



Tuesday, April 25, 2017
21 Lodge Street, 8:00 a.m.

CAPITALIZE ALBANY
CORPORATION

Capitalize Albany Corporation
Board of Directors Meeting
Agenda

1. Review of Minutes from the Regular Meeting of March 28, 2017
2. Report of Executive Staff – Corporation Update
3. Report of the Finance & Investment Committee
 - a. 526 Central Avenue update
 - b. Quarterly Financial report
4. Report of the Governance Committee
 - a. Mission Statement update
 - b. Resolution 3-2017 Procurement Policy Amendment
 - c. Resolution 4-2017 Governance Committee Charter Amendments
 - d. Summary results of Board evaluations
5. Other Business
6. Board-only Session
7. Executive Session (if necessary)

Capitalize Albany Corporation Board Meeting
MINUTES
Tuesday, March 28, 2017

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, March 28, 2017 at 21 Lodge Street, Albany, NY.

The following were in attendance:

Board of Directors:

Michael Castellana	James Stellar	Jeff Sperry	John Harris
James Linnan	Michele Vennard	John Vero	
David Parente	Michael Fancher	Susan Pedo	
Bob Curley	Mark Sullivan	Matt Peter	

Other:

Thomas M. Owens, Esq.

Staff:

Sarah Reginelli, Mark Opalka, Joe Landy, Andy Corcione, Chantel Burnash, and Mike Bohne.

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

Approval of Minutes for January 24, 2017 Board Meeting

The Board reviewed the minutes of the January 24, 2017 meeting. Mark Sullivan made a motion for approval. Michele Vennard seconded. The Board agreed unanimously to approve the minutes.

Report of the Audit Committee

Michael Fancher (Chair of the Audit Committee) informed the Board that the Audit Committee met with UHY the previous day. UHY reviewed the draft 2016 Audited Financial Statements, in detail, with the Committee and noted the Corporation received a clean or “unqualified” opinion, with no deficiencies identified in internal control. UHY stated to the Committee that there were no disagreements with the Corporation’s management during the audit and no material misstatements were detected as a result of their audit procedures. Mr. Fancher credited staff for the results of the audit and mentioned the Corporation is in a good position financially. Mark Opalka advised the Board that the PARIS reports would be filed by the March 31st deadline. Chairman Michael Castellana asked the Board to look over the draft PARIS reports, and specifically the Board section, to make sure the information is correct and to reach out to staff if there are any proposed changes or questions. Staff reviewed the draft 2016 Annual Report, draft 2016 Procurement Report, draft 2016 Investment Report, draft 2016 Public Authorities Performance Measurements Report and draft 2016 Audit Committee Annual Report.

John Harris joined the meeting.

A motion to accept the 2016 Audit and Draft 2016 Audited Financial Statements, along with the reports, after any necessary revisions are made to the drafts was made by Michael Fancher. James Linnan seconded. A vote being taken, the motion passed unanimously.

Guest Speaker: Proposed 526 Central Development Team

The 526 Central Avenue Development team discussed their proposal at 526 Central Avenue for a \$35 million mixed use development including affordable housing, commercial office and a primary healthcare facility.

The Board discussed the proposal.

James Stellar, Matt Peter and Michael Fancher left the meeting.

Report of the Finance & Investment Committee

Jeff Sperry informed the Board that the Finance & Investment Committee reviewed the financial implications of the current offer at 526 Central Avenue.

Report of Executive Staff – Corporation Update

Staff reviewed the status of active projects with the Board.

Other Business

Mark Sullivan, Chair of the Governance Committee, reminded the Board to review the mission statement and submit revisions to Chantel, before the April 21st Governance Committee meeting. Dr. Sullivan advised the Board that the Committee will review the suggestions and will report back to the Board.

Executive Session

A motion to enter into executive session was made by Jeff Sperry, seconded by Bob Curley to discuss the employment history of certain individuals. The Board entered into executive session at 9:41 a.m. Board members, Counsel, and Corporation President remained in the room. The Board left executive session at 9:49 a.m. and returned to its regular session. No actions were taken in executive session.

There being no further business, the Capitalize Albany Corporation Board of Directors regular meeting was adjourned at 9:49 a.m.

Capitalize Albany Corporation
21 Lodge Street
Albany, New York 12207

MEMORANDUM

TO: Capitalize Albany Board of Directors
FROM: Mark Opalka
RE: Capitalize Albany Corporation 1st Quarter Financial Reports
DATE: April 25, 2017

BUDGET PERFORMANCE

On a pre-audit basis, through March 31, 2017, the Capitalize Albany Corporation had a net loss of \$42,053. This position compares favorably to the year-to-date (YTD) budgeted net loss of \$104,633. Capitalize Albany Corporation had net loss of \$87,296 at March 31, 2016.

My comments below address those categories that deviate in excess of 5% and greater than \$5,000 from the YTD budget.

- ***YTD 2017 revenue is \$259,663, which is \$25,671 (11%) above the 2017 budget.***
 - ***Investment & Interest Income.*** Interest and Investment Income is \$38,112 which is 20,170 (112%) over budget. This positive variance is a direct result of market performance, primarily in the equity portion, of the Corporation's investment portfolio that occurred during 2017.
 - ***Project & Program Revenue.*** Project and Program revenue is \$5,684. This revenue is from grant monies realized for the Amplify Albany grant program. These revenues have offsetting project and program expenses. This revenue was not budgeted for in the 2017 budget.
- ***YTD 2017 expenses are \$301,715 which is \$36,910 (11%) below the 2017 budget.***
 - ***Salary & Fringe Expense.*** Salary and Fringe expense are \$163,868 or 17% under budget. This variance is attributable to lower staffing levels compared to 2016.
 - ***Professional Fee Expense.*** Professional fee expenses are \$88,313 or 7% under budget. The variance is attributable to lower legal and accounting fees incurred by the Corporation.
 - ***Project & Program Expense.*** Project and Program Expenses are \$5,684. This expense was for the grant disbursements for the Amplify Albany program. These expenses were not budgeted for in the 2017 budget.

LOANS

- ***Sixty State Place, LLC*** – This borrower, who utilized funds from Capitalize Albany’s real estate loan fund, paid their loan in full in February.

BALANCE SHEET

- At March 31, 2017, compared to December 31, 2016, unrestricted cash has increased by \$443,840.
- Restricted cash has increased \$21,405 due to loan repayments.
- Mortgage notes receivable has decreased by \$434,104. This is a result of a loan payoff as well as scheduled loan payment activity..
- Net investment in direct financing leases has been reduced by approximately \$163,522. This is due to scheduled lease payments, the largest of which are the payments from ACDA. Additionally, ACDA payments are applied to the principal amount of bonds outstanding for 200 Henry Johnson Boulevard.
- Liabilities have been reduced by \$173,353. This is due to reduced accounts payable and principal payments applied against CAC’s bond indebtedness.

CASH FLOW STATEMENT

- Currently, CAC’s December 31, 2017 cash and cash equivalents are anticipated to decrease by approximately \$269,780 to \$4.1 million. This decrease is primarily attributable to a budgeted loan disbursement that is projected to occur during 2017 as well as projected Amplify Albany and Retail grant disbursements.
- Projected 2017 cash flow provided by operational activities reflect scheduled project grants activity, receipt of payment under the CAIDA Professional Service Agreement, scheduled lease and rental receipts, and payment of various administrative expenses
- Cash used in capital and financing activities reflects scheduled debt service payments during 2017.
- Cash flow from investing activities reflects projected loan disbursement and repayment activity, direct finance lease payments, and investment activity.

	January 1, 2017 - December 31, 2017				Apr -Dec 2017 Forecast	2017 Projection	Original Budget	Projected Variance from Budget
	YTD Actual	YTD Budget	Variance - \$	Variance - %				
REVENUE								
General Economic & Community Development Support Income	\$ 62,500	\$ 62,500	\$ -	0%	\$ 434,943	\$ 497,443	\$ 497,443	\$ -
Real Estate Income	34,909	34,650	260	1%	264,060	298,969	298,709	260
Professional Service Agreement Income	87,146	87,146	-	0%	261,437	348,582	348,582	-
Loan Interest Income	24,411	26,112	(1,702)	-7%	77,334	101,744	104,449	(2,704)
Fee Income	6,011	5,409	602	11%	22,476	28,487	27,885	602
Direct Finance Lease Income	250	234	15	7%	22,863	23,113	23,098	15
Investment & Interest Income	18,737	17,942	795	4%	53,824	72,561	71,766	795
FMV Adj on Fidelity Inv	21,280	-	21,280	100%	-	21,280	-	21,280
G/L on Sale/Redemption	(1,904)	-	(1,904)	100%	-	(1,904)	-	(1,904)
Membership & Event Support	640	-	640	100%	32,900	33,540	33,500	40
TOTAL REVENUE	\$ 253,979	\$ 233,992	\$ 19,987	9%	\$ 1,169,837	\$ 1,423,816	\$ 1,405,432	\$ 18,384
EXPENSE								
Salaries & Fringe Expense	\$ 163,868	\$ 197,205	\$ (33,337)	-17%	\$ 627,482	\$ 791,350	\$ 830,352	\$ (39,002)
Professional Fees	88,313	94,894	(6,581)	-7%	143,985	232,298	240,619	(8,321)
Administrative Expenses	18,869	20,800	(1,931)	-9%	68,706	87,575	90,507	(2,932)
Interest Expense	8,913	8,913	-	0%	4,799	13,712	13,712	(0)
Real Estate Expenses	8,819	8,655	164	2%	29,430	38,249	38,085	164
Occupancy Expense	6,233	7,634	(1,401)	-18%	40,618	46,851	47,909	(1,058)
Bad Debt Expense (recovery)	1,017	-	1,017	100%	-	1,017	-	1,017
Membership & Event Expense	-	525	(525)	-100%	12,700	12,700	12,700	-
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 296,031	\$ 338,625	\$ (42,594)	-13%	\$ 927,721	\$ 1,223,752	\$ 1,273,884	\$ (50,132)
NET INCOME BEFORE DEPRECIATION & PROGRAM ACTIVITY	\$ (42,053)	\$ (104,633)	\$ 62,581	-60%	\$ 242,116	\$ 200,064	\$ 131,548	\$ 68,516
DEPRECIATION	\$ -	\$ -	\$ -	#DIV/0!	\$ 196,006	\$ 196,006	\$ 196,006	\$ -
NET INCOME (LOSS) AFTER DEPRECIATION	\$ (42,053)	\$ (104,633)	\$ 62,580	60%	\$ 46,110	\$ 4,058	\$ (64,458)	\$ 68,516
PROJECT & PROGRAM REVENUE								
Blight to Betterment	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	\$ -
CACRC Grant	5,684	-	5,684	100%	365,182	370,866	-	370,866
New York Main Street	-	-	-	100%	-	-	-	-
Total Program Income	\$ 5,684	\$ -	\$ 5,684	100%	\$ 365,182	\$ 370,866	\$ -	\$ 370,866
PROJECT & PROGRAM EXPENSE								
New York Main Street	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	\$ -
Capitalize Albany Amplify and Retail Grants	5,684	-	5,684	100%	465,182	470,866	100,000	370,866
Impact Downtown Albany	-	-	-	-100%	-	-	-	-
Total Program Expense	\$ 5,684	\$ -	\$ 5,684	#DIV/0!	\$ 465,182	\$ 470,866	\$ 100,000	\$ 370,866
NET INCOME (LOSS) FROM PROGRAM ACTIVITY	\$ -	\$ -	\$ -	#DIV/0!	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ -
NET INCOME (LOSS) AFTER DEPRECIATION & PROGRAM ACTIVITY	\$ (42,053)	\$ (104,633)	\$ 62,580	60%	\$ (53,890)	\$ (95,942)	\$ (164,458)	\$ 68,516

CAPITALIZE ALBANY CORPORATION

Comparative Balance Sheets

Pre-Audited Draft

Assets

Current Assets:

	March 31, 2017	Projected March 31, 2017	December 31, 2016
Cash and cash equivalents	\$ 4,814,103	\$ 4,100,486	\$ 4,370,264
Investments	3,550,734	3,550,734	3,525,663
Restricted cash	661,277	715,476	639,776
Mortgage notes receivable, net	2,098,858	2,294,912	2,532,962
Net investment in direct financing leases	197,357	197,357	360,879
Accrued interest receivable	43,007	43,007	38,421
Grants receivable	-	-	-
Receivables from the City of Albany and City agencies	-	100,000	112,640
Other receivables, net	97,428	86,123	90,737
Property held for investment and lease, net	2,220,725	2,045,243	2,220,725
Property and equipment, net	354,246	330,421	354,246
Other assets	652,038	651,935	658,768

Total assets

\$ 14,689,773 \$ 14,115,694 \$ 14,905,081

Deferred Outflows of Resources

\$ - \$ - \$ -

Liabilities

Current Liabilities:

Accounts payable and accrued expenses	\$ 70,933	\$ 65,448	\$ 88,781
Due to the City of Albany	72,892	72,892	72,892
Unearned grant and other income	899,196	564,492	904,881
Bonds payable	1,880,000	1,700,000	2,030,000
Revolving loan fund liability	704,891	704,891	704,614
Unearned program support	67,369	67,369	67,365

Total liabilities

\$ 3,695,281 \$ 3,175,091 \$ 3,868,533

Deferred Inflows of Resources

\$ - \$ - \$ -

Net Position

Net invested in capital assets	\$ 854,971	\$ 854,971	\$ 854,971
Restricted for:			
Debt service	171,483	171,483	171,483
CDBG eligible activities	114,010	114,010	114,010
Other program specific activities	11,774	11,774	11,774
Impact Downtown Albany	-	-	-
Unrestricted	9,842,254	9,788,364	9,884,308
Total net position	\$ 10,994,492	\$ 10,940,603	\$ 11,036,546

Capitalize Albany Corporation
STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
Pre Audited Draft

	March 31, 2017	Projected December 31, 2017	Year Ended December 31, 2016
Revenues			
Grant income and Contribution Income	\$ 68,184	\$ 868,309	\$ 775,344
Rental income	35,144	299,664	301,246
Other interest and investment income	38,128	114,355	159,003
Interest income on mortgage notes	24,411	101,744	93,114
Gain on sale of properties	-	-	-
Fees and other income	93,797	410,609	437,301
	259,664	1,794,681	1,766,008
Total revenues			
Expenses			
Salaries and fringe benefits	163,868	791,350	801,106
Program and project costs	14,503	688,798	466,535
Interest expense	8,913	13,712	29,529
Bad debt expenses (recovery)	1,017	1,017	6,997
Administrative Expenses	113,416	395,746	382,156
	301,717	1,890,623	1,686,323
Total expenses			
Excess of (expenses over revenues) revenues over expenses	(42,053)	(95,942)	79,685
Net Position, Beginning of Year	11,036,545	11,036,545	10,956,861
Net Position, End of Month	\$ 10,994,492	\$ 10,940,603	\$ 11,036,545

CAPITALIZE ALBANY CORPORATION
STATEMENTS OF CASH FLOWS
Pre-Audited Draft

Cash Flows From Operating Activities

	March 31, 2017	Projected December 31, 2017	December 31, 2016
Cash received from customers	\$ 60,359	\$ 430,627	\$ 412,116
Cash received from grantors	62,777	528,197	1,164,756
Other operating cash receipts	93,797	410,609	417,737
Cash payments to suppliers and grantees	(35,161)	(897,965)	(690,116)
Cash payments to employees	(163,868)	(791,350)	(801,106)
Net cash provided by operating activities	<u>17,904</u>	<u>(319,883)</u>	<u>503,387</u>

Cash Flows From Capital and Related Financing Activities

Proceeds from sale of property held for sale	-	-	-
Purchase of property held for investment and lease	-	-	-
Purchase of property and equipment	-	0	-
Purchase of other assets including purchase options	-	-	-
Principal payments on bonds payable	(149,999)	(330,000)	(320,000)
Interest paid on bonds payable	(14,279)	(13,712)	(32,308)
Net cash used in capital and related financing activities	<u>(164,278)</u>	<u>(343,711)</u>	<u>(352,308)</u>

Cash Flows From Investing Activities

Interest on cash and cash equivalents and investments	18,766	72,622	101,828
Net decrease (increase) in restricted cash	(21,501)	(75,700)	(60,171)
Proceeds from sales and maturities of investments	332,955	332,955	3,351,824
Purchase of investments	(338,650)	(338,650)	(3,395,389)
Issuance of mortgage notes receivable	-	(400,000)	(400,000)
Repayments received on mortgage notes receivable	435,121	639,067	298,713
Principal payments received under direct financing leases	163,522	163,522	160,182
Net cash used in investing activities	<u>590,213</u>	<u>393,816</u>	<u>56,987</u>

Change in cash and cash equivalents

443,839	(269,778)	208,066
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Cash and cash equivalents:

Beginning of year	4,370,264	4,370,264	4,162,198
End of year	<u>\$ 4,814,103</u>	<u>\$ 4,100,486</u>	<u>\$ 4,370,264</u>

Reconciliation of Excess of (Expenses Over Revenues)

Revenues Over Expenses to Net Cash Provided by

Operating Activities

	March 31, 2017	Projected December 31, 2017	December 31, 2016
Excess of (expenses over revenues) revenues over expenses	\$ (42,053)	\$ (95,942)	\$ 79,685
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:			
Depreciation and amortization	-	199,309	199,306
Adjustment for losses on mortgage notes and other receivables	(1,017)	(1,016)	(2,785)
Gain on sale of property	-	-	-
Net realized and unrealized losses (gains) on investments	(19,376)	(19,376)	(45,054)
Interest income on cash and cash equivalents and investments	(18,766)	(72,623)	(100,195)
Interest expense on bonds payable	14,279	13,712	29,529
Changes in:			
Grants receivable	-	-	-
Other receivables, accrued interest receivable and other assets	(4,548)	6,861	4,002
Accounts payable and accrued expenses	(17,848)	(23,336)	(40,731)
Due to the City of Albany	112,640	12,640	(12,691)
Unearned grant, program support and other income	(5,684)	(340,389)	391,319
Revolving loan fund liability	277	277	1,002
Net cash provided by operating activities	<u>\$ 17,904</u>	<u>\$ (319,883)</u>	<u>\$ 503,387</u>

**RESOLUTION 3-2017
OF THE
CAPITALIZE ALBANY CORPORATION**

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

WHEREAS, New York Public Authority Law section 2879(1) and section 7 of the Policy provides for an annual review and approval of the Policy;

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

Signed: _____
Sarah Reginelli, President

Date of Authorization: April 25, 2017
Prepared by: Thomas M. Owens, Esq.

CAPITALIZE ALBANY CORPORATION

PROCUREMENT POLICY (NON-REAL ESTATE PROCUREMENTS)

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

SECTION 2. SECURING GOODS AND SERVICES. All goods and services will be secured by use of written requests for proposals, written quotations, verbal quotations, or any other method that assures that goods/services will be purchased in a competitive manner except for in the following circumstances: purchases costing less than ~~\$5,000~~~~7,500~~; purchases under state contracts pursuant to Section 104 of the General Municipal Law; purchases under county contracts pursuant to Section 103(3) of the General Municipal Law; or purchases pursuant to Section 4 of this Policy. Regardless of the estimated cost of any purchase of goods and/or services, the Corporation will seek to obtain the best value for the Corporation while meeting all relevant purchase requirements.

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

<u>Estimated Amount of Purchase Contract</u>	<u>Method</u>
\$5,001 -\$10,000	Price obtained by 2 verbal quotations with the approval of two CAC officers
\$10,001-\$50,000	Price obtained by 3 written/fax quotations with approval by two CAC officers
\$50,001 and above	Price obtained through issuance of Request For Proposals with award made by resolution of Board of Directors

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

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

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

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

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

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

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

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

(D) Goods or Services Under \$5,000,500.

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

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

**RESOLUTION 4-2017
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, in accordance with Article IV, Section 9 of its bylaws, the Capitalize Albany Corporation (“CAC”) has a Governance Committee, and

WHEREAS, pursuant to the Board-approved Governance Committee Charter, the Committee shall periodically review its Charter and recommend any changes to the Board, and

WHEREAS, the Committee has performed such review of its Charter and recommends a minor amendment to specify the number of required Committee members,

NOW THEREFORE BE IT RESOLVED, that the Board of Directors approves the attached CAC Governance Committee Charter, as amended.

Signed: _____
Sarah M. Reginelli
President

Date of Authorization: April 25, 2017
Prepared by: Thomas M. Owens

CAPITALIZE ALBANY CORPORATION

GOVERNANCE COMMITTEE CHARTER

This Governance Committee Charter was adopted by the Board of Directors of the Capitalize Albany Corporation (CAC; formerly know was the Albany Local Development Corporation), a not-for-profit corporation established under the laws of the State of New York, on this 31st day of October 1979.

Purpose

The purpose of the Governance Committee is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to the CAC;
- Updating the CAC's corporate governance principles and governance practices; and
- Advising those responsible for appointing directors to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members.

Powers of the Governance Committee

The Board of Directors has delegated to the Governance Committee the power and authority necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from Corporation staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the Committee deems necessary.
- Solicit, at the Corporation's expense, persons having special competencies, including legal, accounting or other consultants as the Committee deems necessary to fulfill its responsibilities. The Governance Committee shall have the authority to negotiate the terms and conditions of any contractual relationship subject to the Board's adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

Composition and Selection

The membership of the Committee shall be as set forth in accordance with and pursuant to Article IV, Section 9 of the Corporation's bylaws. The Governance Committee shall be comprised of ~~(X)~~3 or more independent members. The Governance Committee members shall be appointed and the Committee Chairperson shall be appointed by the CAC's Chairperson. The members shall serve until their resignation,

retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past Governance Committee Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition.

Governance Committee members shall be prohibited from being an employee of the Corporation or an immediate family member of an employee of the Corporation. In addition, Governance Committee members shall not engage in any private business transactions with the Corporation or receive compensation from any private entity that has material business relationships with the Corporation, or be an immediate family member of an individual that engages in private business transactions with the Corporation or receives compensation from an entity that has material business relationships with the Corporation.

The Governance Committee members should be knowledgeable or become knowledgeable in matters pertaining to corporate governance.

Committee Structure and Meetings

The Governance Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the Charter. All committee members are expected to attend each meeting, in person or via telephone or videoconference.

Meeting agendas will be prepared for every meeting and provided to the Governance Committee members at least three days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The Governance Committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings are to be recorded.

Reports

The Governance Committee shall:

- Report its actions and recommendations to the Board at the next regular meeting of the Board.
- Report to the Board, at least annually, regarding any proposed changes to the Governance Charter or the governance guidelines.
- Provide a self-evaluation of the Governance Committee's functions on an annual basis.

Responsibilities

To accomplish the objectives of good governance and accountability, the Governance Committee has responsibilities related to: (a) the Corporation's Board; (b) evaluation of the Corporation's policies; and (c) other miscellaneous issues.

Relationship to the Corporation's Board

The Board of Directors has delegated to the Governance Committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the Governance Committee has specific expertise, as follows:

- Develop the Corporation's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of Directors to assist those authorized to appoint members to the Board in identifying qualified individuals.

In addition, the Governance Committee shall:

- Develop and recommend to the Board the number and structure of committees to be created by the Board.
- Develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers.
- Develop and provide recommendations to the Board on performance evaluations, including coordination and oversight of such evaluations of the Board, its committees and senior management in the Corporation's governance process.

Evaluation of the Corporation's Policies

The Governance Committee shall:

- Develop, review on a regular basis, and update as necessary the Corporation's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- Develop and recommend to the Board any required revisions to the Corporation's written policies regarding the protection of whistleblowers from retaliation.

- Develop and recommend to the Board any required revisions to the Corporation's equal opportunity and affirmative action policies.
- Develop and recommend to the Board any required updates on the Corporation's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Corporation's procurement process.
- Develop and recommend to the Board any required updates on the Corporation's written policies regarding the disposition of real and personal property.
- Develop and recommend to the Board any other policies or documents relating to the governance of the Corporation, including rules and procedures for conducting the business of the Corporation's Board, such as the Corporation's by-laws. The Governance Committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

Other Responsibilities

The Governance Committee shall:

- Review on an annual basis the compensation and benefits for the Managing Director and other senior Corporation officials.
- Annually review, assess and make necessary changes to the Governance Committee Charter and provide a self-evaluation of the Governance Committee.