



Tuesday, May 26, 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 April 28, 2015
2. Report of Finance Committee
 - a. Affirm Revolving Real Estate Loan Fund
 - b. 526 Central Avenue Broker RFP
3. Report of Governance Committee
 - a. Resolution 6–2015 Authorization for Board to Enter Into Agreement for Salary Review
 - b. Resolution 7-2015 Annual Review of Property Disposition and Acquisition Policy
4. Impact Downtown Albany Update
 - a. Perceptions
 - b. Progress
5. Other Business
6. Project Update
7. Executive Session (if necessary)

**Capitalize Albany Corporation Board Meeting
MINUTES
Tuesday, April 28, 2015**

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, April 28, 2015 at 21 Lodge Street.

The following were in attendance:

Board of Directors:

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

Other:

Mayor Kathy Sheehan, Thomas M. Owens, Esq., and Jessica Fisher Neidl

Staff:

Sarah Reginelli, Brad Chevalier, Mark Opalka, Andy Corcione, Chantel Burnash, Amy Gardner, Ashley Lavigne, Sabina Mora, and Mike Bohne

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation (“Corporation”) Board to order at 8:03 a.m. The following directors were excused: Robert Jones and Michael Fancher.

Approval of Minutes for March 24, 2015 Board Meeting

The Board reviewed the minutes of the March 24, 2015 meeting. Jeff Sperry made a motion for approval. Susan Pedo seconded. The Board agreed unanimously to approve the minutes.

Economic Development Priorities – Mayor Kathy Sheehan

Mayor Kathy Sheehan gave a presentation on her economic development priorities for the City of Albany. She explained the importance of an easy to navigate process for those wanting to start a business in Albany. She stated that there is a Heritage Tourism group that has been looking into cohesive ways to show what Albany has to offer. This group created a tourism guide, which is being used by hotels and businesses to promote the City without using any government money. Mayor Sheehan explained that we need to be ready to reinvent ourselves and unveil the City when the convention center opens. She asked Capitalize Albany to envision what the rest of the community needs to look like three years from now. Mayor Sheehan stated she would like to bridge the gap between the Park South and Delaware Avenue neighborhoods. She expressed the importance of linking people in our neighborhoods with the tools, resources, and training to available jobs in the City of Albany. Mayor Sheehan discussed her vision for the former convention center site as having one or two anchor projects that will frame the rest of the site. She stated that she would like a developer to come in with creative and imaginative ideas for the site which would also take advantage of the street grid.

Report of Finance Committee

Anders Tomson informed the Board that the Finance Committee met with Hugh Johnson Advisors last week. Mr. Tomson advised the Board that objectives are being met and that there has been an accumulation of cash so the Committee is looking into short term investment options.

40 – 48 South Pearl Street, LLC Loan Approval Resolution 5-2015

Staff reviewed the loan request of 40 - 48 South Pearl Street, LLC (the “Applicant”) and resolution. The Applicant is seeking a \$275,000 loan from the Corporation to assist with the completion of 16 market rate residential units and four commercial units as part of the redevelopment of 40 – 48 South Pearl Street. The proposed plan is to convert the vacant office space on the upper floors into 16 residential apartments and to renovate the first floor into retail/commercial space. The gross building area is approximately 24,000 square feet and the gross leasing space is approximately 18,500 square feet. There is a 10-car surface space parking lot behind the building for tenants. The proposed financing from the Corporation will be subordinate to a committed construction to permanent loan from Kinderhook Bank totaling \$1.792 million dollars. The loan request was recommended to the Board with positive recommendation by the Finance Committee. Following Board/staff discussion, a motion to adopt the resolution was made by Michele Vennard and seconded by Dorsey Whitehead. A vote being taken the motion passed unanimously.

Report of Audit Committee

Counsel informed the Board that the Capitalize Albany Audit Committee Charter provides that the Audit Committee annually present the Corporation’s Board a written report of how it has discharged its duties and responsibilities as outlined in the Charter. Counsel summarized the contents of the report. The report has been included in the Board material.

Regional Council Round V and URI

Ashley Lavigne gave an overview of the anticipated timeline of the CFA Round V award announcements. Ms. Lavigne explained that Capitalize Albany’s role throughout the process will be to conduct public informational sessions, coordinate opportunities for public input on local priorities with regional impact to be submitted to the Capital Regional REDC, collect project information on all applicants seeking a letter of support from the Mayor’s Office or a supporting resolution from the Common Council, serve as a lead applicant for economic development projects, and provide assistance to external applications for local economic development projects. She also reviewed the Board-approved criteria for project evaluation and the available resources for funding.

The Board was informed that the subcommittee formed to lead the region’s effort to compete for the Governor’s Upstate NY Economic Revitalization Competition will be co-chaired by Michael Castellana and Michael Hickey. They are moving forward with challenging other local economic development corporations to help fund the project and participate strongly in the effort.

Impact Downtown Albany Update

Staff informed the Board that an Impact Downtown committee meeting is being scheduled in May.

Staffing Update

Staff introduced Mike Bohne to the Board as a new member of the team. Mike is the Corporation's Communications and Marketing Assistant. He is responsible for the Corporation's public relations, media relations, and marketing, as well as membership/investor development and research/analysis.

Other Business

Staff reminded the Board that the financial disclosure forms are due by May 15th.

The Board was informed that SEFCU purchased an advertisement, on behalf of the Board, in the Business Review congratulating Sarah Reginelli on being a recipient for the 40 Under 40 award.

Board praised Staff on the positive Times Union editorial on Sunday regarding the City of Albany IDA.

Project Update

Staff reviewed the status of active projects with the Board.

Executive Session

A motion to enter into executive session was made by Michael Castellana, seconded by Anders Tomson to discuss the employment history of certain individuals. The Board entered into executive session at 9:25 a.m. Staff left the room and the following Directors were present: Michael Castellana, Anders Tomson, David Parente, Mark Sullivan, Bob Curley, John Harris, Michele Vennard, James Linnan, John Vero, Nancy Zimpher, Susan Pedo, Matt Peter, Dorsey Whitehead, and Jeff Sperry. The Board left executive session at 9:26 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 9:27 a.m.

**RESOLUTION 6-2015
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the Capitalize Albany Corporation (“CAC”) Board recognizes that attracting and retaining talented management staff is one of the most significant criteria in properly and effectively executing its corporate mission and attaining the objectives set by the Board; and

WHEREAS, the Board recognizes that providing reasonable and competitive salaries to its Officers/Staff is an important component in attracting and retaining talented and motivated staff; and

WHEREAS, pursuant to Board Direction, the Governance Committee solicited bids in March 2015 from various professional compensation consulting firms to perform a compensation review (“Compensation Review”) of certain CAC Officer/Staff positions to ensure that CAC Officer/Staff salaries are reasonable/competitive within CAC’s relevant marketplace and appropriately incentivize Officer/Staff performance and retention; and

WHEREAS, the Governance Committee has reviewed the bids received and recommends retaining D. Hilton Associates (“DHA”), Inc. at a cost of \$7,500 (plus reimbursable expenses) to perform the Compensation Review; and

NOW, THEREFORE BE IT RESOLVED that the Capitalize Albany Corporation Board of Directors authorizes the Governance Committee Chairman to negotiate and execute a contract with DHA to perform the Compensation Review, with the Governance Committee and/or CAC counsel (and not any CAC Officer/Staff) acting as the CAC manager/liason with DHA for the Compensation Review.

Signed: _____
Michael Castellana, President

Date of Authorization: May 26, 2015
Prepared by: Thomas M. Owens, Esq.

CAPITALIZE ALBANY CORPORATION
REAL PROPERTY ACQUISITION POLICY

SECTION 1. DEFINITIONS.

(A) “Acquire” or “acquisition” shall mean acquisition of title or any other beneficial interest in personal or real property.

(B) “Contracting officer” shall mean the officer or employee of Capitalize Albany Corporation (hereinafter, the “Corporation”) who shall be appointed by resolution to be responsible for the acquisition of property.

(C) “Property” shall mean personal property in excess of five thousand dollars (\$5,000.00) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

SECTION 2. DUTIES.

(A) The Corporation shall maintain adequate inventory controls and accountability systems for all property owned by the Corporation and under its control

(B) The Corporation shall prepare, not less frequently than annually, a report listing all real property owned in fee by the Corporation. Such report shall consist of a list and full description of all real and personal property acquired of during such period. The report shall contain the price paid by the Corporation and the name of the seller for all such property acquired by the Corporation during such period

SECTION 3. ACQUISITION OF PROPERTY.

(A) Supervision and Direction. Except as otherwise provided herein, the duly appointed contracting officer (the “Contracting Officer”) shall have supervision and direction over the acquisition of property of the Corporation. The Corporation shall have the right to acquire its property for any valid corporate purpose.

(B) Appraisal Report. An independent appraiser shall be hired to provide an opinion of fair market value before the Corporation shall make an offer with respect to the acquisition of the property. The appraiser should have a professional affiliation with a national appraisal organization and must not have an interest in the property (or be retained as an agent to sell the property). The appraisal report shall be in form and substance satisfactory to the Corporation and shall be included in the record of the transaction.

Notwithstanding the foregoing, the preparation of an appraisal report shall not be required where the Corporation is acquiring the property pursuant to a donation, or if the

valuation of the property is uncomplicated and the fair market value is reasonably determined to be less than \$10,000.

(C) Method of Acquisition.

(1) Voluntary Acquisition: Unless otherwise permitted by applicable law, the Corporation shall acquire property for not more than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or contracting officer deems proper. The Corporation may execute such documents for the acquisition of title or other interest in property and take such other action as it deems necessary or proper to acquire such property under the provisions of this section. Provided, however, the Corporation may acquire property for more than its fair market value, as described in an appraisal report reviewed by the Corporation or without such appraisal being conducted, upon a finding pursuant to resolution of the Corporation that the acquisition of such property at such price is necessary for the Corporation to further its corporate purpose.

(D) Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the seller of the property and accepted by the Corporation, purporting to transfer title or any other interest in property of the seller to the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantor or transferor who has received valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to closing.

(E) Insurance. The Corporation must ensure that all insurable real and personal property under its control is insured against physical loss or damage.

This Policy is subject to modification and amendment at the discretion of the Corporation.

CAPITALIZE ALBANY CORPORATION

PROPERTY DISPOSITION POLICY

SECTION 1. DEFINITIONS.

A. "Contracting officer" shall mean the officer or employee of the Capitalize Albany Corporation (hereinafter, the "Corporation") who shall be appointed by resolution to be responsible for the disposition of property.

B. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with section 2897 of the New York State Public Authorities Law.

C. "Property" shall mean personal property in excess of five thousand dollars (\$5,000.00) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

SECTION 2. DUTIES.

A. The Corporation shall:

- (i) maintain adequate inventory controls and accountability systems for all property owned by the Corporation and under its control;
- (ii) periodically inventory such property to determine which property shall be disposed of;
- (iii) produce a written report of such property in accordance with subsection B herewith; and
- (iv) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 3 below.

B. The Corporation shall:

- (i) publish, not less frequently than annually, a report listing all real property owned in fee by the Corporation. Such report shall also consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Corporation and the name of the purchaser for all such property sold by the Corporation during such period; and
- (ii) shall deliver copies of such report to the Comptroller of the State of New York, Director of the Budget of State of New York, Commissioner of the New York State Office of General Services, New York State Legislature (via distribution to the Majority Leader of the Senate and the Speaker of the Assembly) and the Authorities Budget Office.

SECTION 3. TRANSFER OR DISPOSITION OF PROPERTY.

A. Supervision and Direction. Except as otherwise provided herein, the duly appointed contracting officer (the “Contracting Officer”) shall have supervision and direction over the disposition and sale of property of the Corporation. The Corporation shall have the right to dispose of its property for any valid corporate purpose.

B. Custody and Control. The custody and control of Corporation property, pending its disposition, and the disposal of such property, shall be performed by the Corporation or by the Commissioner of General Services when so authorized under this section.

C. Method of Disposition. Unless otherwise permitted, the Corporation shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or contracting officer deems proper. The Corporation may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, except in compliance with all applicable law, no disposition of real property, any interest in real property, or any other property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction.

D. Sales by the New York State Commissioner of General Services (the “Commissioner”). When the Corporation shall have deemed that transfer of property by the Commissioner will be advantageous to the State of New York, the Corporation may enter into an agreement with the Commissioner pursuant to which the Commissioner may dispose of property of the Corporation under terms and conditions agreed to by the Corporation and the Commissioner. In disposing of any such property, the Commissioner shall be bound by the terms hereof and references to the contracting officer shall be deemed to refer to such Commissioner.

E. Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Corporation, purporting to transfer title or any other interest in property of the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to closing.

F. Bids for Disposal; Advertising; Procedure; Disposal by Negotiation; Explanatory Statement.

- (i) Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Corporation shall be made after publicly advertising for bids except as provided in subsection (iii) of this Section F.
- (ii) Whenever public advertising for bids is required under subsection (i) of this Section F:

- (A) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition;
 - (B) all bids shall be publicly disclosed at the time and place stated in the advertisement; and
 - (C) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected at the Corporation's discretion.
- (iii) Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to subsections (i) and (ii) of this Section F but subject to obtaining such competition as is feasible under the circumstances, if:
- (A) the personal property involved is of a nature and quantity which, if disposed of under subsections (i) and (ii) of this Section F, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;
 - (B) the fair market value of the property does not exceed fifteen thousand dollars (\$15,000.00);
 - (C) bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
 - (D) the disposal will be to the state or any political subdivision or public benefit corporation, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;
 - (E) the disposal is for an amount less than the estimated fair market value of the property, the terms of such disposal are obtained by public auction or negotiation, the disposal of the property is intended to further the public health, safety or welfare or an economic development interest of the Corporation, the state or a political subdivision (to include but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, or where the authority's enabling legislation permits or other economic development initiatives), the purpose and the terms of such disposal are documented in writing and approved by resolution of the board of the Corporation; or
 - (F) such action is otherwise authorized by law.

- (iv) (A) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:
 - (1) any personal property which has an estimated fair market value in excess of fifteen thousand dollars (\$15,000.00);
 - (2) any real property that has an estimated fair market value in excess of one hundred thousand dollars (\$100,000.00), except that any real property disposed of by lease or exchange shall only be subject to clauses (3) and (4) of this subparagraph;
 - (3) any real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000.00).
 - (4) any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.
- (B) Each such statement shall be transmitted to the persons entitled to receive copies of the report required in Section 2.B (ii) of this Policy not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Corporation making such disposal.

This Policy is subject to modification and amendment at the discretion of the Corporation and shall be filed annually with all local and state agencies as required under all applicable law.

**RESOLUTION 7-2015
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, pursuant to New York Public Authority Law §2896 (“PAL”), the Capitalize Albany Corporation has adopted written Property Disposition and Acquisition Policies (“Policies”); and

WHEREAS, pursuant to PAL, the Policies are to be “annually reviewed and approved by the governing body of the public authority”; and

NOW THEREFORE BE IT RESOLVED, that the attached Policies have been reviewed and approved.

Signed: _____
Sarah Reginelli, President

Date of Authorization: May 22, 2015
Prepared by: Thomas M. Owens, Esq.