



Tuesday, September 25, 2018
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 June 26, 2018
2. Report of Executive Staff – Corporation Update
 - a. Skyway Update
 - b. Communications Update
3. Report of the Finance & Investment Committee
 - a. Resolution 8-2018 – 99 Pine St., LLC Loan Request Approval
4. Report of the Liberty Park Committee
 - a. Tour Re-cap
 - b. Status Update
5. Other Business
6. Board Only or Executive Session (if necessary)

Capitalize Albany Corporation Board Meeting

September 25, 2018

Agenda Item #1: Review of Minutes from the Regular Meeting of June 26, 2018

Materials:

- Capitalize Albany Corporation Regular Board Minutes

Capitalize Albany Corporation
Regular Board Meeting
MINUTES
Tuesday, June 26, 2018

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, June 26, 2018 at 21 Lodge Street, Albany, NY.

The following were in attendance:

Board of Directors:

Michael Castellana	Heather Briccetti	David Parente	Jeff Sperry
	Robert Curley	Susan Pedo	Karen Torrejon
	Sonya del Peral	Matthew Peter	Michele Vennard
	Michael Fancher	Havidan Rodriguez	John Vero

Other:

Thomas M. Owens, Esq.; Dan Nolan, Bob Hennes (Mr. Nolan & Mr. Hennes left the meeting following the Investment Report)

Staff:

Sarah Reginelli, Mike Bohne, Andy Corcione, Joe Landy, Alie Matthews, Ashley Mohl, Mark Opalka.

Excused:

Anders Tomson (participating via conference line), Kaweeda Adams, John Harris

Approval of Minutes for April 24, 2018 Governance Committee Meeting

The Board reviewed the minutes of the April 24, 2018 Regular Board meeting. ____ made a motion for approval. ____ seconded. The Board agreed unanimously to approve the minutes.

Report of the Finance & Investment Committee

The Committee had two matters prepared for the Board – the Investment Report and a loan request. The Committee informed the Board that the Finance & Investment Committee met with Bob Hennes from Hugh Johnson Advisors to review the Capitalize Albany Investment/Portfolio Report and the Short Term Investment Services Report as of May 31, 2018. The Committee recommended that Hugh Johnson Advisors present the portfolio at the full Board meeting for discussion.

a. Investment Report –

Guest Speakers Bob Hennes and Dan Nolan, Hugh Johnson Advisors

Mr. Hennes and Mr. Nolan discussed the performance of the investment portfolio in detail. Mr. Hennes advised the Committee that Corporation's Investment portfolio remains appropriate related to the Corporation's Investment Policy. The Board discussed the Report in detail, and concluded that the Corporation's strategy and portfolio was appropriate and prudent. The Board discussed the

Corporation's investment policy and metrics for performance. The Board requested that Staff review the Investment Policy related to other local Public Authorities and report back to the Finance & Investment Committee on its findings.

b. Resolution 7-2018 420 Broadway Loan

John Vero, Bob Curley and Chairman Castellana disclosed potential conflicts of interest related to the 420 Broadway Loan and recused themselves from the discussion, leaving the room. Staff discussed the 420 Broadway Albany, LLC loan request with the Board. 420 Broadway Albany, LLC is requesting financing for the acquisition of an approximately 9,400 square foot building at 420 Broadway, Albany, NY and the conversion into mixed use, including the current commercial space on the first floor and seven new residential units on the upper four floors. Coulson's News will continue to occupy the commercial space. The Committee discussed their positive recommendation for approval of the requested loan. After discussions, a motion to recommend the approval of a subordinate loan and move was made by _____ and seconded by _____. A vote being taken, the motion passed unanimously with the above-mentioned recusals.

Report of Executive Staff – Corporation Update

Staff provided an overview of current Corporation operations and projects including presentations on the following:

a. State Funding Competitions

Staff discussed the status of the pending application for funding through Governor Cuomo's Upstate Revitalization Initiative award to the Capital Region Economic Development Council. The Board discussed the importance of State assistance for the redevelopment of Liberty Park.

Staff indicated that, as the Corporation is the City's official economic development organization, it again prepared the City of Albany's submission to Governor Cuomo's Downtown Revitalization Initiative annual competition. Staff provided an overview of the submitted Clinton Square application, and described the two-year long stakeholder engagement process that informed the application. Staff reviewed various projects underway and in the pipeline within the identified Clinton Square area, and discussed priority projects if the City was selected as the 2018 winner. Staff indicated that the proposal had been selected as a finalist, and the City of Albany was invited to make a presentation to the Council later that afternoon. The Board discussed the anticipated timing of the Capital Region's recommendation and final announcement of the winner in late summer or early fall, consistent with the previous two DRI rounds.

Staff informed the Board of the timeline for the CFA Round VIII awards. Staff discussed the responsibilities of the Corporation within the process. Staff provided an update on the status of various citywide applications and noted that

staff was preparing all necessary applications to appear before the City of Albany Common Council for Approving Resolutions prior to the July 27 deadline. Staff and Board discussed the Board's criteria for the Corporation's support of projects and direct applications. Staff also provided an update on three projects the Corporation was exploring for direct application. The Board discussed the merits of these potential projects.

b. Resolution 7-2018 ACDA Façade Improvement Program

Staff provided an update regarding the citywide Façade Improvement Program's ongoing success and presented the opportunity to administer an additional round of the Program through a 2018 award approved by the Albany Community Development Agency. Counsel presented Resolution 6-2018, which was moved by _____ and Seconded by _____. The Board discussed the merits of the Program in assisting small businesses and revitalizing neighborhood commercial districts throughout the City, and the need to communicate the benefits of the Program. The Board discussed options for strengthening the Program's positive impact in critical neighborhoods.

c. Liberty Park Update

Staff informed the Board that Capitalize Albany is continuing with the due diligence process. Staff discussed the recent presentation made to the Capital Region Economic Development Council related to the requested URI funds and options for Liberty Park. Staff updated the Committee that the Albany IDA is moving forward with their potential involvement related to property acquisition for the Liberty Park project. The Board discussed the public importance of the project to the City of Albany and the Capital Region. Staff announced an upcoming first meeting of the Corporation's Liberty Park Committee.

Other Business

None.

Executive Session

A motion to enter into executive session was made Michael Castellana, seconded by _____ to discuss the employment history of certain individuals. The Board entered into executive session at 9:xx a.m. Board members and Counsel remained in the room. The Board left executive session at 9:xx 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:xx a.m.



CAPITALIZE ALBANY
CORPORATION

Capitalize Albany Corporation
21 Lodge Street
Albany, New York 12207

MEMORANDUM

TO: Capitalize Albany Corporation Board of Directors

FROM: Economic Development Staff

RE: Skyway Status Update

DATE: September 21, 2018

After three extremely successful public workshops and nine stakeholder sessions engaging 100+ local and regional participants, the feasibility study and preliminary design phase for the Skyway project is coming to a close. Working with Staff, the City, and NYS Department of Transportation (NYSDOT) over the past six months, the team led by Stantec Consulting Services has completed site assessments, a structural analysis, and a traffic study; focused the three preliminary design concepts into a preferred alternative; generated a construction estimate; conducted a programming and operations analysis; and evaluated environmental and economic impacts as well as the revenue generation potential of the Skyway. Stantec has compiled all of this information into a Final Design Report that will be submitted to NYSDOT for approval. Approval of the Final Design Report is anticipated this fall.

In October of this year, the project will transition to a NYS DOT-led final design and initial construction phase, funded through the \$3.1 million grant committed by New York State to the Skyway earlier this year. With Staff assistance, more than \$5 million in additional funding is currently under request for the Skyway through applications under the Regional Council Consolidated Funding Application (CFA) process, Transportation Alternatives Program (TAP), and the Downtown Revitalization Initiative (DRI).

The following document provides a high-level overview of the results of the Skyway feasibility study:

- Skyway One Sheet (see attached)



CAPITALIZE ALBANY
CORPORATION



Parks, Recreation
and Historic Preservation

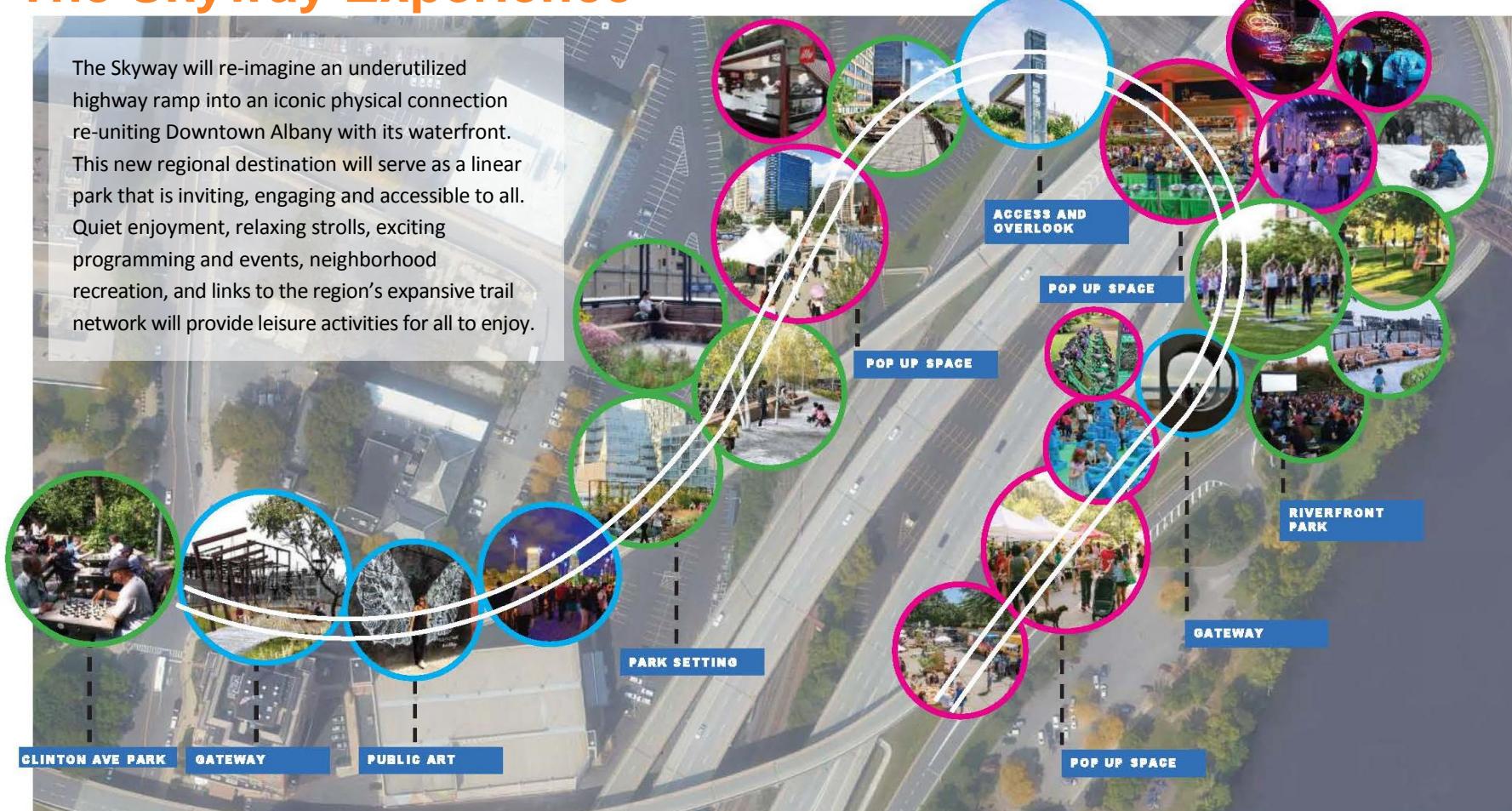


Department of
Transportation



The Skyway Experience

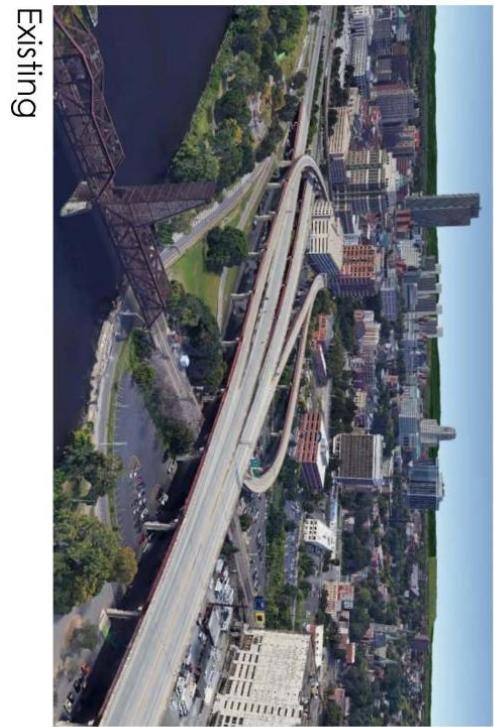
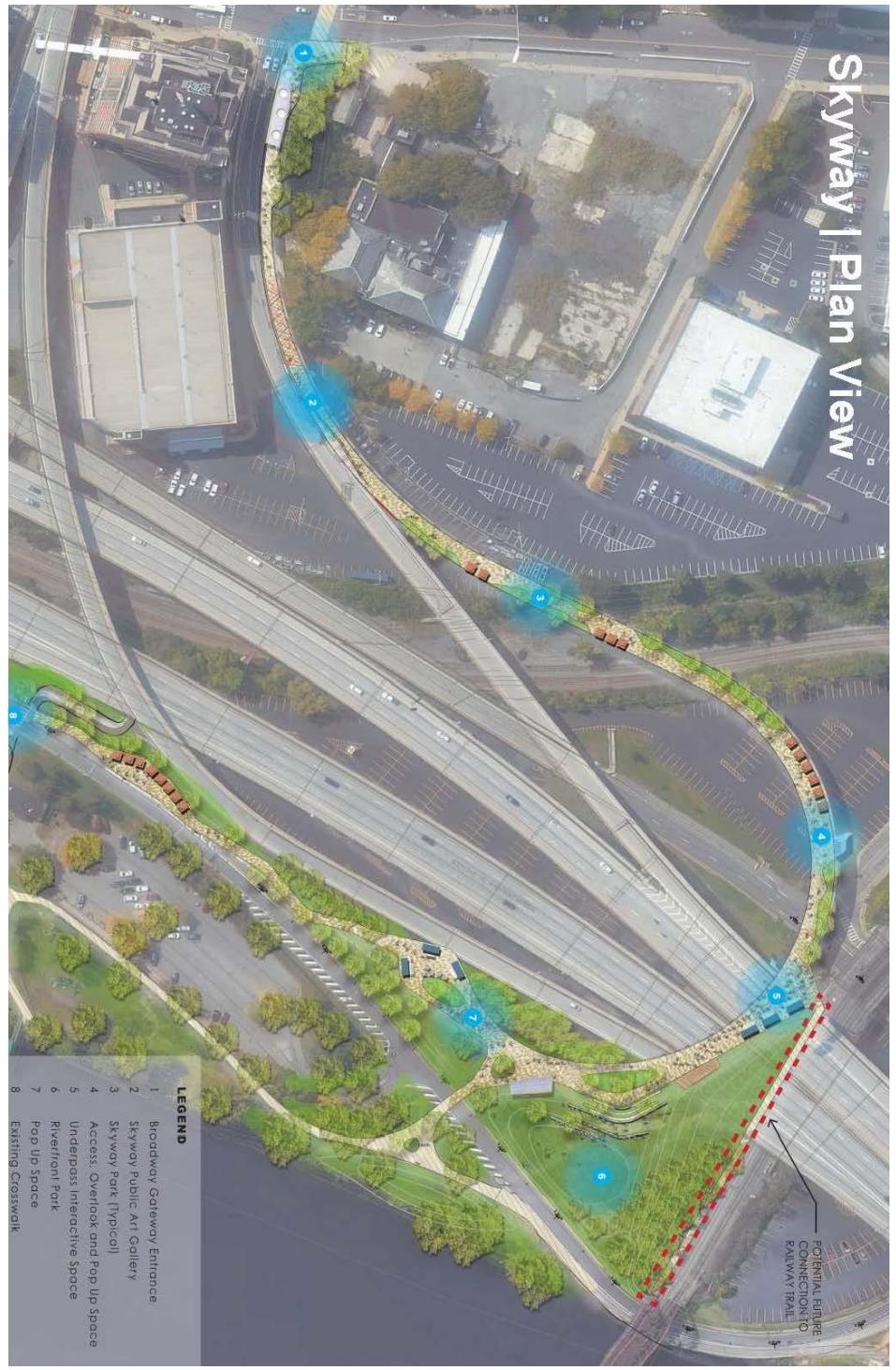
The Skyway will re-imagine an underutilized highway ramp into an iconic physical connection re-uniting Downtown Albany with its waterfront. This new regional destination will serve as a linear park that is inviting, engaging and accessible to all. Quiet enjoyment, relaxing strolls, exciting programming and events, neighborhood recreation, and links to the region's expansive trail network will provide leisure activities for all to enjoy.



Quick Facts

- \$2.9-\$78 million positive fiscal impact to the City of Albany
- \$50-\$371 million broader economic impact
- Re-route adds only 1 additional minute to commute time
- Operating return on investment 1-19x
- Economic impacts 3-24x construction costs
- Over 50,000 sq. ft. of impervious surface removed
- Over 20,000 sq. ft. of waterfront habitat introduced
- \$3.1 million already committed by NYS DOT for opening





Capitalize Albany Corporation Board Meeting

September 25, 2018

Agenda Item #2: Report of Executive Staff – Corporation Update

Materials:

- Project Update Memo
- Skyway Update Memo

Capitalize Albany Corporation Board Meeting

September 25, 2018

Agenda Item #2: Report of the Finance & Investment Committee

Materials:

- 99 Pine Memo
- Resolution 8-2018 – 99 Pine St., LLC Loan Request Approval

**RESOLUTION 8-2018
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, Capitalize Albany Corporation (“CAC”) established a Real Estate Loan Program in June 2010 to provide financing to qualifying real estate development projects to support the revitalization of property and the retention/creation of jobs for City residents targeting properties currently vacant or underutilized and where rehabilitation/construction could have a positive effect on the community; and

WHEREAS, a Downtown Leasing and Marketing Study was completed in 2011 which concluded additional residential units are necessary in order to increase retail opportunities in downtown Albany and that downtown could support approximately 200 additional new units per year to supply current demand; and

WHEREAS, pursuant to Resolution #7-2016 (May 24, 2016) CAC reviewed and approved a subordinate loan (the “Original Loan”) to 99 Pine Street of Albany, LLC (the “Borrower”) in the amount of \$400,000 to assist with the conversion of the predominantly vacant 3rd through 5th floors at 55 North Pearl Street (also known as 99 Pine Street), Albany, New York into 35 market-rate apartment units; and

WHEREAS, the Original Loan closed on August 3, 2016, and entailed an interest only payment period of (30) thirty months (4.75% interest rate) followed by a principal and interest payment period of (5) five years (5.25% interest rate) with a (30) thirty year amortization schedule, and included the personal guaranties of Borrower’s principals Christopher E. Maddalone and Seth R. Meltzer; and

WHEREAS, the Original Loan was subordinate to a SEFCU loan in the amount of \$5,227,500 (“SEFCU Loan”) and was to be repaid to CAC on the date of rent stabilization (annual rent revenue of \$896,000) which would release \$1,300,000 of historic tax credit funds being held in escrow by SEFCU, and from such released escrowed historic tax credit funds the CAC Original Loan would be fully repaid; and

WHEREAS, due to the Borrower losing their largest commercial tenant, the Borrower never reached rent stabilization (and therefore has not been able to access the \$1,300,000 escrowed funds) and now desires to renovate the vacate commercial space into six additional apartments, and accordingly has submitted an application to modify the Original Loan to allow a refinancing of the SEFCU Loan with a Berkshire loan in the amount of \$5,750,00 (the “Berkshire Loan”) with \$600,000 held-back (the “Holdback”) and not disbursed by Berkshire Bank to Borrower until rent stabilization; and

WHEREAS, the Borrower’s application request that CAC agree to (i) subordinate its \$400,000 loan to the Berkshire Loan; (ii) allow \$300,000 of the \$1,300,000 escrowed funds be released from escrow and provided to Borrower to complete the residential conversion and the remaining \$1,000,000 in Tax Credit funds be re-escrowed which funds (in addition to the \$600,000 Holdback) to be used to fully pay back the CAC \$400,000 loan on rent stabilization; and

WHEREAS, an underwriting review has been completed and there is an anticipated approval and

issuance of a financing commitment from Berkshire Bank for the Berkshire Loan (amount of \$5,750,000); and

NOW, THEREFORE, BE IT RESOLVED, that CAC approves that the Original Loan be amended pursuant to the terms and conditions outlined above (the “Amended Loan”), and consist of a subordinate loan in the amount of \$400,000 to be secured by the building and property located 55 North Pearl Street (also known as 99 Pine Street), Albany, New York. Such Amended Loan will entail an interest only payment period of (30) thirty months followed by a principal and interest payment period of (5) five years with a (30) thirty year amortization schedule. The Amended Loan is to be at a fixed interest rate of 4.75% during the interest only payment period and at a fixed interest rate of 5.25% during the principal and interest payment period. The CAC Amended Loan is contingent upon the personal guarantees of project principals Christopher E. Maddalone and Seth R. Meltzer.

Signed: _____
Michael Castellana, Chairman

Date of Authorization: September 25, 2018

Capitalize Albany Corporation Board Meeting

September 25, 2018

Agenda Item #4: Report of the Liberty Park Committee

Materials:

- Liberty Park Site Info Map