

■ ReCAPITALIZE

ALBANY

2007



Recommendation for a contemporary
economic development strategy

Prepared by the ReCapitalize Albany
Committee in collaboration with the:
Albany Local Development Corporation
City of Albany Department of Development
and Planning
and Saratoga Associates

June 2007

■ ReCAPITALIZE
ALBANY

ReCapitalize Albany Committee Members

Gerald D. Jennings, Mayor, *City of Albany*

Dr. R. Mark Sullivan, Co-Chair & Education Sub-Committee Chair
President, The College of St. Rose

Mr. Thomas Geisel, Co-Chair / Regional President, *Key Bank*

Mr. Robert Curley, Neighborhood Revitalization & Planning
Sub-Committee Chair / Chairman, *Citizens Bank*

Mr. John Egan, Development Sub-Committee Chair
Commissioner, NYS Office of General Services & President,
Renaissance Corporation of Albany

Mr. Mark Aldam, Publisher, *Albany Times Union*

Mr. Stephen Baboulis, VP & General Manager, *WNYT*

Mr. James Barba, President & CEO, *Albany Medical Center*

Hon. Betty Barnette, City Treasurer, *City of Albany*

Mr. M. Christian Bender, Executive Director, *Brighter Choice
Foundation*

Mr. Steve Boyle, President & CEO, *St. Peter's Hospital*

Mr. David Buicko, Chief Operating Officer, *Galesi Group*

Ms. Nancy Carey Cassidy, Executive Vice President, *Picotte
Companies*

Mr. Michael Castellana, President & CEO, *SEFCU*

Mr. Timothy Conley, President, *Conley Associates*

Hon. Richard Conti, President Pro Temp, *Albany Common
Council*

Mr. Mauricio Diaz, Owner, *Empire Shoe Rebuilders*

Fr. Kenneth Doyle, Pastor, *St. Catherine of Siena*

Mr. Carl Florio, President, *First Niagara Bank*

Mr. Alan Goldberg, Vice Chairman, *First Albany Companies Inc.*

Ms. Elizabeth Griffin, Planning Board Member, *City of Albany*

Dr. Susan Herbst, Officer in Charge/ Provost/ Executive VP for
Academic Affairs, *University at Albany*

Mr. John Higgins, Esq., Attorney, *Nixon Peabody, LLP*

Ms. Nancy Hodes, President, *Hodes Associates*

Dr. Roger Hull, President, *Help Yourself Foundation*

Dr. Eva Joseph, Superintendent, *Albany City School District*

Mr. Richard Kotlow, Chief Executive Officer, *UHY Advisors NY*

Ms. Rene Laspina, President & GM, *WTEN*

Mr. Donald Led Duke, President, *BBL Construction Services*

Mr. Richard Liebich, Chairman, *Charitable Venture Foundation*

Ms. Kelly Lovell, President & CEO, *International Business
Development Group- America Division*

Ms. Jennifer MacPhee, Market President, *Bank of America*

Mr. Alan Marlin, VP & General Manager, *Capital News 9*

Mr. Norman Massry, Principal, *Tri City Rentals*

Mr. Angelo Mazzone, Owner, *Angelo's 677 Prime*

Hon. Carolyn McLaughlin, Majority Leader, *Albany Common
Council*

Ms. Christine Miles, Director, *Albany Institute of History & Art*

Mr. John Nigro, President, *Nigro Companies*

Mr. Kevin O'Connor, Chief Executive Officer, *Tech Valley
Communications*

Mr. John O'Donnell, Chief Executive Officer, *Albany County
Airport Authority*

Mr. C. Anthony Owens, CRA Compliance Manager, *Key Bank*

Mr. Victor Politzi, State Manager, *Progressive Insurance*

Ms. Jan Smith, Public Relations Manager, *General Electric
Energy*

Mr. Gene Solan, President, *Neighborhood Resource Center*

Mr. Jeffrey Sperry, President, *CB Richard Ellis – Albany*

Mr. I. David Swawite, President & COO, *Omni Development
Company, Inc.*

Mr. Ed Swyer, President, *Swyer Companies*

Ms. Lyn Taylor, President, *Albany Colonie Regional Chamber of
Commerce*

Mr. F. Michael Tucker, President, *Center for Economic Growth*

Ms. Michele Vennard, President, *ACCVB*

Mr. Michael Yevoli, Commissioner, *City of Albany – Development
& Planning & President, ALDC*

City of Albany Department of Development & Planning/ALDC Staff

Ms. Megan Daly, Deputy Commissioner & Vice President

Ms. Michele Avellino, Clerk/Typist

Ms. Ashley D'Antonio, Program Assistant

Mr. Terrence Gorman, Counsel

Ms. Jessica Henderson, Senior Economic Developer

Ms. Martha Hyland, Fiscal Director

Mr. Christian Leo, Senior Planner

Mr. Douglas Melnick, Senior Planner

Mr. Richard Nicholson, Senior Planner

Ms. Sarah Reginelli, Senior Planner

Ms. Kelly Scott, Economic Developer

Mr. Jeffrey Sullivan, Senior Economic Developer

Ms. Monique Wahba, Senior Planner



The 49 members of the ReCapitalize Albany Committee were asked to participate by Mayor Gerald D. Jennings. This report was produced in collaboration with the Albany Local Development Cooperation, the City of Albany Department of Development and Planning and Saratoga Associates.

Table of Contents

iii	Letter from the Committee Co-Chairs
1	Executive Summary
10	Development Subcommittee Report
20	Neighborhood Subcommittee Report
34	Education Subcommittee Report

Letter from the Committee Co-Chairs

June 5, 2007

Dear Mayor Jennings,

On behalf of the 49-member ReCapitalize Albany committee, we are pleased to present this report for your consideration. Over the last twelve months the members have embraced your charge to examine the City of Albany's economic development strategy and provide recommendations to update it in response to changes in the local and global economy. Among the three subcommittees, this group has held numerous meetings, conducted extensive research and made recommendations to focus our future economic development efforts.

As Co-Chairs of this endeavor, we must first react to the many accomplishments that have taken place under your vision and leadership since the original Capitalize Albany Strategy in 1996. New York's Capital City has enjoyed a tremendous renaissance and has become a place for businesses to invest and grow and employees to find rewarding career opportunities. The following recommendations seek to build upon that foundation. At your direction, and in response to local and global economic changes, we agree that more can be done.

Through intensive review and research, the committee identified present day strengths, challenges and opportunities in the City of Albany. This report, comprised of 32 specific recommendations, thoughtfully sets forth a blueprint to leverage strengths, maximize opportunities and remediate challenges. At the heart of it, Albany has been successful in attracting new capital investments and infrastructure improvements evident in the many new construction projects that occurred over the last ten years. In light of these achievements as well as the local and global economic changes, Albany's revitalization needs have matured. We must create an environment that is not only attractive to business investment, but also attracts a skilled workforce and new neighborhood residents.

This report sets forth a strategy to achieve these new economic development goals by seeding new resources, being more innovative with our existing resources and revamping the City's economic development and neighborhood revitalization programming. This set of recommendations is bold, aggressive and, if implemented, will set a new direction that fundamentally changes how the City does business.

On behalf of the entire committee we thank you for the opportunity to contribute to the future economic development strategy for New York State's Capital City. We have all witnessed the success of the first Capitalize Albany Committee and we are confident that the hard work of these 49 individuals over the past year will translate into remarkable projects taking place in the City of Albany. We hereby submit these recommendations for your review and consideration.

Together, we remain committed to building a better Albany!

Sincerely,



Dr. R. Mark Sullivan, Co-Chair
President, College of St. Rose



Thomas X. Geisel, Co-Chair
Regional President, KeyBank

EXECUTIVE SUMMARY



There is much to boast about in Albany. The City's skyline has grown, vibrancy is increasing on downtown streets, and some neighborhoods have become destination locations for new residents to live. As well, the City is experiencing unprecedented levels of business investment, particularly with the growth of Albany NanoTech.

In 1996, the Capitalize Albany strategy set out a bold vision for economic revitalization. Since then more than two billion dollars have been invested in over 200 projects across the City. The new initiatives and new partnerships fostered by the plan have transformed Albany.

But many challenges remain. Downtown has a number of buildings with very high vacancy rates. Street activity could be increased in the evenings and on weekends. The City must overcome a competitive cost disadvantage when it comes to attracting new businesses. Albany neighborhoods have over 900 vacant buildings. Many local schools perform poorly versus suburban counterparts, especially where there exists an educational divide between students of different socioeconomic status. This creates a challenge to retain and attract young families in the City.

In June 2006, Mayor Gerald D. Jennings charged 49 community leaders with investigating the opportunities and

challenges facing the city in three focus areas: Development, Neighborhood Revitalization, and Education. The Mayor charged the Committee to reflect on the local and global changes to the economy, as well as advances in the regional economic landscape and to reexamine the City's economic strategy in preparation for the future. Over the course of one year, among three subcommittees, this group researched the issues and compiled the information and recommendations contained in this ReCapitalize Albany report.

ReCapitalize Albany

ReCapitalize Albany moves the city to a new level of economic and neighborhood redevelopment by crafting a strategy to boost the "human face" of the city.

Traditionally, economic development and revitalization strategies focused on bringing new business to the City. Albany has been successful in this area with major new investment. Now it is time for the City to complement business development and economic investment with a focus on people and quality of life.

The primary resource that will drive the intellectual economy of the 21st century is talent. Enterprises and entrepreneurs seek to locate and grow in places where they can find



their most important resource – skilled, highly trained workers. And Albany is well positioned with 21 institutions of higher education around the region, thus we have a skilled and available workforce. As we attract businesses from around the world at Albany NanoTech our City must also capture ancillary businesses in modernized commercial space downtown and the workers to reside in our vibrant neighborhoods. Albany must reinforce itself as a desirable place to live with vibrant and safe streets, compelling urban and historic character, plentiful job options and high quality education.

It is crucial that Albany creates both a friendly “people climate” as well as a friendly business climate. The recommendations contained in this report do just that. This plan creates new programs, revamps existing ones and allocates resources in a way that gives the City the ability to accomplish so much more than simply listing projects to be built. This report outlines an approach to updating the City's economic development strategy with a combination of business attraction and retention programs, improvements to neighborhood revitalization efforts and a protection of quality of life.

Many of the recommendations are innovative urban strategies, but all have proven successful in the revitalization of cities such as Baltimore, Cleveland, Hartford, Providence and Austin, among others. The committee has screened

the approaches and singled out those most likely to succeed in Albany. The city needs to adjust the way it programs, institutes new resources and reallocates existing resources; many old policies and practices must be revolutionized for 21st century success.

As this occurs, Albany must do a better job of promoting itself to the world. Among the three subcommittees, a united voice was heard recommending better marketing of the City of Albany and its distinctive amenities. As the subcommittees researched other cities, it became even more apparent that Albany has a lot to offer. The recommendation calls for a comprehensive, world-class marketing campaign highlighting the City's value as a place to invest and grow a business; as a destination to live in one of many vibrant residential neighborhoods; and as a center of educational and cultural opportunities.

DEVELOPMENT



Levels of investment in business and economic development have been unprecedented since Capitalize Albany, the City's 1996 economic development strategy. Over the past ten years, the City's skyline has visibly grown; the technology sector is flourishing with the growth and investment at Albany NanoTech; and a tremendous amount of economic development projects have been completed throughout Albany.

At the same time, downtown has a very high vacancy rate and fairly low lease prices – making private reinvestment difficult. Older buildings are underutilized and in some cases ill-suited for modern uses. Pedestrian activity in the evenings and on weekends has increased, but can be further improved. Parking is a challenge for business during the day and for residents at night and is priced at a point that cannot compete with suburban locations. Reinvesting in downtown requires filling the gap between market rate rents and the cost of rehabilitating or converting older, even historic buildings.

In many ways, the City's recent successes demonstrate that Albany is on the right track. However, we have reached a maturity in our revitalization efforts that requires creating new programs, revamping old ones and reallocating resources to take advantage of opportunities. The City must position itself to capitalize on the strong interest in investment

in downtown Albany, an increased demand for living in downtown, more non-business hour activities and large catalytic projects such as the convention center.

In the areas of development, ReCapitalize Albany recommendations can be categorized among five strategic initiatives that are crucial to updating our economic development approach.

- > Diversify downtown to include a more vibrant mix of businesses, residential, retail, cultural, and waterfront recreation. Adaptively reusing underutilized buildings to create more modern space is necessary to achieve this goal.
- > Develop a downtown parking strategy and incentive program to encourage business attraction and retention and serve new residential projects.
- > Fortify the City's relationship with the new leadership in New York State government to ensure ample support for Albany's revitalization programs.
- > Redevelop the Harriman campus as a vibrant commercial, industrial, retail and residential core that weaves itself into the fabric of the surrounding neighborhoods.
- > Reinforce neighborhood commercial cores and corridors to better serve the residents around them and across the City.



One of the most important strategic initiatives involves diversifying the mix of businesses and uses downtown. Albany must build the 24-hour/7-day-a-week vitality that cities need if they expect to attract diverse businesses and people to their urban cores. Entrepreneurs often blend work and social hours. A vibrant area allows integration between social and professional activities. Downtown residents have similar needs to be stimulated, feel safe and be where the action is. It is what secures an area as a destination for businesses and residents.

To achieve these goals, the ReCapitalize Albany plan wants to help property owners succeed at rehabilitating and converting their downtown buildings to modern office, retail and residential uses. One way is through the creation of a new authority and a new fund to assist in or even undertake catalyzing projects in Albany. Sometimes the numbers just do not add up for profitable development in urban areas. A development authority could close those gaps in Albany by offering low-interest loans, developing, innovative parking solutions, rehabilitation grants or acting as a vehicle for real estate acquisitions. A strategic projects loan fund could induce large-scale transformational projects and partner with private developers trying to invest in our city.

Another important effort will be the development of a downtown parking strategy and incentive program that reflects the vision of a revitalized city core. Parking is often a major sticking point for downtown revitalization efforts. It is both expensive and, if done poorly, could seriously detract from efforts to create a vibrant downtown. A new parking strategy needs to reflect the ReCapitalize Albany vision for a

vibrant downtown where people live, work, dine and shop beyond the 9-to-5 business hours.

There are catalytic projects happening that will have an enormous impact on Albany – the Harriman Technology Park, Albany NanoTech and the Albany Convention Center. The city must partner with the state and private organizations facilitating these projects to make sure they are a success. It is imperative that these projects are not developed as ‘islands’ but are woven into the fabric of the surrounding neighborhoods and leverage additional business and economic development opportunities.

A unique opportunity that must be maximized in Albany is the growth and investment occurring at Albany NanoTech. This research operation is attracting global corporate partners and is creating significant job opportunities both in the City and around the region. Albany can leverage this activity to spur additional business development and bring new residents to the City.

Downtown is not the only commercial area in Albany. Neighborhood Commercial Districts are vital contributors to the health of the City's overall economy. Traditionally, the mix of businesses in these areas, often locally owned, create dynamic environments that make neighborhoods more attractive to residents, generate important job opportunities and strengthen the property tax base throughout the city. ReCapitalize Albany seeks to broaden support for Neighborhood Commercial Districts through programs that encourage building owners to maintain and improve their structures as well as coordinating resources targeted for business development within Neighborhood Commercial Districts.

NEIGHBORHOOD REVITALIZATION



Albany has a variety of neighborhoods that range from very stable and regionally competitive to areas experiencing broad distress and disinvestment. While the entire City continues to experience population decline, some neighborhoods have been harder hit than others. In addition there is a lot of aging, unimproved housing stock; a weak real estate market; low ownership levels; abandoned buildings; competition from suburbs; and the perception of Albany as unwelcoming or dangerous.

The strategic initiatives in the area of neighborhood revitalization move the City of Albany in a new direction. While there have been some successes in the past, the City can do better targeting resources and capitalizing on opportunities.

One of the most important new strategic directions is for the City to more quickly establish control of vacant and abandoned sites. This is key to reversing disinvestment in Albany because rundown properties lower values for neighbors, attract criminal activity, pose a physical threat to the community and discourage private investment. The programs that would remedy this challenge include establishing a land bank program and a strategic properties acquisition fund as well as enhancing the coordination between the City and Albany County on foreclosed properties.

Another important improvement would be in the administration and delivery of programs across the City. Currently, Albany has a number of revitalization efforts that are well intentioned, but not components of a broader, comprehensive plan. Often they compete for funding which may result in

inefficient deployment of resources. A central neighborhood revitalization corporation or other citywide organization could make all efforts more efficient, better coordinated and provide the institutional underpinnings for success. It could ensure the depth and diversity of staff and resources to carry out neighborhood revitalization efforts.

Reclaiming quality housing and increasing homeownership are two strategic initiatives that will attract the talented human capital that Albany needs to grow. The city must make it easier for potential homeowners and landlords to buy property, invest in buildings, preserve their personal investments and even earn a return. An Albany HomeStore can be a one-stop-shop to educate buyers and guide them through the purchasing process. Another action item, one of the easiest, is to fix the bureaucracy that inhibits private building rehabilitation efforts. Additional changes include working with financial institutions to create a flexible, non-income restricted rehabilitation program fund.

Perception is reality. Albany's perception needs to be one of unique neighborhoods, vibrant nightlife, cultural events, walkability, job opportunities and educational institutions. The city needs to brand city living to attract the young professionals and empty-nesters as they tend to be more interested in urban amenities and more likely to jumpstart growth in other demographics. A public relations campaign is necessary to overcome negative publicity and promote the positive aspects of living in Albany. The campaign should let people know that living in Albany means living well.



EDUCATION

Indisputably, the quality and stability of our city schools are major factors in promoting Albany as a desirable place to live, work and visit. Good schools make good citizens and also lead to stable neighborhoods, higher property values, increased tax support to the City and greater investment by the business sector. There are more than 11,500 students in kindergarten through high school in Albany. Seven colleges and universities here enroll nearly 34,000 students.

Performance levels among students in the Albany City School District are improving, but slowly. At the same time, the public school system faces critical challenges, such as unfocused public support, mounting budgets and increasing public safety incidents. The scenario Albany faces is not unlike many urban areas across the country. All city schools, whether they be public, charter, or private, need to move in a new direction to bring our educational system to a level that is comparable to our neighbors and competitive with cities

around the nation.

Integral to the success of schools is the involvement of wide-ranging stakeholders, particularly the business community. A number of Capital Region businesses are supporting programs to enhance the quality of public education in Albany, but more can and must be done in order to improve education. To do this, there must be a permanent body formed that would bridge city leaders, the city's schools and the business community. This body would make a long-term commitment to building public-private education partnerships and act as an "incubator" and promoter of innovative and effective educational programs. It would share information, build resources and educate the business leaders about the needs of the schools and the best ways to leverage their investment in our educational system. Such a group, working with the fortitude of the business community, could make great strides for education in Albany - the future for all of us.

CONCLUSION

ReCapitalize Albany is an aggressive, innovative plan that builds on the foundation of the 1996 Capitalize Albany. It reflects on the transformation that has occurred over the last decade and prepares New York's Capital City for an even more successful future. It does not seek to incrementally push new public or private projects – much of that work has been done and has been successful in reshaping the city. More importantly

this plan sets a new direction that fundamentally changes the way the City does business. It urges new programs, adjustments to existing programs, better targeting of resources and innovative partnerships that will become the foundation for Albany's continued revitalization and success in the 21st century.

RECOMMENDATIONS

DEVELOPMENT

Recommendation 1 – Launch a comprehensive, world-class branding, marketing and advertising campaign.

Recommendation 2 – Establish a Development Authority to undertake strategic projects in Albany.

Recommendation 3 – Create a Strategic Project Loan Fund through private and public partnerships.

Recommendation 4 – Ensure that the redevelopment of the Harriman Research and Technology Park and the construction of the Albany Convention Center complement, and do not detract from, citywide development goals.

Recommendation 5 – Create a downtown residents incentive package sponsored by the downtown Albany Business Improvement District.

Recommendation 6 – Develop a downtown parking strategy and incentive program that reflects a revitalized city core.

Recommendation 7 – Advocate for enhanced state property tax incentives to encourage the rehabilitation of commercial buildings.

Recommendation 8 – Coordinate resources for neighborhood commercial districts.

Recommendation 9 – Strengthen relationships between New York State government and other institutions and private commercial property owners.

NEIGHBORHOOD REVITALIZATION

Recommendation 1 – Establish a Land Banking Program.

Recommendation 2 – Support existing efforts to create a Strategic Properties Acquisition Fund.

Recommendation 3 – Enhance coordination between the City and Albany County on foreclosed properties

Recommendation 4 – Ensure that the Citywide Comprehensive Plan provides realistic and achievable policy recommendations related to various Quality of Life factors.

Recommendation 5 – Target City resources to correct systemic blighting influences found within the city's economically distressed neighborhoods.

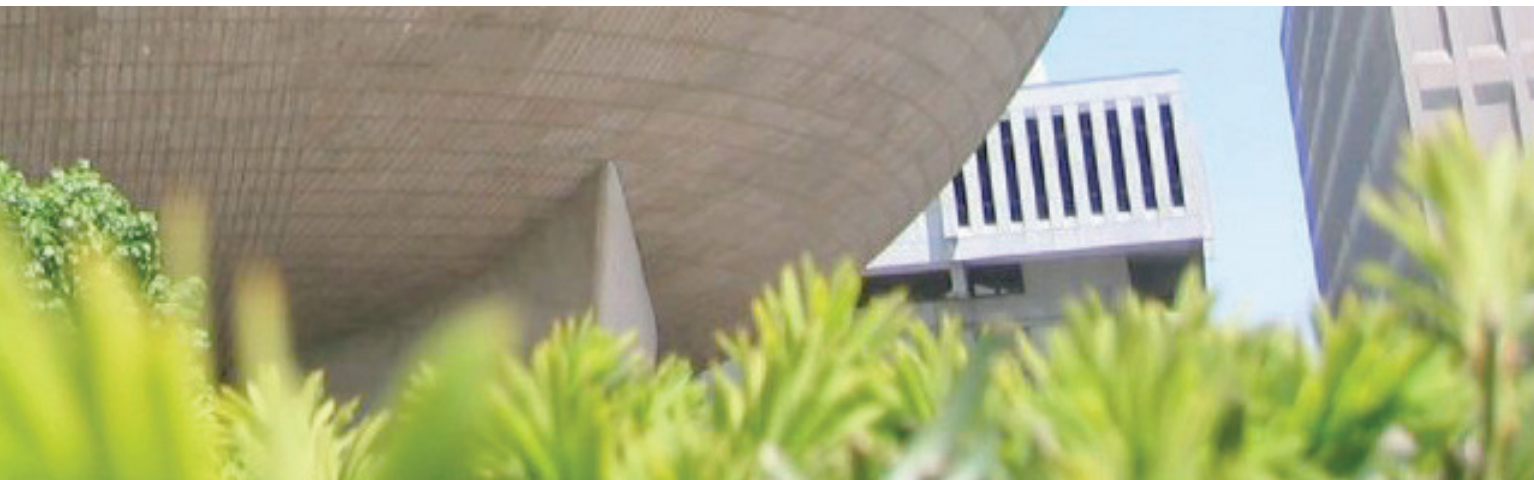
Recommendation 6 – Create a permanent citywide mechanism for neighborhood revitalization and residential development.

Recommendation 7 – Revamp housing rehabilitation programs.

Recommendation 8 – Reconstitute the Albany HomeStore and make its programs and incentives available for homebuyers of all income levels.

Recommendation 9 – Launch a comprehensive branding, marketing and advertising campaign.

Recommendation 10 – Establish an oversight body to assure recommendations are effectively implemented.



EDUCATION

Recommendation 1 – Create a permanent mechanism for business and education leaders to address education issues.

Recommendation 2 – Develop a program to share information and educate the greater business community about the needs of the city's publicly funded schools and the opportunities to help, and visa versa.

Recommendation 3 – Encourage more direct partnership programs between Capital Region institutions of higher education and publicly funded schools in the City of Albany, with a special emphasis on the elementary school level, on schools in need of improvement, and the lowest performing K-12 schools.

Recommendation 4 – Further develop and extend to all publicly funded schools and incentive-based student performance system.

Recommendation 5 – Create opportunities for every student in Albany's publicly funded schools to have varied educational and career related experiences outside of the classroom by the third grade.

Recommendation 6 – Investigate the broader implementation of programs and partnerships like Project Lead the Way, which local businesses could help support financially.

Recommendation 7 – Expand business-education partnerships such as corporate job shadowing programs and other mentoring programs.

Recommendation 8 – Improve the awareness of achievements in the city's publicly funded schools through effective promotion of successful programming, partnerships and recognitions.

Recommendation 9 – Engage in further study and analysis on the long-term financial impacts of charter schools on the Albany City School District's budget and financial operation, and advocate for alternative and/or increased funding adjustments where necessary.

Recommendation 10 – Adopt more aggressive strategies on the part of the City of Albany School District and all publicly funded and private city schools to investigate, share, discuss and emulate innovative and effective strategies and public-private education partnerships that improve student performance, high school graduation and other educational outcomes (wherever these best-practices are found).

Recommendation 11 – Focus a future Summit in Tech Valley on Business-Education Engagement.

Recommendation 12 – Ongoing efforts to improve safety and security and eliminate crime in all of Albany's publicly funded schools must continue to be a priority fully supported by all.

Recommendation 13 – Encourage participation from every quarter, including parents.

Details about each recommendation are in the full topic area reports.



Development Subcommittee Report

Mission

- > Recommend actions and programs to effectively continue Albany's revitalization
- > Identify and support projects key to the next phase of the city's revitalization
- > Identify resources necessary to advance transformational projects

Guiding principle

In the last decade, there has been a clear transformation forward in the City of Albany. Levels of investment in business and economic development have been unprecedented since Capitalize Albany, the City's current economic development strategy, was released in 1996. This provided a bold vision for the revitalization of New York's Capital City, and allowed pathways for investing resources, creating partnerships and transforming Albany. Since Capitalize Albany, the City's skyline has visibly grown; the technology sector is flourishing and more than two billion dollars have been invested in over 200 projects throughout the City. An emerging impact on the physical and economic landscape of the city and region is the business growth and investment at Albany NanoTech. Adjacent to the University of Albany, the Albany NanoTech complex is a \$3.5 billion facility that has attracted over 250 global corporate partners. The complex is growing at a rapid pace in terms of physical infrastructure and attracting corporate partners. Albany NanoTech is the most advanced research complex of its kind at any university in the world. Reflecting on the transformation that has occurred in the past in other U.S. cities such as Austin, Texas, due to technology sector growth, Albany must prepare a 'development blueprint' to maximize future business growth and investment. Recognizing changes in the

local, state and global economies, Albany's economic development strategy must be refined as the market adjusts.

In 1996, Capitalize Albany focused on economic development and attracting new investment in the City's business sectors. This effort, ReCapitalize Albany, charged it's members with including Neighborhood Revitalization and Education in addition to Development. This reflects the success we've had in downtown and in our business sectors, but also indicates the need for a comprehensive approach to the next phase of the City's revitalization, including quality of life priorities. As we ensure the expansion of downtown Albany to include housing, street level retail and destination activities, it is critical that quality of life throughout the City is equally prioritized.

Albany is poised to attract the next level of investment - in its downtown, in the technology sector and in its vibrant neighborhood commercial districts. Downtown Albany can become a 24-hour city with increased residential and retail investment. The City must maximize a tremendous real estate development opportunity with the Harriman Campus, and support the distinctive economic development prospects within neighborhood commercial districts. Attracting and retaining businesses will serve to increase downtown Albany's sluggish commercial occupancy and rental rates. An updated development plan must leverage the tremendous global business investment at Albany NanoTech to add tenants in downtown as well. Diversifying the City's economy to expand beyond the government base is vital. The growth forecasted to occur in the technology sector with Albany NanoTech will assist in achieving this goal. The Development Committee recognized the national and local economic changes, including the regional growth of the technology sector and a national resurrection of urban cores as the focus of society that must be reflected in an updated strategy.

Development Subcommittee Report

Capitalizing on the successes and transitions over the last decade requires the realization that Albany's revitalization needs have matured. Rather than focus solely on tax incentives to boost particular sectors or companies, the city must now broaden its economic development perspective to creating a 'people climate'. As well as bolstering business retention and attraction efforts, Albany needs to be a vibrant, interesting place for people to live, work and play. In addition to financial incentives, many communities find that urban revitalization requires the protection and creation of places with a historic and cultural authenticity. It is this urban character that increasingly draws the entrepreneurs of the 21st century and the innovators who will work for them. These factors shape the focus of opportunities and resources for future economic development efforts. By identifying market trends, as well as development opportunities and challenges the City can better prepare policy and resource recommendations.

A recent downtown market analysis showed that there exists a strong demand for downtown housing. The study estimated that one-quarter (2,400 households) of the people moving to Albany County would be interested in downtown living. The study also identified downtown Albany could absorb 300+ new residential units per year – a significant impact to our downtown. During the Committee's review, the occupancy levels downtown for commercial space available for rent was alarming. While the Committee identified a priority of attracting new commercial office tenants to offset this statistic, it also recognized the challenge of upgrading some of the Class B and C space to modern preferences. The Development Committee focused on business retention, attraction and investment priorities, but also identified the importance of parallel factors that position Albany as a destination. Reprogramming this vacant or underutilized Class B and C commercial space may leverage additional development investment opportunities in the downtown area.

The challenge in many urban places, to put it in market terms, is the high barriers to entry for people who want to live and/or work in cities such as Albany. Some of the challenges the Development Subcommittee identified include:

- > Older, underutilized buildings in need of retrofitting to 21st century uses
- > Vacant and underutilized buildings downtown
- > Need for competitive business and retention attraction benefits
- > Need for increased pedestrian activity during weekends and evenings
- > The I-787 barrier between downtown and the waterfront
- > Affordable daytime parking for commercial buildings
- > 24-hour parking for existing and incoming downtown businesses and residents
- > Static commercial occupancy levels and lease rates



Strategic Initiatives

Downtown Diversification
Residential
Retail
Arts – Cultural
Increasing Commercial Tenancy
Adaptive Reuse of Underutilized Buildings
Business Retention and Attraction
Water Front Development
Harriman Campus Redevelopment
Port of Albany Business Development
Neighborhood Commercial Corridors

Development Subcommittee Report

Some of the opportunities the Development Subcommittee identified include:

- > Strong outside investment interest in downtown Albany
- > Market interest in new Class A downtown office space
- > Available Class B/C commercial buildings downtown suitable for residential conversion
- > Strong market demand for downtown residential
- > Increased non-business hour activity downtown
- > Large catalytic development projects, such as Convention Center
- > Strong Municipal-State relationship

The subcommittee considered development projects that have been completed since the origination of Capitalize Albany that have had a positive transformative impact on the Capital City. There have been more than 200 projects completed throughout the City and more than two billion dollars invested since 1996; a number of these projects were pivotal to transformational change. As well as considering these achievements the Committee identified strategic initiatives and projects that are priorities to be facilitated as part of an updated city-wide development strategy. The recommendations of the development subcommittee reflect the necessary resources required to facilitate these strategic initiatives and priority projects.

Recommendation 1 – Launch a Comprehensive, World-Class Branding, Marketing and Advertising Campaign.

There is much to boast about in Albany. All three subcommittees have come to the conclusion that the City needs to promote the

positive features and opportunities in Albany. In the case of the Development Subcommittee it was concluded that the message needs to get out about Albany's:

- > Investment opportunities
- > Business retention and attraction programs
- > Competitive cost advantage versus nearby major markets
- > Position as a destination for work, living, entertainment and recreation
- > Commercial and residential properties available for development
- > Skilled and available workforce
- > Unique architecture

With the promotion of the City as a destination and its investment and employment opportunities, we will attract more commercial and residential tenants. The city as a potential place to invest and grow a business should be the touted in an ongoing high profile, top quality public relations effort. This message should reach developers, site selection professionals as well as entrepreneurs and business leaders.

The target audience for residential living should be the young professionals and empty nesters, who seek the urban amenities in cities such as Albany. As well, this message will attract developers and investors who seek opportunities to do residential conversion projects with the existing properties. The Downtown Albany BID's housing study shows that there is a definite market for residential living in downtown. The city must package and publicize the different opportunities and incentives for investors in both commercial and, residential buildings.

Development Subcommittee Report

Recommendation 2 – Develop a Downtown Parking Strategy and Incentive Program.

One of the major hurdles to downtown revitalization is the role of the automobile. Providing parking is both expensive and, if designed poorly, can seriously detract from efforts to create a vibrant downtown. A high value on parking can offset property values for reuse to construct new buildings. The Development Committee insists that an updated plan ensure that adequate, competitively priced parking is made available downtown to attract additional commercial and residential tenants.

In the present economic and regulatory environment, it is difficult for downtown buildings to compete with suburban complexes surrounded by acres of adjacent parking. Costs for parking are high and quickly erode the affordability of lease rates, especially for the first generation of pioneering commercial and residential investors. During its review, the Committee identified a competitive disadvantage for downtown to attract new tenants versus suburban areas due to the per square foot price differential for parking.

ReCapitalize Albany envisions a vibrant, dense and active downtown. As new development is sure to come, including large-scale projects like the Convention Center parking needs will increase. The Albany Parking Authority, in concert with the City of Albany and the new economic development authority (see Recommendation One) must develop a parking strategy and develop an incentive program that paves the way for downtown's revitalization.

Developing a parking incentive program that reduces costs for tenants will have a direct effect on attracting businesses and residents and reducing vacancy rates downtown. An incentive program should be developed in such a manner that it satisfies economic development benchmarks such as a long-term commitment to occupy additional space in downtown,

create jobs and investment and provide public benefit.

A parking strategy may include more parking structures, 24-hour access for downtown residents, shared parking, incentives for structured parking under, in, or on top of buildings. Large surface parking lots are not desirable in an urban setting; neither are long blank garage walls. Many communities put small retail shops along the sidewalks with public parking garages behind and above them.

Another key aspect will be working with the Capital District Transportation Authority to make sure public transit reduces the need – as much as possible – for car trips. Reducing costs for the traveler while increasing service are key components to boosting public transit that local, county and state governments should consider funding.

Recommendation 3 – Create a Strategic Projects Loan Fund through Private and Public Partnerships.

The Albany Local Development Corporation has a small revolving loan fund to provide gap financing on small to mid-sized projects. The loans typically range in size from \$30,000 to \$100,000. This and other regional funding sources are critical to some projects, but does not induce large scale strategic projects that need upfront costs for development. This subcommittee identified the need for increasing the occupancy and reuse of existing space in downtown, as well as attracting new business investment in strategic projects. One of the challenges to attracting such projects, is the lack of competitive capital to off-set development costs.

Developers need partners to share the short-term development costs, until higher market rental rates are proven. Financial institutions can be reluctant to finance downtown projects, causing developers to be required to invest



Development Subcommittee Report

a high percentage of their own equity. This suppresses the number of developers that are willing to or able to assume this risk. In order to advance strategic projects, this risk should be shared.

Downtown housing development projects would be candidates for the Strategic Loan Fund. Conversion of existing buildings that are underutilized or largely vacant is a risky proposal in a yet unproven market. A benefit of encouraging these projects would be reuse of existing buildings as well as increasing the vibrancy of downtown Albany. The Zimmerman Volk updated market study (noted above) determined that there is a strong demand for downtown housing, yet stock is undersupplied. This is because of a combination of factors; especially high construction or conversion costs, lower rental rates and lack of a proven market. Other cities throughout the country have experienced similar market dynamics in their downtowns. Cities including Providence, RI, Louisville, KY and Cleveland, OH have initiated successful economic development programs that acted to spur market forces. The City of Albany, along with private funding partners, should create a designated loan fund to provide financing targeted to large-scale strategic projects, which could result in reuse of existing buildings as well as increased residential units. These loans would be tied to benchmarks critical to the Fund's mission. Examples of these benchmarks may be: developing a desired project type; converting underutilized downtown buildings; providing public benefit, removing slum and blight, creating jobs, protecting the environment and expanding the City's tax base. Such a fund would not compete with commercial lenders, but be used on higher risk projects requiring gap financing and flexible underwriting. The City will need to secure partners who would provide the initial capital. In order to garner financial partners the City would be better positioned if it also contributes to the fund. An initial loan fund of \$5 million is the goal.

Recommendation 4 - Establish a Development Authority to Undertake Strategic Projects in Albany.

Under the current regulatory and market environment, in urban areas there often exists a financial gap between real costs and potential income that diminishes profitability and private investment. The problem is exacerbated in cities struggling to revitalize their downtowns. Ultimately, this results in keystone projects (public or private) being tabled. While Albany has attracted tremendous investment, clearly more must be done.

The Albany Local Development Corporation has tried to fill that gap, but ALDC cannot issue bonds to implement redevelopment plans. The Albany Industrial Development Agency can only undertake a limited scope of projects based on its enabling legislation. The Albany Community Development Agency's mission is, by design, limited to blighted and disinvested neighborhoods.

The City should advance a plan for the New York State Legislature to create an Albany Development Authority. This organization would have the mission of creating, catalyzing and supporting economic redevelopment efforts throughout the City. The new authority could issue bonds, purchase or condemn property and develop entire projects. An Authority could provide gap-financing to important projects, make low interest loans, develop parking facilities or other amenities, offer building rehabilitation grants, as well as other development activities. In order to form such an authority, the New York State Legislature must pass authorizing legislation to enable its creation and provide a funding stream. Establishing a Development Authority could remedy long-standing strategic economic development needs that would greatly benefit Albany.

Development Subcommittee Report

Recommendation 5 – Ensure that redevelopment of the Harriman Research and Technology Park and construction of the Albany Convention Center compliment, and do not detract from citywide development goals.

Too often, large economic driver projects are planned without addressing the contextual impact to the city in which they will occur. Traffic and environmental considerations are addressed, but the real value of these projects may not be maximized.

Redevelopment of the 300-acre Harriman Campus is the city's primary large-scale real estate development opportunity. Urban areas compete with suburban green-fields for new business investment. With its close proximity to Albany NanoTech and the University at Albany, the Harriman Campus is well positioned to attract significant new business to the City of Albany which will result in new job opportunities and increased tax revenue. The Harriman Research and Technology Park Master Plan strives to create an innovative community. With recent leadership changes in New York State government, it is important that the HRDTC not lose sight of its role revitalizing this area of the city. It has been designed to compliment downtown, not detract from it, in keeping with the Albany Plan of 1996. The city must remain engaged to be sure this and other goals described in the master plan are not lost by new officials or in the rush to get any development to locate there.

The Albany Convention Center is by definition, a transformational project for the City and will increase the pace of downtown revitalization. The city must make sure that the Authority continues to recognize this fact. The master planners must not create a convention island, but a center that weaves into the city's urban fabric and feeds downtown Albany merchants and restaurateurs. While the convention center can be a distinctive place; it must always be a place that is a greater part of Albany and enhances the City as a destination.

Recommendation 6 – Create of a Downtown Residents Incentives Package sponsored by the Downtown Albany Business Improvement District.

For good reason, most Business Improvement Districts (BIDs) focus on commerce. Boosting the cooperation between and, therefore, the competitiveness of downtown merchants, restaurant owners, and others is a key step in creating a vibrant urban core.

The formation of three Business Improvement Districts (BIDs) in the City of Albany was a recommendation of Capitalize Albany in 1996. BIDs augment City services in targeted commercial districts and utilize special assessments collected from property owners within the district. Once again, the revitalization efforts in Albany have matured to the point that efforts move beyond just business to the creation of a people climate. The Downtown Albany BID must be a partner in this effort and we can be more innovative with resources. The DABID promotes urban living on their website and have commissioned housing studies that have determined the residential potential downtown. Across the country it has become evident that neighborhoods with significant historic rehabilitation or adaptive reuse enjoy increased property values. As well, it is recognized that residential development stimulates retail and other revenue producing development.

The ALDC and the Downtown Albany BID can enhance these efforts by creating more incentives for people to move downtown. Some inducements might include:

- > A Downtown Resident Rewards Card that offers shopping, services, dining and entertainment discounts to people who live in downtown.
- > Mass Transit discounts– participate with CDTA for discounted fares for bus passes.
- > Wireless – provide 'smart city' benefits such as free or discounted wireless

Development Subcommittee Report

access. This may include integration and promotion of Albany FreeNet program.

- > Community benefits package – through the efforts of the Albany Convention Center Authority, a community benefits package will be negotiated. This may be opportunity to integrate into an overall downtown incentives package.
- > Parking Privileges. If large numbers of residents and new commercial tenants move into downtown Albany, they will need places to put their cars. A resident parking privileges program could be organized as a perk for membership in the BID or another downtown residential association. This might be done in conjunction with the Albany Parking Authority's new Cash Key program.
- > Reduced Rate Energy. Pursue opportunities for reduced energy rates. Opportunities may include creating new energy sources or developing programs targeting downtown such as an energy district, which result in additional power users. New York's Empire Zone program includes utility discounts and could serve as a model for the district. Benefits could apply to property owners as well as tenants.



Recommendation 7 – Advocate for Enhanced State Property Tax Incentives to Encourage Rehabilitating Commercial Properties.

Historic buildings are one of Albany's most unique assets. These buildings provide an historic authenticity to the city that is vital to creating the kind of place attractive to today's business leaders and tomorrow's corporate innovators. Historic buildings provide the majesty, the structural detail and the urban form that so many cities are striving to recreate. As well, the existing stock of buildings provide a supply for unique residential conversion projects that are attractive to new urbanites.

Unfortunately, rehabilitating historic buildings and bringing them up to 21st century living and working standards can be expensive. The expense is even greater if, as in Albany, leases for residential and commercial space cannot make up for the investments in old buildings. Albany, New York and the federal government offer a variety of financial incentives to help property owners with rehabilitation. Albany has been active in establishing or enhancing economic development benefits that encourage economically feasible rehabilitation projects. For example, in 2007 the City re-enacted the 485-e Empire Zone Real Property Tax Abatement benefit. This benefit encourages improvements to real property in the City of Albany's Empire Zone, which is located in targeted geographic areas. These districts traditionally host the highest density of underutilized historic structures. More must be done to offset the growing stock of vacant, underutilized buildings in Albany that without investment, will quickly deteriorate. Best practices reviewed by the Development Subcommittee recognized the effectiveness of State Real Property Tax Incentives on spurring new investments in downtowns. The example of Providence, Rhode Island identified the role this type of incentive had in underutilized Class B or C buildings being converted to downtown residential buildings. As well, state and local tax incentives made a significant impact on the number of commercial to residential conversion projects in Lower Manhattan.

In 2006, the New York State Legislature passed the State's first-ever tax incentive for rehabilitation of historic commercial and residential structures which compliments the existing Federal Historic Preservation Tax Incentive program. This is an important first step for New York State, however this Subcommittee encourages the State Legislature to adopt enhanced incentives for historic properties in distressed urban commercial centers.

Development Subcommittee Report

Recommendation 8 – Coordinate Resources for Neighborhood Commercial Districts.

Neighborhood Commercial Districts are vital contributors to the health of the city's overall economy. These districts serve to attract residents to the surrounding area and foster healthy, vibrant neighborhoods. Traditionally, these corridors are made up of local entrepreneurs who operate restaurants, taverns, coffee houses, movie theaters, pharmacies and other vital services. This mix of businesses creates a dynamic environment attractive to residents, creates important job opportunities and strengthens the property tax base throughout the City. Supporting neighborhood commercial districts through programs such as the C-1 Façade Program has proven effective. Between 2000 and 2004, matching grants through the City of Albany were made available to assist with façade improvements or business signage in C-1 zoning districts. The program funds made available through a municipal bond allocation were fully utilized and assisted dozens of small businesses in neighborhood commercial districts throughout the City. This program served to strengthen these areas, and more businesses could be fostered with additional resources. This committee recommends coordinating resources targeted for business development within Neighborhood Commercial Districts. Potential funding sources may include state programs such as New York Main Street grants. Funds must be programmed in a manner to promote the distinct character and preferences supported by each neighborhood.

Recommendation 9 – Strengthen Relationships Between New York State Government and other institutions and Private Commercial Property Owners.

As the state capital, Albany should expect to see more demand for office space for state workers. What's more, as the state capital,

Albany should expect full cooperation and support from New York State to fuel downtown development with state leases and proactive urban economic development policies. When Mayor Jennings originally released the Capitalize Albany Economic Development Strategy, Albany quickly established a strong and fruitful relationship with New York State. The Albany Plan, enacted by the New York State Legislature was a critical decree for directing new investments in state office buildings and infrastructure to urban areas. This resulted in the construction of several new office buildings and additional employees in downtown Albany. This was a positive impact for the downtown area and the region, however as Albany's revitalization need mature, so must the resources and policies that are deployed from New York State.

One of Governor Eliot Spitzer's priorities is the revitalization of upstate cities. The location or relocation of offices into these urban areas could be an important catalyst in revitalization efforts. Together, with advanced economic development programs that offer competitive incentives to companies that locate in urban areas, New York State could further propel Albany's renaissance. An example of where the state can be effective with economic development resources is Albany NanoTech. State incentives have assisted in business attraction efforts, as well as building necessary infrastructure at the campus. In addition to the business investment taking place at the campus and throughout the region, Albany can capture ancillary businesses in downtown. New York can support this by building into incentives, benefits for locating support or back office locations in urban areas. As the new leadership in the state considers new economic development programming, benefits that support the unique nature of urban areas must be a priority.

Albany must fortify its position to capture new state office demand and help shape new economic development programs. Together

Development Subcommittee Report

with the Mayor, the ALDC should act as a liaison between the state government and private property owners. One of the first activities might be a meeting between the two parties. The goal would be to let building owners understand what the state requires. At the same time, state officials could understand that they might have to compromise on some

requirements in order to spur revitalization without jeopardizing Albany's historic and urban character. On an ongoing basis, city officials could be briefed on state needs and try to quickly match that to appropriate inventory in the city.





Neighborhood Revitalization Subcommittee Report

Mission

To identify the critical issues, assets and challenges related to Albany's neighborhoods, and develop recommendations for programs, initiatives and partnerships that respond to these critical factors. Develop programming to make Albany's neighborhoods regionally competitive in the housing market in terms of value, safety and quality of life.

Process

A committee of local neighborhood, religious and business leaders, as well as elected officials, accepted the mayor's charge to:

- > Improve the quality of life in our neighborhoods
- > Review and endorse current revitalization plans
- > Identify additional priority projects and target areas
- > Identify additional priority tasks for neighborhood projects
- > Identify priorities for further City consideration.

Over the course of seven months, the committee reviewed existing programs in Albany and identified some 'best practice' programs from cities around the nation. The committee also met with staff from the Affordable Housing Partnership and Enterprise Community Partners to better understand the issues facing the City and how housing and neighborhood organizations try to deal with some of these challenges.

The subcommittee took a neighborhood tour, which helped illustrate each neighborhood's strengths and challenges. The tour made it clear that some neighborhoods are stable and some significant progress has been made in distressed neighborhoods. It also displayed, however, that a lot of work remains to be done in the more distressed areas of the City.

Findings

A single broad-brush description cannot be used to paint Albany's neighborhoods. The City's residential areas range from very stable, regionally competitive neighborhoods, to transitional neighborhoods, to those neighborhoods experiencing distress and disinvestment.

The entire City continues to face steady population decline, typical of many urban centers in upstate New York and across the nation's Rust Belt. The City's population peaked in 1950 and, according to the U.S. Census Bureau, has continued to fall since. In 2005, the U.S. Census estimated the City's population to be 93,523, although that number may undercount certain people traditionally included in the decennial census. Over the next 30 years, the Capital District will begin to see overall growth according to the Capital District Regional Planning Commission (CDRPC). The City of Albany is projected to benefit from this growth, and its population will stabilize near 95,000 between now and 2040.

Neighborhood subcommittee staff created 11 Neighborhood Assessment Areas (NAA) based on Census tracts, neighborhoods, characteristic similarities and physical features. These areas were used for statistical analysis and to provide benchmarks for measuring success. Six of

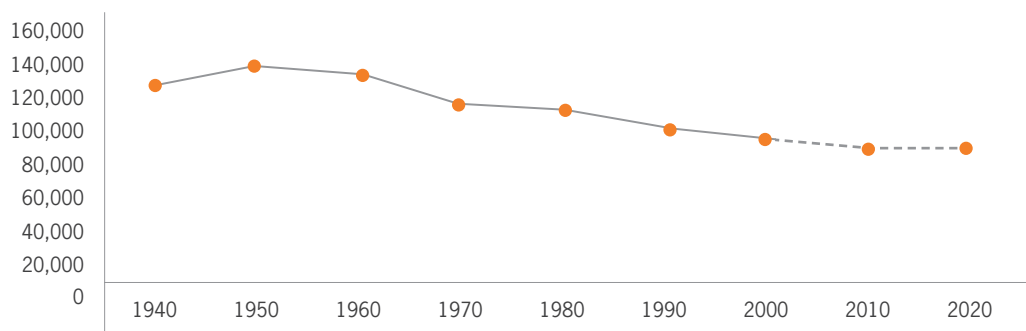
Neighborhood Revitalization Subcommittee Report

Population change by Neighborhood Assessment Area

Area	2000 Population	Change 1990 to 2000
Arbor Hill (NSA)	5,491	-8.7%
Capital Hill (NSA)	7,857	-3.4%
Central Business District (NSA)	1,256	0.6%
North Albany (NSA)	1,728	-31.5%*
South End (NSA)	8,151	-4.4%
West Hill (NSA)	9,719	-8.9%
Midtown	15,483	-0.7%
North Central	5,560	-6.6%
North West	15,328	-5.6%
South Central	9,057	-7.2%
South West	16,028	-2.6%

*Percentage is high due to the removal of public housing towers in 2001. Under the Hope VI program, the Albany Housing Authority demolished an obsolete 292-unit development and constructed a new 160-townhouse subdivision. The remaining tenants were relocated throughout the City.

Albany Population Change

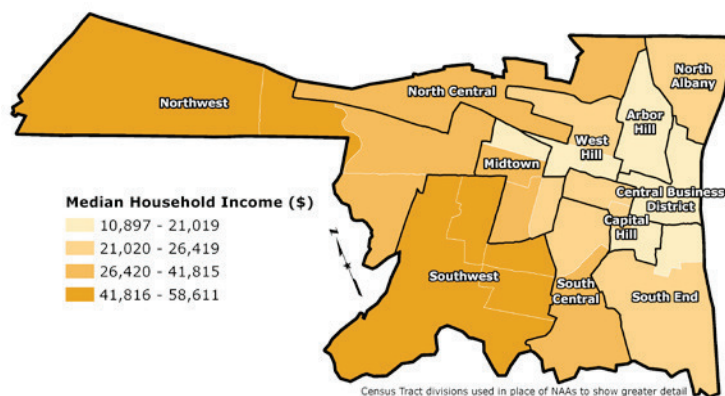


these NAAs were based on Neighborhood Strategy Areas (NSA); City-designated priority planning areas, to ensure that information would be compatible with historical data and current planning initiatives.

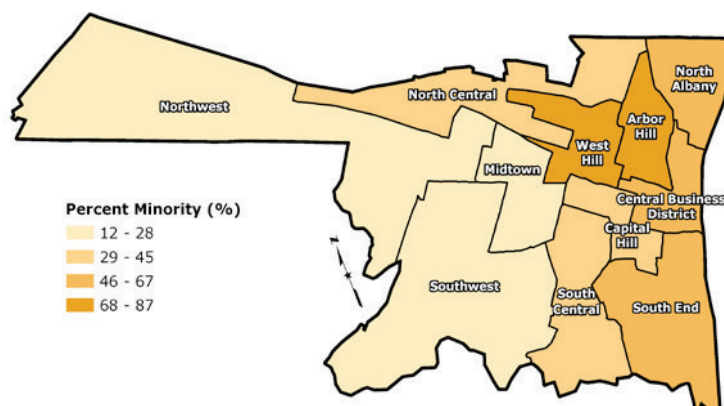
As the following charts depict, the 2000 U.S. Census found that the more distressed neighborhoods tend to have lower household incomes, higher vacancy rates, lower rates of owner occupancy and higher minority populations.

Neighborhood Revitalization Subcommittee Report

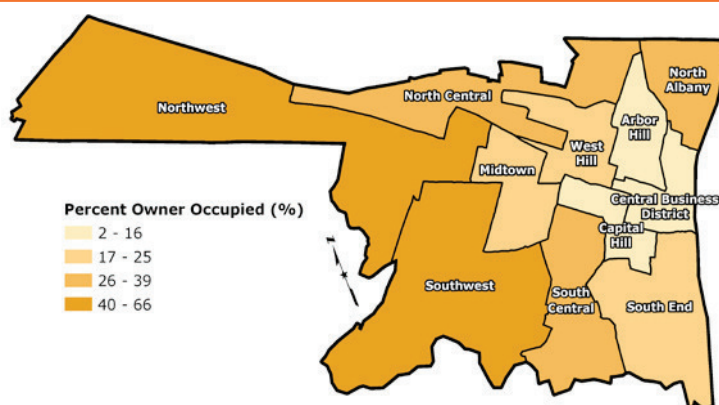
Median Household Income (\$)



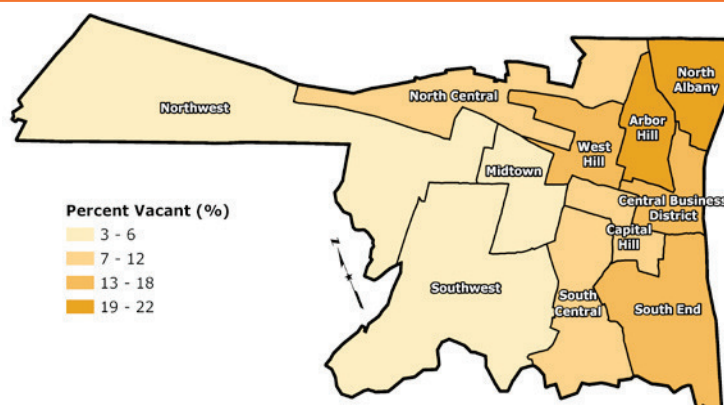
Percent Minority (%)



Percent Owner Occupied (%)



Percent Vacant (%)



In addition to population loss, the subcommittee explored the numerous challenges that face Albany's neighborhoods. These include:

- > Abandoned buildings
- > Aging, unimproved housing stock
- > Weak real estate market
- > Low homeownership levels
- > Buildings needing high levels of rehabilitation

- > Absentee landlords
- > Competition from the suburbs
- > Negative perception

Many federally funded revitalization programs come with income restrictions. Because of this, most of the available rehabilitation funds target the City's distressed neighborhoods and/or the low-income households in them. Less emphasis has traditionally been placed on solidifying the housing stock in other areas or encouraging market rate investment in homes across the city. It is important that efforts need to be made now

Neighborhood Revitalization Subcommittee Report

in the City's stable neighborhoods to maintain their stability and enhance quality of life and ensure that these neighborhoods continue to thrive.

The subcommittee acknowledges that many quality of life issues within the City relate directly to neighborhood revitalization and will directly impact the recommendations set forth by the committee. It is essential to emphasize the importance of issues like code enforcement, public safety, education, parking and traffic safety and land use regulation. While falling outside of the scope of Re-Capitalize Albany, the committee urges the City to continue to utilize strategic task forces to examine and implement strategies for these issues (see recommendation 4).

Albany is fortunate to have engaged citizen stakeholders who care deeply about the condition of their neighborhoods and the city as a whole. Albany is equally fortunate to have a large number of institutions that have a large stake in the future of Albany's neighborhoods. Most of these institutions now accept that their success depends, in some measure, on the community in of which they are a part. Attracting quality professors, doctors, students, as well of improving the quality of life of those who currently reside in the city, depend upon vibrant, healthy neighborhoods that make people feel safe.

The City of Albany should continue to work with these important stakeholders to ensure the further integration of the institutions and the community. Efforts like the Midtown Colleges and University Plan, the Park South Urban Renewal Plan, the South End Revitalization Plan, the Arbor Hill Neighborhood Plan and the Harriman Campus Master Plan are examples of cooperative planning and revitalization efforts. All of these efforts have progressed from planning into results- driven implementation.

Focus areas

The recommendations set forth below try to tackle neighborhood issues in five general focus areas.

- > Establishing site control of abandoned and underutilized buildings
- > Restructuring the delivery of neighborhood and housing services
- > Increasing homeownership
- > Reclaiming housing
- > Branding and marketing City living

Establishing Site Control

The October 2006 Vacant Building Initiative Report done by the City of Albany Department of Fire, Emergency and Building Services found over 950 vacant and abandoned buildings in the City of Albany. These properties are powerful symbols of deterioration and decline. Vacant and abandoned sites lower the value of surrounding properties, serve as magnets for criminal activity and pose a physical threat to the community.

The Vacant Building Initiative Report was produced from a visual survey of vacant and abandoned buildings throughout the City. The report, constituting the first phase of the vacant building initiative, identified 954 vacant building that are subject to the Vacant Building Registry Program. The Vacant Building Registry Program requires that owners of vacant property register their property with the Division of Buildings and Codes. The registration process requires the owner to submit a vacant building plan that identifies a disposition strategy for the property. The survey report included a visual inspection of each property to assign one of four preliminary disposition ratings (needs cosmetic repair, good for rehabilitation, expensive to repair and



Neighborhood Revitalization Subcommittee Report

demolition recommended) and the identification of buildings in historic districts. The second phase of the Vacant Building Initiative entails contacting vacant building owners that have not registered their buildings and directing them to do so. The third phase involves court action for those who neglect to register their property after phase II notification.

Over 75 percent of these vacant properties are in private ownership. The City has little recourse to compel or incentivize rehabilitation (or, in some cases, just adequate upkeep) if owners are current on their taxes. At the same time, the holding costs of these properties are so low that there is no incentive for absentee owners to rehabilitate them. Conscientious investors are discouraged because the cost of acquisition and rehabilitation is often much greater than the realistic re-sale price. Additionally, control of the sites slated for redevelopment is a threshold criterion for many grant making entities. The inability of local housing developers, the City or not-for-profit organizations to assemble properties hinders their ability to apply for rehabilitation funding.

Albany's challenge in this area is to develop programs that would enable the City to gain site control in order to speed the transformation of vacant or abandoned properties from a liability into an asset.

Administration and Delivery of Programs

Current revitalization programs lack a comprehensive approach. Financial resources cannot support all of the critical needs in each neighborhood. One negative result is an inefficient and draining competition for funding between City agencies and organizations.

Albany's challenge in this area is to create a coordinated, organized approach neighborhood revitalization. The recommendations developed by the committee need to be comprehensively applied to the City as a whole. Programs should be reviewed and, as warranted, restructured to

address current shortfalls and projected needs.

Reclaiming Housing

For the successful revitalization of Albany to continue, quality housing must be developed in the context of stable neighborhoods. Albany's vacant and abandoned housing stock should therefore be viewed as a powerful agent for meaningful change. Rehabilitating buildings will boost the historic and urban character of Albany's neighborhoods – a powerful asset. One of the biggest obstacles facing private investors is the cost of acquisition and rehabilitation of vacant properties. Often, the sales or rental market cannot support the investment that people must make.

Albany's challenge in this area is to develop programs that help close the gap in financing housing renovation and neighborhood revitalization.

Increasing Homeownership

Homeownership is an important indicator of a neighborhood's vitality. Residents who have invested time and money into a community by purchasing a home have more at stake in maintaining and revitalizing their properties and neighborhoods. While renters are integral members of the community, – rental units keep neighborhoods diverse and affordable as well as provide a means of affordable (often first-time) homeownership – it is homeowners who drive rehabilitation and increase public safety in communities.

Increasing homeownership among the City's low-income renters will also increase neighborhood stability. Homeowner education programs, financial literacy courses, and homeownership incentives can help bring this population into the financial mainstream while slowing disinvestment.

Currently, the City of Albany does not have an entity actively promoting homeownership within the City. There is no advocate or "public face" to market Albany's neighborhoods or

Neighborhood Revitalization Subcommittee Report

homeownership opportunities. Consequently, existing grant resources and homeownership initiatives are widely unknown and remain underutilized.

Albany's challenge in this area is to strengthen existing relationships with the private sector, local institutions and non-profits to build capacity and create the critical mass necessary to stimulate private investment in housing.

Branding City Living

Cities and urban areas are one of upstate New York's most important assets. Downtowns and their surrounding neighborhoods are vibrant places where more and more people are choosing to live.

There still exists, unfortunately, a widespread misconception of what it means to own a home in Albany. The City's image suffers on numerous fronts. Negative publicity about cities in general and Albany in particular paints urban living as a dangerous or bad investment. Bad press about local schools may deter young families from taking up residence in our neighborhoods.

While much still needs to be done, many of the challenges Albany faces are rapidly improving. Downtown Albany boasts an increasing number of businesses, residential opportunities, restaurants, museums, galleries, bars, music venues and other attractions that give the City vibrancy. The Department of Public Safety is undertaking progressive efforts to make sure Albany is safe and viable for everyone living in, working in and visiting the City. City schools are working with local institutions to develop innovative extracurricular opportunities, and the City has also been opened to alternatives to public education. Albany must promote the advantages of city living and the positive strides the City is making, so that public receives balanced news about Albany.

Albany's challenge in this area is to create a campaign that promotes the incentives for and benefits of living in the City. The committee also feels strongly that the City's current residents need to know that bold initiatives to revitalize their particular neighborhoods are in progress and that they are not being left out of the City's plan. Every neighborhood must be included in revitalization efforts or, at the end, the City will have wasted its time, resources, and community's enthusiasm.

An effective branding campaign will highlight the strengths of the City and encourage newcomers to choose to reside, locate their businesses or just enjoy Albany. A comprehensive campaign will be a powerful tool in attracting technology-oriented companies and the jobs and creative workers that come with them. This growth accompanied by the fulfillment of the recommendations outlined below will speed Albany's revitalization.

Recommendation 1: Establish a Land Banking Program.

This first recommendation identifies the key strategy needed to reverse the disinvestment in Albany's neighborhoods.

A land bank is a governmental or not-for-profit entity that focuses on the conversion of vacant, abandoned and foreclosed properties into productive use. Most of the land bank's properties would come from foreclosures. (As discussed below in Recommendation 3, a formal policy of the county transferring property directly to the City would be needed to make a land bank most effective.) The land bank could also acquire important properties using Community Development Block Grant funds as well as accept donations.

While an acquisition fund (see Recommendation 2) accumulates properties with a specific disposition plan, a land banking program



Neighborhood Revitalization Subcommittee Report

would complement the Fund by acquiring strategic “orphan” properties that lie outside current priority areas or in situations where a disposition plan is not immediately identified.

The Subcommittee recommends establishing a formal land-banking program using Community Development Block Grant (CDBG) and other resources. The City of Albany through the Albany Community Development Agency (ACDA) and the Department of Development and Planning (DDP), currently has the funding and staff capacity required to maintain and manage a portfolio of abandoned housing.

ACDA staff would evaluate properties to determine rehabilitation needs and, ultimately, a disposition strategy for each would be developed. Disposition options would include:

- > Minor Rehabilitation – transfer, with minimal additional investment, to local investors, homeowners, or landlords.
- > Moderate Rehabilitation – transfer to local non-profit organization for rehabilitation and ultimate sale or rental
- > Substantial Rehabilitation for stabilization – stabilize the property shell and mechanical systems, then transfer to local investors for final rehabilitation and sale
- > Substantial Rehabilitation for sale – ready the property for homeowners
- > Demolition – take down the property and clear the land for reuse

Recommendation 2: Support existing efforts to create a Strategic Properties Acquisition Fund.

A critical component in breaking the current cycle of disinvestment in Albany neighborhoods is the ability to strategically intervene in the private real estate market. Such an intervention by the City must be at a scale large enough

to meaningfully impact the community. A Strategic Properties Acquisition Fund would allow that to happen. Current efforts to form a financing mechanism for the Fund must be supported and strengthened.

Once constituted, the Strategic Properties Fund will use this pooled capital to strategically purchase vacant land and structures that can be assembled to create reuse developments with impact. Initial acquisition target areas include the South End, Arbor Hill, Park South and other areas as opportunities arise. Acquired properties will be sold to proven local developers for rehabilitation and resale. The success of the strategic acquisition fund will depend on the ability to quickly transfer properties to these pre-qualified developers, several of which are currently engaged in revitalization efforts with the City. Others would be deemed qualified by the City through a formal process demonstrating their ability. The proceeds of these transfers will continually replenish the fund and allow the acquisition and rehabilitation process to be ongoing.

The Capital City Housing Development Fund Company (Cap City) is a citywide community housing development organization that would administer the Fund. This organization was chosen for their expertise, capacity and access to resources. Cap City is currently working to develop a joint venture between national non-profit lending institutions, local banks and the Charitable Leadership Foundation.

Given the financial risk involved with purchasing derelict property in weak markets, there is a need to capitalize a loan loss reserve to induce a loan pool capitalized by participating lenders. A loan loss is required to satisfy the underwriting criteria associated with private capital as most loans will have excessive loan to value ratios. The funding will only be utilized if there is a program deficit. Preliminary analysis indicates that a subsidized loan loss of \$400,000 will induce over \$2 million in working private capital. The loan

Neighborhood Revitalization Subcommittee Report

loss does not need to be allocated in one lump sum; it may be allocated over the life of the acquisition fund.

It is critical that a funding source for this collateral loan loss pool be identified to ensure that the acquisition fund will be implemented in the near future. Currently the City is exploring both public and private funding possibilities, and identifying which would be most appropriate for the Fund.

Recommendation 3: Enhance coordination between the City and Albany County on foreclosed properties.

Increasing the certainty and efficiency with which the City gains control of foreclosed properties is of paramount importance in ensuring the success of Recommendation 1.

Most cities in New York State foreclose on tax delinquent properties within their municipality. However, in Albany the county does the foreclosing and disposing of properties. This scenario has many benefits to the City and should continue with modifications to ensure that properties located in the City's priority neighborhoods are transferred in a way that supports revitalization efforts.

While the City has worked successfully with the county in acquiring property for affordable housing opportunities, the program currently only operates in specific neighborhoods. It needs to be expanded to all priority neighborhoods. Some other recommendations to improve the process include developing a transfer system that is consistent and equitable to both parties, and preventing the recycling of properties through the system. Another possible modification includes utilizing a reverter clause or requiring good faith deposits on foreclosure sales to private parties to discourage speculation and encourage rehabilitation.

Recommendation 4: Ensure that the City provides realistic and achievable policy recommendations related to various development, planning and neighborhood Quality of Life factors.

The quality of life of the residents of the City is the foundation of a successful revitalization strategy. Because the end result of the Re-Capitalize Albany process is a blueprint for economic development in the City, the committee identified early on that many of the critical factors affecting Albany's neighborhoods should be addressed. Some of these factors are:

- > Comprehensive code enforcement
- > Parking
- > Transportation and pedestrian issues
- > Education
- > Public safety
- > Land use and zoning regulation

The committee acknowledges that many of these quality of life factors will vary greatly from neighborhood to neighborhood. While falling outside of the scope of Re-Capitalize Albany, the committee urges the City to continue to utilize strategic task forces to examine and implement strategies for these issues.

Recommendation 5: Target City resources to correct systemic blighting influences found within the City's economically distressed neighborhoods.

Albany, like many cities, faces declining Federal and State assistance to deal with many of the systemic issues facing the most distressed neighborhoods. It is critical that the City utilizes resources, like CDBG funding, in a manner that allows for meaningful change within the individual neighborhoods. Identifying the most critical needs that the funding source can address, and reprogramming to address these priority issues should take place. The resources

Neighborhood Revitalization Subcommittee Report

should not only be targeted programmatically, but also geographically allowing for meaningful change. A formal system should be set in place for distributing funding and measuring the impact of that funding to assure it is being used effectively.

Recommendation 6: Create a permanent citywide mechanism for Neighborhood Revitalization and Residential Development.

Currently, revitalization efforts, though well intentioned, are uncoordinated across the City. Too much money goes to small organizations that are too understaffed to use the money efficiently and effectively. A permanent citywide organization charged with administering federal funds and scheduling programming could make all efforts more efficient and better coordinated, and provide the administrative capacity that all organizations need to succeed.

One option is a Neighborhood Revitalization Corporation. The revitalization corporation would be a non-profit organization that anchors capital locally through the development of residential and commercial property. This entity can be structured to support other organizations as well as directly implement initiatives. Such an entity can offer a diverse level of service from establishing downtown market rate residential programs to acting as a citywide affordable housing developer.

There are many advantages to this kind of approach. For example, the mission of some very well meaning organizations is often overshadowed by their need to use the bulk of their precious resources making administrative ends meet. Instead, these smaller organizations could lean on the citywide revitalization corporation for support and focus on their mission rather than survival.

Another advantage might be the appearance the revitalization corporation can provide to funders. Organizations, agencies, foundations and corporations that support revitalization may be more comfortable contributing if they see that the City's efforts are coordinated and part of a larger plan. Along similar lines, the citywide neighborhood revitalization corporation could leverage greater resources beyond the ability of smaller groups with a single mission or single neighborhood focus could not. And, the coordination a revitalization corporation provides could make sure that one organization's efforts to raise money do not undercut another's.

It makes sense that this organization coordinates with the Albany Local Development Corporation (ALDC). The ALDC already works closely with the Department of Development and Planning and the Albany Community Development Agency (ACDA). Together the organizations could provide the needed depth and diversity of staff and resources to carry out an effective strategy.

Recommendation 7: Rehabilitation of existing housing stock.

One of the easiest recommendations to put in place is to change the restrictive rules surrounding private rehabilitation efforts.

Existing City rehabilitation programs utilize a "subsidy first" model that does not utilize scarce resources efficiently. Programs also require applicants to utilize City-approved contractors to rehabilitate their property in order to qualify for incentives. This format does not encourage participation from local developers and landlords, as often times they wish to perform the rehabilitation work themselves. City rehabilitation programs should be re-orientated to act as a gap financing mechanism where city subsidy fills the void between the total development cost of the project and the



Neighborhood Revitalization Subcommittee Report

total amount of funds the borrower has from other sources.

In addition, most programs operate with income restrictions, which do little to encourage those with more financial stability to participate in Albany's revitalization.

To correct these problems the subcommittee recommends:

- > Restructuring existing rehabilitation programs to better address the needs of local private developers – both small and large.
- > Working with banks and other lending institutions to capitalize a flexible, non-income restricted rehabilitation program that will meet the different rehabilitation needs of Albany's diverse neighborhoods

Recommendation 8: Reconstitute the Albany HomeStore and make its programs and incentives available to homebuyers of all income levels.

Until Albany neighborhoods complete their turnaround, it is vital that the City make it easy for potential homeowners and landlords to invest in the community. One of the simplest ways to encourage interest and investment is to have a "one-stop shop" to guide potential buyers through the often confusing purchasing process. A reconstituted Albany HomeStore would provide information and guidance to residents of all income levels.

This recommendation points to an easy way to meaningfully impact the housing market and boost homeownership rates, thereby strengthening Albany's neighborhoods. The Albany HomeStore should play an active role in marketing existing City programs, developing and financing new homeownership initiatives, and establishing working relationships with mortgage lenders, real estate agencies, lawyers

and credit bureaus. Albany HomeStore staff should have the same or better understanding of neighborhood real estate markets as private real estate agents. The staff of the Albany Homestore would eventually include financial counselors, building rehabilitation specialists, code compliance staff, real estate specialists and landlord trainers.

It is important that the Albany HomeStore not duplicate other programs, such as those run by the Affordable Housing Partnership. The Partnership runs homebuying and homeownership programs for low and moderate-income families. The Albany Homestore would work with the Affordable Housing Partnership and broaden those services and their intended clients. The Albany Homestore would partner with local banks for financial advisors, City departments for rehabilitation and codes specialists and real estate agents to advertise listings. Representatives from each of these institutions could work out of the Homestore on a part-time basis to alleviate staffing issues.

Some functions of the Homestore should include:

- > Developing and implementing programs to increase homeownership rates in the City. Such programs will include federally-funded initiatives and market-rate programming (Albany Downpayment Assistance Program, Midtown Homeownership, downtown residential)
- > Educating the public about programs and services related to homeownership
- > Creating and overseeing a database of available properties
- > Collecting home sales data per neighborhood to track market conditions and benchmark success
- > Contracting with the Affordable Housing Partnership to offer homebuyer education courses and landlord training



Neighborhood Revitalization Subcommittee Report

- > Establishing benchmarks for increasing home-ownership

The subcommittee feels that the Albany HomeStore's activities should be closely coordinated with various neighborhood plans and revitalization initiatives. This would allow the HomeStore's staff to better coordinate with Department of Development and Planning staff to:

- > Implement new homeownership initiatives identified during the Re-Capitalize Albany process
- > Provide housing data for the comprehensive plan
- > Create, if needed, and implement Inclusionary Zoning ordinances, a Housing Trust Fund and other revitalization and planning strategies
- > Develop a neighborhood marketing campaign
- > Leverage capacity and resources of ALDC

Recommendation 9: Launch a comprehensive branding, marketing and advertising campaign.

In many cases, perception is reality. All three subcommittees have come to the conclusion that the City needs to promote the positive aspects of Albany. The Subcommittee has concluded that the message needs to get out about Albany's:

- > Unique neighborhoods
- > Architectural value and variety
- > Vibrant nightlife
- > Cultural events
- > Walkability

- > Job opportunities
- > Educational opportunities
- > Progressive Neighborhood Plans

People need to realize that living in Albany is living well. Albany has an authenticity and historic charm to which people are increasingly drawn. A comprehensive and sustained public relations campaign is necessary to overcome the negative publicity afflicting cities in general and Albany in particular.

The Neighborhood subcommittee expects a campaign to target three audiences: current residents, potential residents and potential investors. Current residents should be informed about incentive programs and planning initiatives that will help them revitalize their neighborhoods and raise their quality of life. Ongoing efforts should be emphasized to assure residents that their neighborhoods are not being left behind. Potential residents should receive information about ownership incentives and the Albany HomeStore, as well as learn about advantages of city living. Local employers and potential investors need to be informed of where their money would be best loaned or donated to promote neighborhood revitalization, and encouraged to promote city living to their employees through recommendation and incentives.

Young professionals and empty nesters in particular should be targeted, as these groups tend to be more interested in urban amenities and will help stabilize neighborhoods and jumpstart growth in other demographics. In addition, those without families are more likely to invest the time and resources needed to rehabilitate challenging urban housing stock. As the prosperity of these pioneers is advertised, the road will be paved for a new wave of reinvestment.

It is integral that this campaign span all three subcommittees of Re-Capitalize Albany and

Neighborhood Revitalization Subcommittee Report

serve as the City's integrated and comprehensive branding. It should be multi-media, using the City's website as a contact point and source of more detailed information. In addition, the local newspapers, television, radio and web-based media outlets should be partners. Better relationships must be established with local media so the reports related to city living are balanced and City representatives are given an equal opportunity to respond to the news.

The subcommittee recommends that such a strategy be professionally managed. The City should contract with a communications agency to build and implement the branding campaign and public relations effort. The agency should have experience and proven results in promoting cities facing similar issues.

Recommendation 10: Establish oversight body to assure recommendations are effectively implemented.

The ultimate goal of this committee is to provide recommendations that reverse the cycle of disinvestment in the City and promote Albany's neighborhoods as communities of choice. The committee acknowledges that clear and specific evaluation metrics, schedules and benchmarks are needed to ensure that the goals of this committee's recommendations are adequately met. The committee also

understands that the recommendations outlined above are long-range programs that will take complex development. With this in mind, the committee recommends that the staff facilitating each of the programs that grow out of these recommendations develop their own detailed measurements and implementation schedules. To assure that the programs complement each other and are effectively implemented and evaluated, an ongoing review board should be established.

The staff to each of the programs would be responsible for outlining logical and definitive evaluation metrics and benchmarks that will be used to determine the success, strengths and weaknesses of each program. The staff will also develop a thorough implementation schedule and plan for their program. Representatives from the staff of each of the programs would report to the Review board for assessment.

The review board would be responsible for holding staff accountable to these metrics and schedules, determining the effectiveness of the programs and making mid-course modifications to the programs as necessary. The board would consist of the Re-Capitalize Albany Neighborhood Subcommittee and would meet periodically throughout the implementation of the programs. The review board would also be responsible for advertising successes as they arise to promote participation and support for the programs.





There's a little wheel a-turn
Humans loved that song
102

Education Subcommittee Report

The Mission of the Education Subcommittee

The importance of education to the nation's and the Capital Region's future cannot be overstated. It is essential to the shaping of an informed citizenry and it is critical to the development of a competitive and productive workforce. Indeed, as acknowledged more than 50 years ago by the U.S. Supreme Court in *Brown v. Board of Education*, "education . . . is the very foundation of good citizenship."ⁱ And, as observed more recently by Alan Greenspan, Chairman of the Federal Reserve from 1987 to 2006, "[a] strong and effective system of education is one fundamental way to strengthen our economy and raise living standards."ⁱⁱ

In recognition of the "overriding importance of preparing students for work and citizenship,"ⁱⁱⁱ and of the fact that a quality education system is a major economic development issue for the city, county and region, the Education Subcommittee was created at the initial meeting of the ReCapitalize Albany Committee in June 2006, and was charged with "identifying the role that the business community can play in improving the quality and perception of education in the City of Albany." This Subcommittee was also charged with the task of studying and exploring "the creation of a mechanism for business and education to address education issues" and "business-education partnerships such as

corporate job shadowing programs or other mentoring programs" that work and have been successful in improving educational outcomes and student academic performance.

The mission laid out for this Subcommittee also required that we examine the role that public education plays in attracting businesses, investors and others to the City, and to explore "how the business community can advocate for improvements to public education" in and around Albany.

Over the course of several months, the Subcommittee consulted with business executives, current and former officials from several of the Capital Region's colleges and universities, Albany public school and charter school administrators, as well as top educators, local community leaders, representatives from the City of Albany PTA, and others. This report is the culmination of these meetings, as well as of the Subcommittee's review and consideration of the extensive body of literature related to those areas of concern outlined in the Subcommittee's Mission.

Summary of Findings and Recommendations

Without question, Albany has many fine educational institutions from pre-school to post graduate institutions of higher education.^{iv} At the K-12 level, Albany's educational systems now include not only a tremendously diverse

i In this report, the "greater business community" and references to the "business community" generally are intended to include corporations and businesses of all types, both for-profit and not-for-profit, as well as colleges, universities, public and private educational institutions, libraries, museums, public and private foundations and others.

ii *Brown v. Board of Education*, 342 U.S. 483 (1954).

iii Greenspan, Alan, "Remarks of Alan Greenspan at the 33rd Annual Legislative Conference of the Congressional Black Caucus, Washington, D.C. (September 26, 2003).

iv Due to time constraints and the focus of its charge, the Education Subcommittee focused during its deliberations almost exclusively on the K-12 levels in schools funded by the City's taxpayers – i.e., the City of Albany School District and the City's charter schools. This focus should not be read, in any way, to diminish the very important contributions made by the region's private, independent and parochial schools, as well as the public and private institutions of higher education located within the City and County of Albany. Undoubtedly, these schools and institutions do and must continue to contribute mightily to the economic and educational well-being of Albany, its children, families and businesses.

Education Subcommittee Report

student population educated at the many public schools operating within the City School District,^v but also several well-known private academies and a number of public charter schools. Although the number of charter schools in Albany and their impact on the City School District is an area of concern requiring further study and attention, as recently noted by the Governor, the Mayor and the State Education Department in its 2006 Annual Report on the Status of Charter Schools in New York State^{vi}, we believe that the City's diversity (both of students and school choices) and the quality and caliber of many existing educational programs and opportunities within the City are among the Capital Region's richest resources.

v The most recent demographic data on the City of Albany School District's approximately 9,250 enrolled students shows that in 2004-2005 the District's students were 3.3% American Indian, Alaskan, Asian or Pacific Islander, 10% Hispanic, 20.7% White and 66% Black. See New York State District Report Card Comprehensive Information Report, Albany City School District (March 1, 2006).

vi See New York State Education Department, 2004-2005 Annual Report on the Status of Charter Schools in New York State (June 29, 2006)

A breakdown of the number of students in the City, currently enrolled in primary and secondary schools, including charter schools, and in local colleges and universities, is set forth below in Table 1. Much more detailed information about the demographics, average class size, "needs-to-resource capacity," attendance and suspension data, and student socio-economic and stability indicators within the City's publicly funded schools is contained in the New York State District Report Card Comprehensive Information Report for the Albany City School District, dated March 1, 2006.

Although there are many education success stories throughout the City and the Capital Region, improved academic achievement and even greater student success at all levels, especially in our publicly financed elementary and secondary schools, are vital to the City's and the region's future economic sustainability. Indeed, both the Neighborhood Revitalization and Development Subcommittees have identified important goals for the City such as increasing home ownership and diversifying the economy and there is evidence, at least anecdotally, that one of the most important

Table 1 - Student enrollment in Albany educational institutions

Primary and secondary schools	Number of students
Public	9,014
Private	956
Charter	1,542

Colleges and universities	Number of students
University of Albany	17,042
Private	7,995
Albany College of Pharmacy	1,100
Albany Law School	252
Albany Medical College	743
The Sage College	1,400
The College of Saint Rose	4,500
Maria College	785

Source: Albany Central School District and individual colleges, September 2006

Education Subcommittee Report

factors in attracting young people, especially families back into the City, is the quality and safety of our publicly funded schools.

On the following pages, the Education Subcommittee outlines many of the successes and the challenges facing the Albany public schools. While there are many items in both categories; and this report is hardly an exhaustive list of either, some of the highlights identified and considered by the Subcommittee include the following:

Some Notable Recent Success Stories

- > The City School District of Albany, all 12 of the City's publicly funded elementary schools, and all three elementary charter schools are considered schools in "good standing" according to the most recent reports of the New York State Education Department;^{vii}
- > The City School District of Albany has nearly completed a \$185 million Facilities Construction and Renovations program that has added several brand new, state-of-the-art public school facilities in Albany, and three small, state-of-the-art public charter schools have also been completed and two more are currently under construction;
- > In August 2005, the City School District of Albany was recognized by Standard & Poor's ("S&P") as one of forty-four (44) school districts in New York State that has significantly narrowed the achievement gap for some students by a number of measures (based on S&P's analysis of data

from 2003 and 2004);^{viii}

- > The School District reports that 79% of the students who graduated from Albany High School in 2004-2005 planned to attend a four-year, two-year, or other post-secondary college or university;^{ix}
- > The School District also reports that students at 8 of 12 of the City School District's elementary schools scored higher on 4th grade English Language Arts tests administered by the New York State Education Department in the 2004-2005 academic year than in the 2003-2004 academic year;^x
- > Similarly, the Brighter Choice Foundation reports that students at the Brighter Choice Charter Schools, where both minority and low-income student enrollment is around 98 percent, have recently achieved the highest pass rates in ELA and math (3rd and 4th grades) of any public school in the City of Albany; and the math pass rate for 4th grade at the Boys' school was reportedly greater than 90 percent;
- > The City School District has also reported certain improvements in public school education programming including magnet school programs, full-day pre-kindergarten and full-day kindergarten programs, and a focus on smaller class sizes, a balanced literacy program, a highly-touted partnership with the Columbia University Teachers College Writing Project, and a new partnership with the National Urban Alliance for Effective Education., as



vii See NYS Ed. Dept. "School Accountability Status for the 2006-2007 School Year - Based on Performance in the 2005-06 School Year" (January 10, 2007).

viii Standard & Poor's, "School Matters: Helping All Students Learn: Identifying School Districts in New York that are Significantly Narrowing Achievement Gaps" (August 2005).

ix See New York State District Report Card Comprehensive Information Report, Albany City School District (March 1, 2006).

x See NY S Ed. Dept. "Overview of District Performance in English Language Arts, Mathematics, and Science and Analysis of Student Subgroup Performance for Albany City School District" (April 2006).

Education Subcommittee Report

well as Internet access in computer labs, specialized technology lessons and a more comprehensive athletic program.

- > Foreign language learning opportunities begin in kindergarten for many if not all students at publicly funded schools in the City, and the study of foreign languages, including Chinese language studies available beginning in 9th grade at Albany High School, are apparently increasing;
- > Importantly, there are many existing college and university education partnerships in the City and Capital Region, including but not limited to the following examples:
 - University at Albany – NanoHigh, Albany High School-UAlbany Alliance for Young Talent; Center for Urban Youth and Technology; NY GEAR UP, NY Math and Science Partnership, Full Service Schools;
 - Albany College of Pharmacy – Help Yourself After School Academy
 - The College of Saint Rose – Help Yourself After School Academy, Two Together Reading Program, Career Explorations (Education) program at Albany High School, NY GEAR UP
 - RPI – Lego Robotics Technology Program
- > Other important public-private educational initiatives have already been created and are successfully underway in the City, including but not limited to City School District partnerships with GE and the Chamber of Commerce in the “Love SAM” program.;
- > A number of these “model” business-education partnerships (several of which are discussed in greater detail below) have been recognized for their documented improvements in test scores and closing

the achievement gap, including but not limited to the City of Albany’s Thomas S. O’Brien Academy of Science and Technology and the Arbor Hill Elementary School, both of which have recently been awarded “Pathfinder” status by the New York Business Council;^{xi}

- > The City School District has implemented a much-improved safety and security program and revamped safety procedures at Albany High School and other City schools that can only lead to a greater public sense of safety and security for all students, teachers, parents and visitors and to a more positive public image.

Some Significant Challenges That Must be Overcome

The members of the Education Subcommittee agree, as recently observed in the “P-16 Education: Plan for Action” issued in November 2006 by the New York State Board of Regents, the University of the State of New York, and the State Education Department, that the two greatest challenges facing all publicly funded schools, in Albany, the Capital Region and across the State, are:

- > “closing the great divide in achievement along lines of income, race and ethnicity, language, and disability,” and
- > “keeping up with growing demands for still more knowledge and skill in the face of increasing competition in a changing global economy.”

We also agree, as recently observed by many other leaders from education, business, and

xi See The Business Council of New York State, Inc., “Showing New York’s Schools the Path to Improvement: 14 Schools Earn 2005 Pathfinder Awards (February 15, 2006). And, “Showing New York’s Schools the Path to Improvement: 24 New York Schools Earn 2004 Pathfinder Awards” (February 23, 2004).



Education Subcommittee Report

community service organizations at the Summit on New York Education convened in November 2005 by the State Board of Regents, that there are many additional, often related challenges which must be simultaneously addressed by the leaders of Albany's publicly funded schools, the greater business community and all interested stakeholders, parents and students and civic leaders alike, including but not limited to all of these:^{xii}

- > Ensuring that every child enrolled in Albany's publicly funded schools has the opportunity to get, and does in fact get, a good start and can read proficiently by the second grade;
- > Ensuring that all of the City's school children complete their elementary and middle school educations ready to succeed and excel in high school and that schools rated "in Need of Improvement" or otherwise considered underperforming by the State Education Department and/or the State Board of Regents improve;
- > Improving scores and eliminating performance gaps at every level of elementary, secondary and high school public education as reported by the City School District of Albany and the City's charter schools to the State Education Department on 4th and 8th grade tests in English language arts ("ELA") and Math, and as compared to certain high-performing Capital Region suburban

school districts.^{xiii}

- > Eliminate the actual and/or perceived differences in education quality and school safety between Albany public schools and those in surrounding suburbs.
- > Craft a vision for a high-school graduation rate at all publicly funded schools in the Capital Region of 100 percent.^{xiv}
- > Address the fiscal impact of charter school funding in school district's like Albany where there are currently nine charter schools and where a significant percentage (approximately 10%) of the City School District's budget is committed to supporting charter schools, according to recent published reports of the NY State Education Department.
- > Adopt more aggressive strategies on the part of the City of Albany School District

xiii See NY S Ed. Dept. "Overview of District Performance in English Language Arts, Mathematics, and Science and Analysis of Student Subgroup Performance for Albany City School District" (April 2006). And see "Accountability Status Report: English Language Arts, Mathematics, Science and Graduate Rate for Albany City SD" (April 22, 2006). These recent reports and the performance data contained in them show that, although adequate yearly progress toward the goal of proficiency for all students is being made for many of the City's elementary and secondary school students, there are nonetheless certain glaring and serious performance deficiencies within the City School District that deserve immediate and sustained attention, especially among minorities, the poor, and other disadvantaged groups.

xiv Data from the NYS Ed. Department shows that of all students in the Albany City School District's Albany High School, approximately 65% graduated with their 2000 cohorts, 9% transferred to a GED, and 13% dropped out of school. See NYS Ed. Dept. "Outcomes for Students in the 2000 and 2001 Cohorts as of June 30, 2005" (February 10, 2006). Additional data on high school graduation rates for students at Albany High School, broken down by race, ethnicity, income level and English language proficiency contained in the "Accountability Status Report: English Language Arts, Mathematics, Science and Graduate Rate for Albany City SD" (April 22, 2006).

xii These and many of the specific challenges listed here have also been acknowledged and targeted for collaborative action by those in attendance at the recent Summit on New York Education, which was convened on November 2, 2005 in Albany by the Board of Regents in an effort "to confront tremendous educational challenges which impede New York's economic and civic vitality".

Education Subcommittee Report

and all publicly funded and private City schools to investigate, share, discuss and emulate innovative and effective strategies and public-private education partnerships that improve student performance, high school graduation and other educational outcomes (wherever these best-practices are found).

- > Promote and publicizing (better than we currently do) the many educational achievements and successes of students and public-private education partnerships with Albany's publicly funded schools and the greater business community.

The Subcommittee's Overarching Conclusions

In light of these and other challenges and local educational reforms, improvements and existing partnerships, and based on its review of the literature and its meetings over the past several months, the Education Subcommittee has reached a single, overarching conclusion, simply stated as follows:

The greater business community in the Capital Region (in this context encompassing not only the corporate sector but also colleges and universities and private as well as public educational institutions, foundations, not-for-profit corporations, and others) must make education an even greater priority and must, by increasing its partnerships with local and regional educational institutions, further stimulate individual and economic growth as well as improvements in academic outcomes and student performance, particularly at the elementary and secondary school levels.

The members of the Subcommittee agree that making and/or renewing this commitment and making such an investment now will translate into real educational and economic returns for

our children, families, businesses, our City, and all other stakeholders. Of course, all of these sectors have an important stake in improving our schools and the achievement levels of our students.

With these overarching conclusions in mind, the Subcommittee has agreed upon a set of recommendations, set forth below in Section III of this report. Each of these recommendations is designed to further encourage and assist the business community, the City of Albany, the Albany City School District, and other interested stakeholders to increase their cooperation with and among each other and their collaborative efforts to improve educational outcomes and academic performance for all of the City's schoolchildren.

Perhaps the most important overarching and long term recommendation included in this report, however, is the Subcommittee's recommendation that all of these interested stakeholders join together in some kind of more permanent, ongoing organization to facilitate, expand, promote and seek funding for innovative and effective education partnerships between the corporate and public education worlds. The "business case" for this and other recommendations of the Education Subcommittee is set forth.

Why the Business Community is Concerned About Education

Nationwide, there have been increasing reports that the U.S. education system, which produces the U.S. workforce, is falling behind.^{xv} At the same time, increased media attention has focused, and appropriately so, on issues of school safety, the widening achievement gap between poor and minority students, and on the lack of workforce and college preparedness of too many students.

xv "Fixing Urban Education," Diversity Inc. Magazine (July/August 2006), p. 14.

Education Subcommittee Report

Education, particularly at the college level, is this nation's most important economic asset. In fact, of all the things that are produced here (in the Capital Region and across the country), higher education is consistently the one product that more foreigners seek, with hundreds of thousands coming to the United States each year to learn, study and invest in the future.

However, at the elementary and secondary level, we as a nation have our challenges, for we lag behind most of the developed and part of the less developed world in the achievement of our students. The consequences for us—our businesses, our cities, our states, our nation—are obvious. Without an educated workforce, we will find it increasingly difficult to compete successfully.

The importance of these issues to the nation's businesses can be neither underestimated nor overstated. As observed not long ago in "School Matters" – a service of Standard & Poor's School Evaluation Services branch, which was created in response to the need by the education community for an impartial, transparent analysis of educational data:

U.S. business leaders are concerned about international assessments showing U.S. students lagging behind their counterparts from other industrialized countries. They believe this may forecast bad news for America's long-term global competitiveness. The millions of high-tech, information-age jobs that the U.S. economy is expected to generate in the next two decades may go unfilled because the U.S. public education system simply does not teach enough students the skills they will need to handle these jobs.

As attested to by business leaders in attendance at the recent Summit on New York Education held in Albany, these nationwide concerns are mirrored here in Albany and in the Capital Region, an area that is poised to be a national

leader and pacesetter in the creation of nano-tech, high-tech, and information-age jobs.^{xvi} Given the hopes that we have placed in the success of Tech Valley, the need for an educated workforce is both obvious and paramount.

Although it is reasonably expected that many of these future jobs and growth industries will draw upon graduates from the Capital Region's exceptional institutions of higher education, there is and will also continue to be a need for highly skilled workers who graduate from the area's high schools, two-year colleges and vocational schools. The Subcommittee therefore believes that public education currently plays and will play an increasingly important role in attracting additional businesses, investors, parents, school-age children and others to the City of Albany and the surrounding communities.

The Need for Creative Solutions and Greater Collaboration With the Business Community

The "business case" for even greater involvement by private industry in public education is a call being made across the country, and is not new to this Education Subcommittee or to Albany. In fact, five years ago, during a 2001 panel discussion of business leaders and educators sponsored by the Public Policy Institute of the Business Council of the State of New York — entitled "What Can Business Do to Help the Schools Improve?" — it was made clear, as it

xvi See, e.g., Remarks of N.M. Donofrio and others at the November 2, 2005 Summit Education in New York. There is evidence that leaders in the business community are answering this call to action, as indicated by the fact that many business and community leaders are already serving as members of publicly funded school boards, including but not limited to the heads of at least three technology companies (Dynamic Applications, Applied Nano-Works, and the League Sports Services), the head of a local YMCA, the executive director of the Pine Bush Preserve Commission, a vice president at a leading investment bank, representative from the health care field, and others



Education Subcommittee Report

was more recently during the meetings of the Education Subcommittee, that “business is very concerned about the education system, and very much willing to help.”

There are and will continue to be spirited debates about the causes and effects of certain system-wide and nationwide educational shortcomings, about the growing achievement gap faced by poor and minority students, especially in math and science, and about the validity and effectiveness of certain initiatives designed to combat these pernicious problems. This includes a spirited and necessary debate and further study of student achievement in the City’s public schools and over the performance and impact of the growing number, of charter schools in the City of Albany, and elsewhere in New York State and across the country, and over the need for and consequences of increased standardized testing and wider reporting and analysis of statistical data on educational outcomes in both of these publicly funded systems.

Amidst this spirited debate, and continued controversy over the effectiveness of the “No Child Left Behind Act,” it is apparent, as recently observed by the Editor of DiversityInc. Magazine in its special edition on “Fixing Urban Education,” that “there is consensus on one thing – significant change cannot be accomplished without strong efforts from local, state and federal governments, parents and business.” In other words, true educational reform requires the sustained commitment and collaborative efforts of all interested stakeholders, including but not limited to parents, teachers, community leaders and the business community. The members of the Education Subcommittee agree that the critical goals of improving the quality and perception of education in the City of Albany require just such a sustained, collaborative commitment. The continued help of the local business community is, of course, essential to the achievement of these important objectives.

The business community’s role in improving educational outcomes, both locally and nationwide, is significant and of increasing importance. Indeed, business leaders seem to agree that “[a]lthough the public education of the nation’s youth is the constitutional charge of the government, private industry’s history of creative solutions and effective spending is critical to creating a competitive workforce.” See “Fixing Urban Education,” *DiversityInc. Magazine* (July/August 2006), p. 14.

Local business leaders, educators, school administrators and others from across the Capital Region came together during the Education Subcommittee’s meetings to discuss the many ways that the business community can help to improve both the quality and perception of public schooling in the City of Albany. In the process, it quickly became clear that the business community in the Capital Region not only wants and needs better performance from all of our schools, but that many local businesses are already committed to helping achieve this overarching goal.

Local Businesses and Other Stakeholders “Doing the Right Things” – “in the Right Way”

All types of educational, financial, philanthropic and other assistance from the business community are welcome and needed. Based on the available literature considered by the Subcommittee, however, as well as anecdotal evidence and studies of recent student performance on standardized tests in New York, the evidence suggests that some types of help may be more effective than others. Former SUNY Chancellor and M&T Bank executive R. Carlos Carballada explained it this way during the Business Council’s 2001 panel on What Can Business Do to Help the Schools Improve?: “it is critical that if businesses do get involved, they do it the right way, do the right things, and actually help the children achieve



Education Subcommittee Report

these educational goals.”

An informal and unscientific survey of local business leaders and ReCapitalize Albany Committee members conducted by the Education Subcommittee over the past several months demonstrates that many Capital Region businesses are not merely involved in helping to improve the quality of public education in the City of Albany, but that there are many business-education partnerships in the Capital Region doing just that with tremendous success. In the opinion of the Subcommittee, the businesses and private foundations responsible for and involved in these and other similar partnerships (including but not limited to General Electric Company, WTEN, The College of Saint Rose, Albany Medical Center, Bank of America, Charitable Leadership, CB Richard Ellis Albany, Citizens Bank and the University at Albany) are indeed “doing the right things” and are in many respects “doing it the right way.”

By partnering with a growing number of the Capital Region’s schools who are teaming up with the business community in a more collaborative approach to educational reform, these businesses and members of the business community are also taking positive and proactive steps which appear to be “actually helping the children achieve.” A number of these “model” business-education partnerships (several of which are discussed in greater detail below) have been publicly celebrated and have no doubt contributed to the recent successes and academic improvements in test scores documented at several local elementary schools, including but not limited to the City of Albany’s Thomas S. O’Brien Academy of Science and Technology (also known as “TOAST”) and the Arbor Hill Elementary School, both part of the Albany City School District, and at the International Charter School of Schenectady, and the Turnpike Elementary School in Rensselaer.

Between 2004 and 2006, each of these schools were awarded the Business Council’s “Pathfinder Award,” awarded to a select number of schools showing marked improvement from one year to

the next on state test scores and considered the highest honor given to public schools across the State by New York’s private business sector. Of course, other notable educational successes exist in the Capital District both within and outside of the City School District of Albany, which in August 2005 was recognized by Standard & Poors (“S&P”) as one of forty-four (44) school districts in New York that has significantly narrowed the achievement gap (based on S&P’s analysis of data from 2003 and 2004).

It is the consensus of the members of the Education Subcommittee that these and similar successes throughout the Capital Region, particularly collaborative business-education initiatives designed to narrow the educational achievement gap, should be more widely publicized, celebrated, supported, expanded and replicated. Only in this way can every student in the City’s public education system benefit from such collaborative approaches to educational reform and improvement.

The Subcommittee has identified numerous praise-worthy partnerships and programs related to business and education in Albany. In fact, one of the Subcommittee’s most notable recommendations is to highlight more of what is positive, and pioneering among the partnerships and programs that have taken hold in Albany. This will serve to increase the positive work of the City School District at a time when it has experienced more than its share of negative publicity. This would also serve to induce others to replicate the partnerships and programs, and to recruit new partnerships.

The members of the Subcommittee also agree that even more can and must be done, however, by all stakeholders interested in improving the quality and perception of education in the City of Albany, including students, parents, educators and school administrators, community leaders, businesses and members of the business community. Our specific recommendations are set forth below.

Broadly speaking, we agree with the business leaders and education experts who participated

Education Subcommittee Report

in the 2001 panel discussion sponsored by the Business Council's Public Policy Institute that the business community and individual business leaders can and must continue to increase their efforts to

- > Advocate for high standards, early childhood education, and other public policies that can help;
- > Help schools identify the skills that workers of the future will need to compete in an increasingly diverse and more competitive global marketplace;
- > Assist schools using the skills that businesses possess – such as organizational development, systems planning, staff development, measurement, accountability, and even marketing skills and “best practices”;
- > Help students by donating equipment and time, offering mentoring, career advice and other direct help to students; and
- > Serve on local school boards – a tough job, but a rewarding one.

In addition to the general steps outlined above, the Subcommittee also recommends, as explained in greater detail below, that the following initiatives and steps should be taken to improve both the quality and perception of public education in the City of Albany:

Recommendation 1: Create a permanent mechanism for business and education leaders to address education issues.

Over the course of our deliberations, it became clear that there is a lot more that the business community, and the broader Albany community of stakeholders, can offer our students and our publicly funded schools, including technological, as well as human and financial resources, expertise and know-how designed to meet and address the two most important challenges outlined above and in the recently published P-16 Education: Call to Action. As explained in that recent report, the accomplishment of these “related goals requires unprecedented collaboration

among parents, employers, elected leaders and educators” and any solutions “must be systemic” to be effective. But to harness the collective energies of the many stakeholders involved and engage the greater business community and the publicly funded schools in Albany and the Capital Region in a more focused, collaborative and sustained public-private educational partnership, a more permanent, standing committee or self-perpetuating organization, possibly equipped with 501(c)(3) status, is needed. This is the most important recommendation in this report and the Subcommittee urges the Mayor to accept it and to begin the process of creating such a continuing body at once.

The goal of this body would be to act as a bridge between the leaders of the City and the City's publicly funded schools and the greater business community, and as an “incubator” and promoter of innovative and effective public-private educational partnerships. Of course, many of the following recommendations would naturally fall under the purview of this body as it embarks on its work.

In advancing this as our most important recommendation, the Subcommittee reviewed and consulted with representatives from similar groups in other cities, including Rochester (Mayor's Call to Arms Task Force), Austin (Travis Community Education Foundation) and New York (Office of Strategic Partnerships), where this type of organization has proved successful in serving as a bridge helping to connect public schools with businesses, local colleges and universities, public and private foundations and not-for-profits in a collaborative and sustained effort to study and make recommendations on ways of improving school performance and educational opportunities. Other models championing these types of organizations also exist, some



Education Subcommittee Report

right here in the Capital Region.^{xvii}

Here, we envision a long-term organizational commitment to collaborative public-private education partnerships that engages more volunteer and citizen leaders from the greater business community in Albany and the Capital Region involved and committed to assisting in the development, expansion and promotion of innovative and effective strategies for improving and maximizing student achievement and success at every level of our publicly funded schools. In Section IV, the Education Subcommittee has laid out a number of additional organizational ideas for this proposed permanent organization, the creation and continuance of which is of critical importance.

Recommendation 2: Develop a program to share information and educate the greater business community about the needs of the City's publicly funded schools and the opportunities to help, and visa versa.

While the business community already contributes a good deal to Albany's public schools, the Subcommittee felt that a lot of opportunities are missed – simply because many business leaders do not know what help is needed or how to get involved. At the same time, some formal corporate giving programs in Albany find that few educational requests come before them. Clearly, a mechanism is needed to boost communication in both directions.

^{xvii} See, e.g., Remarks of N.M. Donofrio and others at the November 2, 2005 Summit Education in New York. There is evidence that leaders in the business community are answering this call to action, as indicated by the fact that many business and community leaders are already serving as members of publicly funded school boards, including but not limited to the heads of at least three technology companies (Dynamic Applications, Applied NanoWorks, and the League Sports Services), the head of a local YMCA, the executive director of the Pine Bush Preserve Commission, a vice president at a leading investment bank, representative from the health care field, and others.

However, it will be important that publicly funded schools be provided with the human resource and financial support and assistance necessary to support and expand such programs. Although it may seem counterintuitive, implementing, overseeing and managing a significant number of corporate assistance programs, as the City of Albany School District and the City's charter schools are already doing with greater frequency and with some success, can overburden and tax already stressed school budgets and staffers. The two-way communication mechanism devised under this recommendation could explore and advocate for increased funding for programs of the kind envisioned and referred to here.

Recommendation 3: Encourage more direct partnership programs between Capital Region institutions of higher education and publicly funded schools in the City of Albany, with a special emphasis on the elementary school level, on schools in need of improvement, and the lowest performing K-12 schools.

This effort would build on the successes of several existing programs by further advancing and developing them to benefit as many underperforming schools and students as possible.^{xviii} This would include setting up after-school academies on college and university campuses for elementary students such as those under way or being implemented at The College of Saint Rose and the Albany College of Pharmacy in conjunction with the Help Yourself Foundation. Another example includes

^{xviii} According to the NYS Ed. Department's "School Accountability Status for the 2006-07 School Year – Based on Performance in the 2005-2006 School Year," (January 10, 2007), there are three Albany City Schools that are currently considered "not in good standing," including Albany High School (with respect to secondary-level English Language Arts and Math scores), Philip Livingston Magnet Academy (elementary and middle-level ELA), and William S. Hackett MS (elementary and middle-level ELA). The New Covenant Charter School in Albany is also considered an underperforming school requiring systemic attention.

Education Subcommittee Report

building and expanding upon the UAlbany's Literacy Lab at the Arbor Hill Elementary School, which runs year-round as well as supporting programs at the middle school and secondary levels like the after-school tutoring program at Albany High School through the AHS-UAlbany Alliance for Young Talent.

Of course, these are just a few of the many programs out there. But it is critical for these partnerships to set measurable goals and devise plans and strategies to improve student performance and academic achievement and that, once proven effective, can be replicated throughout the areas publicly funded schools so that all students, regardless of socio-economic class, ethnicity or disability, can benefit from them. Alternative and additional funding sources for the expansion of these programs must also be explored and secured.

The new organizational body envisioned in Recommendation 1 would be expected to promote and explore the raising of additional funds and funding sources to support, measure, and expand such existing and future after-school programs and partnerships.

Recommendation 4: Further develop and extend to all publicly funded schools an incentive-based student performance system.

While every effort must be made to raise the levels of underperforming students, the goal of this program would be to expand upon rewards for students who continue to improve or already excel. Incentives could include selection into science fairs and/or math competitions (e.g. LEGO Robotics program), placement in corporate sponsored after school and summer internship programs, membership in local YMCAs or Boys/Girls Clubs, enrollment in sports camps, arts camps and similar activities.

Individual businesses and business groups could also develop scholarship programs for

deserving students. In conjunction with local colleges and universities, financial aid could be provided to Albany students of merit who attend these institutions.

Recommendation 5: Create opportunities for every student in Albany's publicly funded schools to have varied educational and career related experiences outside of the classroom by the Third Grade.

The members of the Subcommittee agree that we (i.e., the business community and all other stakeholders) must use our substantial resources to fix that which is broken--and we must recognize that whatever is in fact broken must be fixed at the earliest possible time in a child's education. We cannot expect that a student who has fallen far behind his or her fellow students will be able to make up for lost ground in latter years. Simply stated, once a child's educational light has gone out, it is hard to turn it back on.

The business community must therefore maintain a relentless focus on the benefits of early childhood education. The Education Subcommittee recognizes that positive experiences in the early grades can have a greater impact on a student's educational career than later intervention. It is for this reason that many of the Education Subcommittee's recommendations are focused on the need for developing and promoting what the Board of Regents, the State Education Department and the State University of NY referred to recently in their P-16 Education: Plan for Action as "sustainable early education program[s] for all students" and strengthening and improving student outcomes dramatically.

Creating opportunities for every student enrolled in the City's publicly funded schools to participate in educational opportunities, career exploration and job shadowing programs by the Third Grade, if not before that time, is an important way for businesses to get involved at



Education Subcommittee Report

this critical stage of a child's early development. One example of a program with just such a focus is The Help Yourself Foundation created by former Union College President Roger Hull designed to take third-graders from "at-risk" homes in Albany and enroll them in special after-school classes two afternoons per week at local colleges.

Although these types of programs should begin early in a child's schooling, similar efforts must also continue and be supported for all students in our publicly funded elementary and middle schools, as well as at the high school level.

Recommendation 6: Investigate the broader implementation of programs and partnerships like Project Lead the Way, which local businesses could help support financially.

Project Lead the Way is a not-for-profit organization that promotes pre-engineering courses for middle and high school students. The project builds partnerships with public schools, higher education institutions and companies to increase the quantity and quality of engineers. The curriculum was first introduced to 12 New York State high schools in 1997 and today is in over 1,300 schools in 45 states.

The program consists of a series of elective courses at the high school level as well as five stand-alone multi-week units that provide middle school students an overview of engineering concepts and applications, including but not limited to instruction in principles of engineering, an introduction into engineering design, digital electronics, computer integrated manufacturing, civil engineering and architecture, etc. The Project Lead the Way website estimates the cost to high schools (presuming they must purchase all of the equipment and software) at under \$100,000 and \$50,000 for middle schools. In addition, teachers must undergo Project training at the Rochester Institute of Technology and have a laptop that meets program specifications.

Local business should be encouraged to assist with the sponsorship of such programs, and alternative funding sources for the expansion of such programs into publicly funded schools in Albany should be explored and secured as an investment in the future of technology education in the Capital Region. Technology companies should also be encouraged to lend their support and expertise to school administrators who need assistance in teaching different courses. In short, Project Lead the Way and other similar programs should be expanded within the Albany schools.

Recommendation 7: Expand business-education partnerships such as corporate job shadowing programs and other mentoring programs.

Mentoring programs that expose students to the professions and to careers and opportunities in the business community, especially in the engineering and high technology companies, are an excellent way to expose students to these fields and to the importance of securing a quality education. Job shadowing programs and internships can help people get excited about particular businesses or even help them understand if a particular vocation is not their calling.

While anecdotal evidence indicates that there are many of these types of programs already up and running in publicly funded schools in the City of Albany, there is need for the creation and wider dissemination of additional information about these types of programs. This up-to-date information should include information on a program's size, impact and any indications of effectiveness. Those programs that are considered most effective can and should be used as models and should be expanded as widely as possible throughout the City's publicly funded schools.

In addition, we should look to other cities for mentoring, job shadowing and similar programs that deserve emulation. For

Education Subcommittee Report

example, the Christo Rey Network in Chicago is an excellent school-to-work model (featured in a recent *Newsweek* as a national model for urban schoolchildren.)

Recommendation 8: Improve the awareness of achievements in the City's publicly funded schools through effective promotion of successful programming, partnerships and recognitions.

All too often perception is reality – especially in the eyes of parents contemplating a move to Albany or a business official seeking to make an investment in the City. A public relations campaign that focuses on the school district's distinct advantages and successes, as well as ongoing efforts to address negatives, can help residents, school officials and the City in general focus on the positives. Partners in this effort could include alumni, PTAs and parents, as well as local television, radio and print media representatives.

An example of a public relations campaign designed to begin changing the perceptions which too many parents and others have of Albany's publicly funded schools would be to host public events and tours of Albany's many new and newly rehabilitated facilities, which act to showcase the taxpayers' investments in the schools. A more aggressive campaign to promote and highlight public-private education partnerships with the corporate world should be undertaken as well by the leaders of Albany's publicly funded schools, and members of local print, radio, and television media should be encouraged to assist in the positive promotion and development of such a campaign.

Recommendation 9: Engage in Further Study and Analysis on the long-term financial impacts of charter schools on the Albany City School District's budget and financial operation, and advocate for alternative and/or increased funding adjustments where necessary.

The State Board of Regents is constitutionally

charged with evaluating all public schools, including charter, schools in New York State. Indeed, the financial impact of the public charter schools on the City School District of Albany's budget and operations must be analyzed and reported on annually and every five years by the State Education Department.

Critically important comparative information on performance outcomes and finances of the City's publicly funded schools is contained in these reports, but they are not widely enough disseminated, analyzed for corrective action on the local level, or understood in the context of the steps recommended and needed for improving student performance and educational outcomes. Continued and further study and greater dissemination and public discussion of these results, of the impact of charter schools upon the financial operations of City school districts like Albany's, and of the special education needs and impacts upon all of the City's publicly funded schools, are needed. So, too, are or may be certain necessary funding adjustments recently called for by the Mayor, the Governor, the Superintendent of the City of Albany School District and others.

Recommendation 10: Adopt more aggressive strategies on the part of the City of Albany School District and all publicly funded and private City schools to investigate, share, discuss and emulate innovative and effective strategies and public-private education partnerships that improve student performance, high school graduation and other educational outcomes (wherever these best-practices are found).

Throughout the Capital Region and the nation there are certain schools and public-private education partnerships that have been identified by the State Education Department and other educators and credentialed education groups as "high performing," "achievement-gap-closing" models of academic excellence. Merely by way of example are several nationally known

Education Subcommittee Report



charter schools, such as the KIPP Academies in New York City and Houston, which have made noteworthy accomplishments in student test scores and improvements in educational outcomes. A number of these successful programs were recently chronicled in *The New York Times Magazine*, in its November 26, 2006 article entitled “What it Will Really Take to Close the Education Gap” by Paul Tough.

The extent to which these and other innovative and effective educational programs, wherever they are found, are capable of duplication and replication here in the City’s publicly funded schools should be seriously explored.

Recommendation 11: Focus a future Summit in Tech Valley on Business-Education Engagement.

Every year the Summit brings together hundreds of entrepreneurs, business executives, financing sources and other leaders from academia, government and technology communities to discuss particular issues. The day-long event typically features a lineup of world class speakers all focused on one regional challenge. One of the future meetings should be dedicated to the topic of finding ways to boost public education in the region in support of technology and other creative sector companies.

Recommendation 12: Ongoing efforts to improve safety and security and eliminate crime in all of Albany’s publicly funded schools must continue to be a priority fully supported by all.

There can be no question or dispute that “[n]othing is more important than the safety of children in [the] care” of our publicly funded schools. As noted by Commissioner Mills of the New York State Board of Regents in a press release issued on August 22, 2006, “We share a common obligation to ensure the safety of children in school. We also share an obligation to report accurately. Nonetheless, some schools report violent and disruptive incidents that raise serious concerns about children’s welfare. It is

essential that we take action to eliminate these problems.”

Notably, none of Albany’s publicly funded schools are among those in New York State considered dangerous or “persistently dangerous” according to the State Education Department’s latest reports. If children are to succeed in our publicly funded schools, this must remain the case and providing even safer and more secure schools and facilities, particularly at Albany High School, must remain a priority for all of our school administrators, employees, students and parents.

We are confident that the Albany City School District’s recent improvements in this area and the District’s “zero-tolerance” policy related to crime are not just needed, but are the only acceptable standards. These efforts and policies must be supported at every level by our civic leaders, the greater business community, and parents in particular.

Recommendation 13: Encourage participation from every quarter, including parents.

Education should not stop when school lets out for the day. Parental involvement enhances the education experience for children and increases student achievement in Albany schools. In addition, other community members should be encouraged to participate and aid the city schools in their mission. Empty nesters and many people without children have volumes of valuable experience that could be passed on to children through mentor programs and internships. In addition, it is politically important that every citizen is involved in supporting education, not just those with children.

The parent liaison program, recently enacted by the Schenectady City School District, should be explored.

Education Subcommittee Report

Additional Ideas for Implementing Recommendation 1

If Albany is to be the hub of Tech Valley's technology-based future, an effective organizational vehicle is required to address educational needs in a strategic and coherent way over the long term. Such an entity would enable all key stakeholders to work together systematically on issues and resources that impact the performance of Albany schools and students.

Many communities across the country have established non-profit organizations for such purposes. Some work, for example, on systematic school reform in areas with economic disadvantaged populations. Others put their efforts into particular schools or districts without regard to income needs.

In Recommendation 1, the Education Subcommittee recommends the creation of a non-profit, community-based group, appointed by the Mayor with the cooperation and assistance of the School District and the business community, that would work with the school district to strengthen educational outcomes, but at the same time be an independent bridge between and among all of the various stakeholders from the business community, the higher education community, school district, city and state educational offices, as well as civic and other leaders committed to improving education.

The operations of the organization might include the following.

- > Working with school, city and state officials on legislative, financial and policy matters
- > Mobilizing support for public education in Albany
- > Encouraging partnerships between public schools and the private sector
- > Assist in raising private funds in support

of public education

- > Conduct analytical studies on the performance of public schools
- > Work with parents to ensure their active engagement and support of their children's education.
- > Maintain an ongoing database of opportunities for private organizations and local residents to get involved with education

For such a group to be effective, it will require staffing and funding. We recommend that as a first step, the Mayor, with the assistance and cooperation of the School District and the Albany Chamber of Commerce, form a more permanent body to continue the important work of this Subcommittee. Ideally, this more permanent body would consist of and represent all stakeholders including area businesses, colleges and universities, local and state government, parents, teachers unions, school district administration, civic and youth groups, foundations and the library community.

Another initial step would be to have model organizations in other cities discuss their experiences with the steering community. They would help define a mission that addresses Albany's needs, identifying potential board members that reflect the Albany community, and assessing factors of funding and sustainability.



ReCAPITALIZE ALBANY REPORT 2007

There is much to boast about in Albany. The City's skyline has grown, vibrancy is increasing on downtown streets, and the list of the City's strong neighborhoods of choice has grown.

In 1996, the Capitalize Albany strategy set out a bold vision for economic revitalization. Since then more than two billion dollars have been invested in over 200 projects across the City. The new initiatives and new partnerships fostered by the plan have transformed Albany.

But challenges remain. Downtown has a number of buildings with very high vacancy rates. Street activity could be increased in the evenings and on weekends. Albany neighborhoods have over 900 vacant buildings. Many local schools perform poorly versus suburban counterparts, especially where there exists an educational divide between students of different socioeconomic status. This creates a challenge to retain and attract young families in the City.

The recommendations of ReCapitalize Albany are bold, aggressive and will set a new direction that fundamentally changes how the City does business.

For more information contact:
City of Albany Department of
Development and Planning
21 Lodge Street, Albany, NY 12210
518 434 2532
www.AlbanyNY.org

ReCAPITALIZE
ALBANY

