of Albany and Capitalize Albany Corporation Resolution 28-2014

Staff reviewed the Memorandum of Understanding (MOU) between City of Albany and Capitalize Albany Corporation with the Board. The services that Capitalize Albany Corporation will provide to the City were discussed. The agreement recognizes the Corporation as the economic development arm of the City. Staff advised the Board that the Mayor is planning on signing the agreement in the near future.

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

Executive Session

A motion to enter into executive session was made by Michael Castellana, seconded by Mark Sullivan, and passed unanimously to discuss the employment history of particular individuals or corporations. The Board entered into executive session at 9:20 a.m. Staff left the room and the following Directors were present: Michael Castellana, Anders Tomson, Dorsey Whitehead, David Parente, Mark Sullivan, Bob Curley, John Harris, Michele Vennard, James Linnan, Jeff Sperry, John Vero, Nancy Zimpher, Susan Pedro, and Michael Fancher. The Board left executive session at 9:36 a.m. and returned to its regular session. No actions were taken during executive session.

There being no further business, the Capitalize Albany Corporation Board of Directors regular meeting was adjourned at 9:37 a.m.

Capitalize Albany Corporation Board Meeting

January 27, 2015

Agenda Item #2: Election of 2015 Officers Resolution 1-2015

Materials:

- 2015 Officers Resolution 1-2015

**RESOLUTION 1-2015
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, Article III (sections 3, 4) and Article IV (section 2) of the bylaws of the Capitalize Albany Corporation (CAC) provide that the Board of Directors shall annually elect a member of the Board to the positions of Chairperson, Vice Chairperson and that individuals be elected to each CAC Officer position (Treasurer, Secretary, President, and Vice President); and

WHEREAS, nominations were solicited from the Board, with nominations being made for each Board and Officer position;

NOW THEREFORE BE IT RESOLVED, that the Board of Directors has elected the following individuals as Chairperson, Vice-Chairperson, and CAC Officers:

Chairperson of the Board:	Michael Castellana
Vice-Chairperson of the Board:	Anders Tomson
Treasurer:	Mark Sullivan
Secretary:	Dorsey Whitehead
President:	Sarah Reginelli
Vice President:	Bradley Chevalier

Signed: _____
Amy Gardner, Economic Developer

Date of Authorization: January 27, 2015
Prepared by: Thomas M. Owens, Esq.

Capitalize Albany Corporation Board Meeting

January 27, 2015

Agenda Item #3: Report of the Finance & Investment Committee

Materials:

- Financial Report Memorandum
- Unaudited 4th Quarter Financial Results

Capitalize Albany Corporation
21 Lodge Street
Albany, New York 12207

MEMORANDUM

TO: CAC Finance & Investment Committee
FROM: Mark Opalka
RE: Capitalize Albany Corporation 4th Quarter Financial Reports
DATE: January 20, 2015

BUDGET PERFORMANCE

On a pre-audit basis, through December 31, 2014, the Capitalize Albany Corporation (CAC) had a net income of approximately \$1,461,000. This position compares favorably to the year-to-date (YTD) budgeted net loss of approximately \$55,700. CAC had a net loss of approximately \$102,000 during the fourth quarter of 2013.

The significant variances between total budgeted revenue and expense activity through December 31, 2014 and total actual revenue and expense activity is being driven primary by activity related to the sale of the ground lease at 677 Broadway and the sale of 245 Lark Street. These two transactions resulted in a gain of approximately \$1,450,000.

My comments below address those remaining categories that deviate in excess of 5% from the YTD budget.

- **YTD 2014 revenue is \$2,939,439 which is \$1,354,420 above the 2014 budget.**
 - **Interest and Investment Income.** YTD 2014 income derived from interest and investments is approximately \$70,450 or \$28,650 under budget. The negative variance to the budget is primary due to lower than anticipated interest income on new bond holdings.
 - **Fee Income.** Fee Income is approximately \$46,450 which is 20% over budget. This positive variance is a result of closing on two real estate loans in 2014 when the Corporation only budgeted for one.
 - **Membership and Event Support.** Membership and Event support is \$27,690 which is 21% under budget. This budget shortfall is direct result of lower sponsorship and membership revenue being received in 2014.

- **YTD 2014 expenses are \$1,095,932 which is \$260,771 under the 2014 budget.**

- **Salaries & Fringe Benefits Expense.** This category is under budget by approximately \$57,500 or 8%. The variance in this category is attributable to position vacancies.
- **Professional Fee Expense.** This category is over budget by \$39,400 or 12%. The variance is primary attributable to higher legal and IT related expenses offset by lower accounting fees.
- **Administrative Expense.** This category is under budget by approximately \$11,400 or 10%. This is mainly attributable to the Board opt-outs for the Impact Downtown Albany Plan.
- **Real Estate Expense.** This category is under budget by approximately \$8,800 or 17%. This is attributable to lower than anticipated maintenance expenses that was incurred on CAC owned properties.
- **Marketing & Promotional Expenses.** This category is under budget by approximately \$9,600. This variance is attributable to lower than anticipated costs for the Albany Reinvests event in June and lower levels of event sponsorships.

LOANS

- In May of 2014, CAC received a recovery of \$5,000 in bad debt expense related to the Historic Albany loan.
- In June, CAC received a recovery of \$500 related to the ACE Holding, LLC loan.
- In June, CAC received notice that Richard Dobush's primary lender was beginning foreclosure proceedings on his property located on 16 Tivoli Street. CAC currently has a 2nd lien position on the building and the borrower currently owes \$41,660.40. The last payment received from the borrower was on 12/10 for \$1,000. Staff is currently working with counsel as to the status of the foreclosure proceedings.

BALANCE SHEET

The balance sheet contracted from \$15.5 million as of December 31, 2013 to \$15.4 million as of December 31, 2014. This is primarily attributable to the following:

- Impact Downtown Albany cash outlay of approximately \$149,640.
- Depreciation of approximately \$210,000.
- Reduction of bond indebtedness by approximately \$1,070,000 in principal payments. The majority of this reduction, approximately \$928,000, is attributable to Port Warehouse bonds maturing in November. CAC was the conduit issuer of these bonds.
- Gain on Sale of 677 Broadway Ground Lease and 245 Lark Street of \$1,400,000 offset these decreases.

CASH FLOW STATEMENT

- CAC's cash and cash equivalents increased by \$445,000 in 2014 to \$4.1 million. This is primarily attributable cash proceeds received from the sale of the ground lease at 677 Broadway and the building at 245 Lark Street offset by loan portfolio activity and Impact Downtown Albany activity.
- Cash used in capital and financing activities reflects scheduled debt service payments and equipment purchases made during 2014.
- Cash flow from investing activities reflects projected loan disbursement and repayment activity, direct finance lease payments, and investment activity.

CAPITALIZE ALBANY CORPORATION

Comparative Balance Sheets

Pre-Audited Draft

	Projected December 31, 2014	December 31, 2013
Assets		
Current Assets:		
Cash and cash equivalents	\$ 4,096,736	\$ 3,651,644
Investments	3,411,362	2,857,394
Restricted cash	515,529	448,983
Mortgage notes receivable, net	2,822,105	2,117,776
Net investment in direct financing leases	672,177	1,738,881
Accrued interest receivable	55,875	63,326
Grants receivable	-	-
Receivables from the City of Albany and City agencies	101,013	100,000
Other receivables, net	99,836	93,584
Property held for investment and lease, net	2,571,690	3,358,703
Property and equipment, net	402,024	428,063
Other assets	651,389	655,751
Total assets	\$ 15,399,736	\$ 15,514,105
Deferred Outflows of Resources		
	\$ -	\$ -
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 275,375	\$ 192,740
Due to the City of Albany	99,507	99,507
Unearned grant and other income	480,860	921,170
Bonds payable, current portion	2,650,000	3,868,591
Revolving loan fund liability	702,825	702,248
Unearned program support	81,447	81,447
Total liabilities	\$ 4,290,014	\$ 5,865,703
Deferred Inflows of Resources		
	\$ -	\$ -
Net Position		
Net invested in capital assets	\$ 913,715	\$ 1,586,766
Restricted for:		
Debt service	171,446	171,401
CDBG eligible activities	116,682	118,822
Other program specific activities	10,612	9,035
Impact Downtown Albany	-	11,253
Unrestricted	9,897,267	7,751,126
Total net position	\$ 11,109,722	\$ 9,648,403

	January 1, 2014 - December 31, 2014								
	3rd Quarter	YTD Actual	YTD Budget	Variance - \$	Variance - %	December 2014 Forecast	2014 Projection	Original Budget	Projected Variance from Budget
REVENUE									
General Economic & Community Development Support Income	\$ 193,413	\$ 502,613	\$ 527,800	\$ (25,187)	0%	\$ -	\$ 502,613	\$ 527,800	\$ (25,187)
Real Estate Income	178,099	1,799,013	381,120	1,417,893	372%	-	1,799,013	381,120	1,417,893
Professional Service Agreement Income	75,000	300,000	300,000	-	0%	-	300,000	300,000	-
Loan Interest Income	34,759	88,563	85,239	3,324	4%	-	88,563	85,239	3,324
Fee Income	14,927	46,446	38,767	7,679	20%	-	46,446	38,767	7,679
Direct Finance Lease Income	7,576	104,666	115,488	(10,822)	-9%	-	104,666	115,488	(10,822)
Investment & Interest Income	17,291	69,788	99,104	(29,316)	-30%	-	69,788	99,104	(29,316)
FMV Adj on Fidelity Inv	12,537	6,595	-	6,595	100%	-	6,595	-	6,595
G/L on Sale/Redemption	(7,155)	(5,935)	-	(5,935)	100%	-	(5,935)	-	(5,935)
Membership & Event Support	1,000	27,690	37,500	(9,810)	-26%	-	27,690	37,500	(9,810)
TOTAL REVENUE	\$ 527,447	\$ 2,939,439	\$ 1,585,019	\$ 1,354,420	85%	\$ -	\$ 2,939,439	\$ 1,585,019	\$ 1,354,420
EXPENSE									
Salaries Expense	\$ 226,400	\$ 669,365	\$ 726,855	\$ (57,490)	-8%	\$ -	\$ 669,365	\$ 726,855	\$ (57,490)
Professional Fees	88,304	373,211	333,748	39,463	12%	-	373,211	333,748	39,463
Administrative Expenses	17,071	97,860	109,144	(11,284)	-10%	-	97,860	109,144	(11,284)
Interest Expense	8,718	69,994	76,255	(6,261)	-8%	-	69,994	76,255	(6,261)
Real Estate Expenses	8,822	42,297	51,065	(8,769)	-17%	-	42,297	51,065	(8,769)
Occupancy Expense	13,873	39,916	40,760	(844)	-2%	-	39,916	40,760	(844)
Bad Debt Expense (recovery)	(200,450)	(205,950)	-	(205,950)	0%	-	(205,950)	-	(205,950)
Membership & Event Expense	-	9,239	18,875	(9,636)	-51%	-	9,239	18,875	(9,636)
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 162,739	\$ 1,095,932	\$ 1,356,703	\$ (260,771)	-19%	\$ -	\$ 1,095,932	\$ 1,356,703	\$ (260,771)
NET INCOME BEFORE DEPRECIATION & PROGRAM ACTIVITY	\$ 364,708	\$ 1,843,507	\$ 228,316	\$ 1,615,191	707%	\$ -	\$ 1,843,507	\$ 228,316	\$ 1,615,191
DEPRECIATION	\$ 208,849	\$ 211,821	\$ 212,714	\$ (893)	0%	\$ -	\$ 211,821	\$ 212,714	\$ (893)
NET INCOME (LOSS) AFTER DEPRECIATION	\$ 155,859	\$ 1,631,686	\$ 15,602	\$ 1,616,084	10358%	\$ -	\$ 1,631,686	\$ 15,602	\$ 1,616,084
PROJECT & PROGRAM REVENUE									
Blight to Betterment	\$ 7,400	\$ 46,784	\$ 200,000	\$ (153,216)	-77%	\$ -	46,784	\$ 200,000	\$ (153,216)
Downtown Tactical Plan	60,000	149,000	255,428	(106,428)	-42%	-	149,000	255,428	(106,428)
New York Main Street	-	-	-	-	0%	-	-	-	-
Total Program Income	\$ 67,400	\$ 195,784	\$ 455,428	\$ (259,644)	-57%	\$ -	\$ 195,784	\$ 455,428	\$ (259,644)
PROJECT & PROGRAM EXPENSE									
Blight to Betterment	\$ 1,400	\$ 42,184	\$ 200,000	\$ (157,816)	-79%	\$ -	42,184	\$ 200,000	\$ (157,816)
Downtown Tactical Plan	212,800	323,966	326,747	(2,781)	-1%	-	323,966	326,747	(2,781)
New York Main Street	-	-	-	-	0%	-	-	-	-
Total Program Expense	\$ 214,200	\$ 366,150	\$ 526,747	\$ (160,597)	0%	\$ -	\$ 366,150	\$ 526,747	\$ (160,597)
NET INCOME (LOSS) FROM PROGRAM ACTIVITY	\$ (146,800)	\$ (170,366)	\$ (71,319)	\$ (99,047)	139%	\$ -	\$ (170,366)	\$ (71,319)	\$ (99,047)
NET INCOME (LOSS) AFTER DEPRECIATION & PROGRAM ACTIVITY	\$ 9,059	\$ 1,461,319	\$ (55,717)	\$ 1,517,036	-2723%	\$ -	\$ 1,461,319	\$ (55,717)	\$ 1,517,036

Capitalize Albany Corporation**STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS**

Pre Audited Draft

	<u>Projected December 31, 2014</u>	<u>Year Ended December 31, 2013</u>
Revenues		
Grant income and Contribution Income	\$ 698,397	\$ 812,372
Rental income	345,252	378,408
Other interest and investment income	171,051	254,484
Interest income on mortgage notes	88,563	82,775
Gain on sale of properties	1,457,824	-
Fees and other income	374,136	340,478
Total revenues	<u>3,135,223</u>	<u>1,868,517</u>
Expenses		
Salaries and fringe benefits	669,365	644,284
Program and project costs	589,639	544,248
Interest expense	69,994	86,666
Bad debt expenses (recovery)	(205,950)	(25,490)
Administrative Expenses	550,856	537,504
Total expenses	<u>1,673,904</u>	<u>1,787,212</u>
Excess of (expenses over revenues) revenues over expenses	1,461,319	81,305
Net Position, Beginning of Year	<u>9,648,403</u>	<u>9,567,098</u>
Net Position, End of Month	<u>\$ 11,109,722</u>	<u>\$ 9,648,403</u>

CAPITALIZE ALBANY CORPORATION
STATEMENTS OF CASH FLOWS
Pre-Audited Draft

	Projected December 31, 2014	December 31, 2013
Cash Flows From Operating Activities		
Cash received from customers	\$ 546,274	\$ 582,948
Cash received from grantors	663,664	840,042
Other operating cash receipts	374,136	340,478
Cash payments to suppliers and grantees	(845,991)	(777,838)
Cash payments to employees	(669,365)	(644,284)
Net cash provided by operating activities	<u>68,718</u>	<u>341,346</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from sale of property held for sale	1,661,382	-
Purchase of property held for investment and lease	-	-
Purchase of property and equipment	(7,327)	(5,461)
Purchase of other assets including purchase options	-	-
Principal payments on bonds payable	(1,218,591)	(339,846)
Interest paid on bonds payable	(77,392)	(88,966)
Net cash used in capital and related financing activities	<u>358,072</u>	<u>(434,273)</u>
Cash Flows From Investing Activities		
Interest on cash and cash equivalents and investments	69,832	84,434
Net decrease (increase) in restricted cash	(66,546)	(61,264)
Proceeds from sales and maturities of investments	2,669,405	1,716,988
Purchase of investments	(3,222,713)	(1,785,829)
Issuance of mortgage notes receivable	(900,000)	-
Repayments received on mortgage notes receivable	401,621	759,142
Principal payments received under direct financing leases	1,066,704	188,751
Net cash used in investing activities	<u>18,304</u>	<u>902,222</u>
Change in cash and cash equivalents	<u>445,093</u>	<u>809,295</u>
Cash and cash equivalents:		
Beginning of year	<u>3,651,643</u>	<u>2,842,349</u>
End of year	<u>\$ 4,096,736</u>	<u>\$ 3,651,644</u>
	Projected	December 31, 2013
	December 31, 2014	December 31, 2013
Reconciliation of Excess of (Expenses Over Revenues) Revenues Over Expenses to Net Cash Provided by Operating Activities		
Excess of (expenses over revenues) revenues over expenses	\$ 1,461,319	\$ 81,305
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	211,821	211,756
Adjustment for losses on mortgage notes and other receivables	(205,950)	(25,490)
Gain on sale of property	(1,457,824)	-
Net realized and unrealized losses (gains) on investments	(660)	(43,389)
Interest income on cash and cash equivalents and investments	(69,833)	(80,285)
Interest expense on bonds payable	77,392	86,666
Changes in:		
Grants receivable	-	(37,500)
Other receivables, accrued interest receivable and other assets	4,547	(9,045)
Accounts payable and accrued expenses	82,635	92,099
Due to the City of Albany	0	59
Unearned grant and other income	(35,310)	64,797
Revolving loan fund liability	577	373
Net cash provided by operating activities	<u>\$ 68,716</u>	<u>\$ 341,346</u>

Capitalize Albany Corporation Board Meeting

January 27, 2015

Agenda Item #4: Procurement Guidelines Re-adoption Resolution 2-2015

Materials:

- Procurement Guidelines Re-adoption Resolution 2-2015
- Procurement Policy

**RESOLUTION 2-2015
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, pursuant to New York Public Authority Law, the Capitalize Albany Corporation has adopted a written Procurement Policy (“Policy”) pursuant to which the Corporation procures goods and services; and

WHEREAS, the Section 7 of the Policy provides for an annual review of the Policy;

NOW THEREFORE BE IT RESOLVED, that the attached Policy has been reviewed and approved (with amendments as noted).

Signed: _____
Sarah Reginelli, President

Date of Authorization: January 27, 2015
Prepared by: Thomas M. Owens, Esq.

CAPITALIZE ALBANY CORPORATION

PROCUREMENT POLICY (NON-REAL ESTATE PROCUREMENTS)

SECTION 1. PURPOSE AND AUTHORITY. The purpose of this procurement policy (the "Policy") is to outline the procurement policy of Capitalize Albany Corporation (the "Corporation") applicable to procurements of goods and services paid for by the Corporation for its own use and benefit.

SECTION 2. SECURING GOODS AND SERVICES. All goods and services will be secured by use of written requests for proposals, written quotations, verbal quotations, or any other method that assures that goods/services will be purchased in a competitive manner except for in the following circumstances: purchases costing less than \$7,500; purchases under state contracts pursuant to Section 104 of the General Municipal Law; purchases under county contracts pursuant to Section 103(3) of the General Municipal Law; or purchases pursuant to Section 4 of this Policy. Regardless of the estimated cost of any purchase of goods and/or services, the Corporation will seek to obtain the best value for the Corporation while meeting all relevant purchase requirements.

SECTION 3. METHOD OF PURCHASE. The following method of purchase will be used when required by this Policy in order to achieve the highest savings:

<u>Estimated Amount of Purchase Contract</u>	<u>Method</u>
\$7,501-\$10,000	Price obtained by 2 verbal quotations with the approval of two CAC officers
\$10,001-\$50,000	Price obtained by 3 written/fax quotations with approval by two CAC officers
\$50,001 and above	Price obtained through issuance of Request For Proposals with award made by resolution of Board of Directors

(B) Number of Proposals or Quotations. A good faith effort shall be made to obtain the required number of proposals or quotations. If the purchaser is unable to obtain the required number of proposals or quotations, the purchaser will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to the procurement.

(C) Documentation. Documentation is required of each action is taken in connection with each procurement. Documentation and an explanation is required whenever a contract is awarded to other than the lowest responsible offeror. This documentation will include an explanation of how the reward will achieve savings or how the offeror was not responsible. A determination that the offeror is not responsible shall be made by the purchaser and may not be challenged under any circumstances.

SECTION 4. CIRCUMSTANCES WHERE SOLICITATION OF ALTERNATIVE PROPOSALS AND QUOTATIONS NOT IN BEST INTEREST. This Policy may contain circumstances when, or types of procurements for which, in the sole discretion of the directors of the Corporation, the solicitation of alternative proposals or quotations will not be in the best interest of the Corporation. In the following

circumstances, it may not be in the best interests of the Corporation to solicit quotations or document the basis for not accepting the lowest bid:

(A) Professional Services. Professional services or services requiring special or technical skill, training or expertise. The individual, company or firm must be chosen based on accountability, reliability, responsibility, skill, conflict of interests, reputation, education and training, judgement, integrity, continuity of service and moral worth. Furthermore, certain professional services to be provided to the Corporation, e.g., legal and accounting services, impact liability issues of the Corporation and its directors, including securities liability in circumstances where the Corporation is issuing bonds. These qualifications and the concerns of the Corporation regarding its liability and the liability of its directors are not necessarily found or addressed in the individual, company or firm that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures.

In determining whether a service fits into this category, the Corporation shall take into consideration the following guidelines: (a) whether the services are subject to state licensing or testing requirements; (b) whether substantial formal education or training is a necessary prerequisite to the performance of the services; and (c) whether the services require a personal relationship between the individual and the directors of the Corporation. Professional or technical services shall include but not be limited to the following: services of an attorney (including bond counsel); services of a physician; technical services of an engineer engaged to prepare plans, maps and estimates; securing insurance coverage and/or services of an insurance broker; services of a certified public accountant; investment management services; printing services involving extensive writing, editing or art work; management of Corporation-owned property; real estate brokerage services; appraisers; and computer software or programming services for customized programs, or services involved in substantial modification and customizing of pre-packaged software.

(B) Emergency Purchases. Due to the nature of this exception, these goods or services must be purchased immediately and a delay in order to seek alternate proposals may threaten the life, health, safety or welfare of the public. This section does not preclude alternate proposals if time permits.

(C) Purchases of Secondhand Goods. Purchases of surplus and second-hand goods from any source. It is difficult to try to compare prices of used goods and a lower price may indicate an older product.

(D) Goods or Services Under \$7,500.

(E) Special Findings. In the event the Corporation determines that the solicitation of alternative proposals or quotations is not in the best interests of the Corporation, the Corporation must make such determination by resolution duly adopted and entered into the minutes of the Corporation. Such resolution should include any findings described in this Section 4 supporting such determination.

SECTION 7. POLICY REVIEW. This policy will be reviewed annually.

Capitalize Albany Corporation Board Meeting

January 27, 2015

Agenda Item #5: IDA/CRC Agreements

Materials:

- IDA/CRC Professional Service Agreement Approval Resolution 3-2015
- 2015 Professional Service Agreement
- IDA Economic Development Fee for Service Approval Resolution 4-2015
- 2015 Contract for Economic Development

**RESOLUTION 3-2015
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, Capitalize Albany Corporation (“CAC”) has determined that providing the City of Albany Industrial Development Agency (“CAIDA”) and the City of Albany Capital Resource Corporation (“CACRC”) with professional economic development management and administrative support services most efficiently pursues the Corporation’s mission; and

WHEREAS, the CAC Board of Directors has reviewed the attached draft Professional Services Agreement (“Draft Agreement”) between CAC and the CAIDA and the CACRC and finds the terms to be fair and reasonable to CAC;

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Capitalize Albany Corporation authorizes the Chairman to negotiate and execute the Professional Services Agreement with the CAIDA and CACRC in accordance with the terms and conditions substantially as detailed in the attached Draft Agreement.

Signed: _____
Amy Gardner, Economic Developer

Date of Authorization: January 27, 2015
Prepared by: Thomas M. Owens, Esq.

PROFESSIONAL SERVICES AGREEMENT
Between
CAPITALIZE ALBANY CORPORATION (CAC)

and

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY (CAIDA)

and

CITY OF ALBANY CAPITAL RESOURCE CORPORATION (CACRC)

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

WITNESSETH:

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

WHEREAS, the CAIDA and the CACRC has accepted the offer of the CAC for such professional services.

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

ARTICLE 1 -SERVICES TO BE PERFORMED

The CAC shall perform the professional and administrative support services set forth under Article 2 entitled “SCOPE OF PROFESSIONAL SERVICES” during the period commencing on January 1, 2015 and continuing until December 31, 2015. In the performance and acceptance of the services herein, the parties understand, acknowledge and agree that the CAC is assuming no managerial role, nor undertaking any oversight responsibilities with

regard to the powers and duties of the CAIDA or the CACRC or the actions or non-actions of its Board of Directors. Nothing in this agreement should be construed to transfer governance, oversight or fiduciary responsibilities from the CAIDA or the CACRC to CAC.

ARTICLE 2 - SCOPE OF PROFESSIONAL SERVICES

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

ARTICLE 3 - PROFESSIONAL SERVICES FEE

In consideration of the terms and conditions of this agreement, the AIDA agrees to pay and the CAC agrees to accept, as full compensation for all services rendered under this agreement an amount not to exceed \$300,000. The CAC shall provide professional staff time towards fulfillment of this agreement, including all administrative clerical, secretarial, accounting, compliance, and information technology support as required.

ARTICLE 4 - METHOD OF PAYMENT

The CAIDA will pay CAC its professional services fee referenced under Article 3 of this agreement in twelve (12) monthly installments due and payable no later than the fifteenth day of each month.

ARTICLE 5 - TERMINATION

This agreement may be terminated at any time by any party for cause upon thirty (30) days written notice. In the event of termination, CAC shall be

entitled to compensation for all work performed pursuant to this agreement to the date of termination.

ARTICLE 6 – MUTUAL INDEMNIFICATION

a. CAC shall defend, indemnify and hold harmless CAIDA and CACRC and their agents and employees from and against claims, damages, losses and expenses, including, but not limited to reasonable attorneys' fees, arising out of or resulting from the negligence or willful misconduct of CAC in CAC's performance of the tasks detailed in this Agreement, except if such claims, damages, losses or expenses are caused by CAIDA's and/or CACRC's negligence or willful misconduct.

b. CAIDA shall defend, indemnify and hold harmless CAC and CACRC and their agents and employees from and against claims, damages, losses and expenses, including, but not limited to reasonable attorneys' fees, arising out of or resulting from the negligence or willful misconduct of CAIDA in CAIDA's performance of the tasks detailed in this Grant Agreement, except if such claims, damages, losses or expenses are caused by CAC's and/or CACRC's negligence or willful misconduct.

c. CACRC shall defend, indemnify and hold harmless CAIDA and CAC and their agents and employees from and against claims, damages, losses and expenses, including, but not limited to reasonable attorneys' fees, arising out of or resulting from the negligence or willful misconduct of CACRC in CACRC's performance of the tasks detailed in this Grant Agreement, except if such claims, damages, losses or expenses are caused by CAIDA's and/or CAC's negligence or willful misconduct.

ARTICLE 7 - EQUAL EMPLOYMENT OPPORTUNITY

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

ARTICLE 8 - ACCOUNTING RECORDS

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

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

City of Albany Industrial Development Agency

By: _____
Chairman

City of Albany Capital Resource Corporation

By: _____
Chairman

Capitalize Albany Corporation

By: _____
Chairman

SCHEDULE A

DESCRIPTION OF SERVICES

A. City of Albany Industrial Development Agency:

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

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

B. City of Albany Capital Resource Corporation:

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

**RESOLUTION 4-2015
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, Capitalize Albany Corporation (“CAC”) has determined that accepting funds to support economic development from the City of Albany Industrial Development Agency (“CAIDA”) is in accordance with the Corporation’s mission; and

WHEREAS, the CAC Board of Directors has reviewed the attached draft Agreement (“Draft Agreement”) between CAC and the CAIDA and finds the terms to be fair and reasonable to CAC;

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Capitalize Albany Corporation authorizes the Chairman to negotiate and execute the Agreement with the CAIDA in accordance with the terms and conditions substantially as detailed in the attached Draft Agreement.

Signed: _____
Amy Gardner, Economic Developer

Date of Authorization: January 27, 2015

Prepared by: Thomas M. Owens, Esq.

CONTRACT FOR SERVICES

THIS AGREEMENT dated as of XXXXX XX, 2015 (the "Agreement") between **CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency"), a public benefit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 21 Lodge Street, Albany, New York, and **CAPITALIZE ALBANY CORPORATION** (the "CAC"), a not-for-profit-corporation organized and existing under the laws of the State of New York, having an office for the transaction of business located at 21 Lodge Street, Albany, New York;

WITNESSETH:

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the Laws of 1974 of the State of New York, as amended, codified as Section 903-a of the General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial or industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to promote, develop, and encourage one or more "projects" (as defined in the Act) and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Albany and to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, pursuant to a professional services agreement dated XXXXX XX, 2015 (the "Services Agreement") by and between the Agency, the City of Albany Capital Resource Corporation ("the CACRC"), and the CAC, the Agency has contracted with the CAC for the administration of the Agency; and

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

WHEREAS, in order to assist the CAC in undertaking the Economic Development Program, the Agency proposes to enter into this Agreement under which the Agency will provide funds to the CAC to pay a portion of the costs associated with the Economic Development Program; and

WHEREAS, the Agency will provide funds to the CAC in multiple disbursements during the term of this Agreement; and

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

1. **Services and Program.** The Agency and the CAC agree as follows:
 - (a) That the Agency will make available to the CAC an aggregate amount equal to \$250,000.
 - (b) That the proceeds will be used for the express purpose of funding a portion of the costs, both capital and operating costs, of the Economic Development Program of the CAC, including, but not limited to the following: (i) implementation of the Capitalize Albany strategy, (ii) general business development, including Empire Zone administration, (iii) lending programs (including loan origination, loan capitalization, and loan servicing), (iv) Downtown Residential Program, and (v) coordination and fiscal support of neighborhood and riverfront re-development.
2. **Disbursement.** Proceeds shall be paid quarterly by the Agency to the CAC in an amount equal to \$62,500 on or about the last day of the quarter, commencing on March 31, 2015 and ending on December 31, 2015. Disbursement of proceeds under this agreement based upon available cash.
3. **Compliance with Law.** The CAC covenants that it will use the moneys disbursed under this Agreement only in the manner authorized by this Agreement.
4. **Repayment.** Nothing herein shall be construed to require the CAC to reimburse the Agency.
5. **Information.** The CAC agrees to furnish to the Agency, the following: (a) progress reports regarding the Economic Development Program, (b) upon request, a financial report indicating how the proceeds are allocated; and (c) such other information as the Agency may request. In addition, the CAC shall provide the Agency with an annual report regarding the Economic Development Program no later than June 30, 2016.
6. **Indemnification.**
 - a. To the fullest extent permitted by law, the CAC shall defend, indemnify and hold harmless the Agency and its agents and employees from and against claims, damages, losses and expenses, including, but not limited to reasonable attorneys' fees, arising out of or resulting from the negligence or willful misconduct of CAC in CAC's performance of the tasks detailed in this Agreement, except if such claims, damages, losses or expenses are caused by the Agency's negligence or willful misconduct.
 - b. To the fullest extent permitted by law, the Agency shall defend, indemnify and hold harmless the CAC and its agents and employees from and against claims, damages, losses and expenses, including, but not limited to reasonable attorneys' fees, arising out of or resulting from the negligence or willful misconduct of Agency related to Agency's obligations in this Agreement, except if such claims, damages, losses or expenses are caused by the CAC's negligence or willful misconduct.
7. **Notices.** (a) All notices and other communications hereunder shall be in writing and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

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

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

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

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

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

CITY OF ALBANY INDUSTRIAL
DEVELOPMENT AGENCY

BY: _____
Authorized Officer

CAPITALIZE ALBANY CORPORATION

BY: _____
Authorized Officer

Capitalize Albany Corporation Board Meeting
January 27, 2015

Agenda Item #6: IMPACT Downtown Update

Materials:

- No materials are included.

Capitalize Albany Corporation Board Meeting
January 27, 2015

Agenda Item #7: Administrative Housekeeping

Materials:

- Confidential Evaluation of Board Performance

Confidential Evaluation of Board Performance

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board members have a shared understanding of the mission and purpose of the Authority.				
The policies, practices and decisions of the Board are always consistent with this mission.				
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.				
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.				
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.				
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.				
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.				
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.				
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.				
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.				
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.				
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.				
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.				
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.				
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.				
Board members demonstrate leadership and vision and work respectfully with each other.				

Date Completed: _____

Capitalize Albany Corporation Board Meeting
January 27, 2015

Agenda Item #8: Other Business

Materials:

- No materials are included.

Capitalize Albany Corporation Board Meeting
January 27, 2015

Agenda Item #9: Project Update

Materials:

No materials included.

Capitalize Albany Corporation Board Meeting
January 27, 2015

Agenda Item #10: Executive Session (if necessary)

Materials:

- No materials are included.