



CAPITALIZE ALBANY
CORPORATION

Tuesday, June 25, 2019
21 Lodge Street, 8:00 a.m.

Capitalize Albany Corporation
Board of Directors Meeting

Agenda

1. Review of Minutes from the Regular Meeting of May 28, 2019
2. Report of Executive Staff – Corporation Update
3. Report of Liberty Park Committee
 - a. Funding Update
 - i. ESD Grant Disbursement Agreement (Resolution 9-2019)
 - b. Acquisition Update
 - i. Chambers Purchase and Sale Agreement (Resolution 10-2019)
 - c. Property Management Services
4. Report of Finance and Investment Committee
 - a. Liberty Park Update
 - i. Imprest Account (Resolution 11-2019)
 - b. Loan Requests
 - i. Ten Broeck (Resolution 12-2019)
 - ii. Enterprise (Resolution 13-2019)
 - c. Hugh Johnson Advisors Merger
 - i. Approval for Continued Services (Resolution 14-2019)
5. Other Business
6. Board Only and/or Executive Session (if necessary)

Capitalize Albany Corporation Board Meeting
MINUTES
May 28, 2019

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, May 28, 2019 at 21 Lodge Street, Albany, NY.

The following were in attendance:

Board of Directors:

Michael Castellana	Michael Fancher	Matthew Peter	Michele Vennard
Heather Briccetti	John Harris	Jeff Sperry	John Vero
Sonya del Peral	Susan Pedo	Karen Torrejon	

Other: Thomas M. Owens, Esq.

Staff: Sarah Reginelli, Joe Landy, Mark Opalka, Ashley Mohl, Mike Bohne and Genevieve Zurowski

Excused: Kaweeda Adams, Bob Curley, David Parente, Havidan Rodriguez, Anders Tomson

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation (“Corporation”) Board to order at 8:05 a.m.

Approval of Minutes for the April 30, 2019 Regular Board Meeting

The Board reviewed the minutes of the April 30, 2019 Regular Board meeting. Matthew Peter made a motion for approval, Heather Briccetti seconded. The Board agreed unanimously to approve the minutes.

Report of Executive Staff – Corporation Update

Staff reminded the Board of the recent article in the Albany Business Review in regards to the Capital Region’s brand and the major increase of investment in the area. Staff provided an update on ongoing projects including the Redburn project, which is moving forward with retailers expected to open in the ground floor spaces this year. Staff also briefed the Board on the status of the Skyway project.

a. *State CFA Round 9*

Staff updated the Board regarding Governor Cuomo’s Regional Economic Development Council Round IX consolidated funding application (CFA) process opened in early May. Staff will conduct public informational sessions, coordinate opportunities for public input on local priorities, and provide assistance to external applications for local economic development projects. The Board reviewed the previously-approved project evaluation criteria for Board support, and suggested maintaining the language and guidelines.

b. *Liberty Park Update*

Staff and Board discussed the recent Upstate Revitalization Initiative funding award approved by Empire State Development and status of the Liberty Park project at length. The Board discussed the five-year projected financial impacts given the award. Staff

briefed the Board on the Governor's creation of a State and local task force dedicated to addressing the existing Greyhound bus station and potential for an intermodal transportation center. Staff and the Board discussed 48 Hudson and the stabilization of the property moving forward. The Board discussed the importance of immediate visible progress on the site. Staff indicated that the Liberty Park and Finance Committees would meet in June to provide a deeper review of possible upcoming acquisition and funding decisions.

Report of Finance & Investment Committee

a. Investment Policy Revision (Resolution 9-2019)

Staff reviewed the *Investment Policy Revision Resolution 9-2019* with the Board, accepted at the last Finance Committee meeting. The Committee informed the Board they had recently met with Hugh Johnson Advisors and identified necessary changes to the investment policy. Staff indicated the changes made to the document were to better separate what type of investments should be included in Cash and Equivalents and Fixed Income. The Board spoke at length in support of the changes, and identified a minor correction. A motion to adopt the *Investment Policy Revision Resolution 9-2019* given the minor correction was made by Matt Peter, and seconded by John Harris. A vote being taken, the motion passed unanimously.

Other Business

Staff reminded the Board the next Capitalize Albany Board Meeting will be held on Tuesday, June 25th at 8:00 a.m.

There being no further business, the Capitalize Albany Corporation Board of Directors regular meeting was adjourned at 9:12 a.m.



May 28, 2019

Mark Opalka
Capitalize Albany Corporation
21 Lodge Street
Albany, NY 12207

Dear Mark:

We are pleased to announce that Hugh Johnson Advisors has decided to merge its operations with Bender Lane Advisory, LLC ("BLA") in Albany. We believe the combination of the two firms will permit us to deliver an even higher level of service and wealth advice to our clients and provide us with additional investment management resources. We will become stronger with more resources and depth. All of our people will remain in place and this merger will have no impact on the day to day management of your investments. Our offices will relocate this summer as we join our new colleagues in one location.

In contemplation of the merger, Hugh Johnson Advisors, LLC ("HJA") has executed a Letter of Intent to merge with BLA. The new firm will be called JNB Advisors, LLC ("JNB"). The investment advisory agreements of HJA clients will be assigned to JNB as a result of this merger.

When consummated, the terms of the merger represent a "change of control" as that term is defined by the Securities and Exchange Commission under Section 205(a)(2) of the Investment Advisers Act of 1940 (the "Act") and will result in the "assignment" of your investment advisory contract (agreement between you, our client, and HJA) as defined by Section 202(a)(1) (15 U.S.C. § 80b-2) of the Act.

As such, we are required to notify you of this change of control and to obtain your consent to the assignment of your Investment Management Agreement ("IMA") to JNB.

By this letter, we are providing you with notice of our intent to complete the merger described above on or about June 30, 2019 ("Merger Date"). HJA will continue to provide you with advisory services under your existing IMA. During the period beginning on the date this letter was mailed and 45 days after the Merger Date, August 15, 2019, you will have opportunity to object to the assignment of your IMA by written notice to HJA delivered to our offices at 80 State Street, Albany 12207. Thereafter, you will be deemed to have consented to the assignment.



In other words, no action is required in order to continue to receive advisory services. If you no longer choose to receive the advisory services provided to you under your current IMA, you are required to notify us of that fact in writing.

We have the deepest appreciation for the loyalty and trust our clients have shown us over the years and will continue to do everything in our power to be deserving of them. Should you have any questions, please do not hesitate to call us.

Sincerely,

A handwritten signature in black ink, appearing to read 'HJ' with a flourish.

Hugh Johnson
Chairman & CIO

A handwritten signature in black ink, appearing to read 'Dan'.

Dan Nolan
President & Chief Executive Officer

**RESOLUTION 9-2019
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the mission of the Capitalize Albany Corporation (“CAC”) is to facilitate strategic economic development and stimulate transformative investment throughout the City of Albany, making New York’s Capital a vibrant place to thrive; and

WHEREAS, Downtown Albany is the commercial and governmental seat of the Capital Region and the heart of Tech Valley, the revitalization of which has been identified as a strategic priority of the Corporation; and

WHEREAS, Impact Downtown Albany, the local tactical revitalization strategy for Downtown Albany spearheaded by CAC and released in 2015, identifies the Liberty Park district surrounding and incorporating the ACCA Properties “Downtown’s largest development opportunity” and highlights its redevelopment as a strategic priority; and

WHEREAS, the Capital Region Economic Development Council establishes the ACCA Properties as a Downtown Catalyst priority and “prime area for development to catalyze economic growth” in the Metro Strategy of its 2015 Capital 20.20 plan to address the Governor’s Upstate Revitalization Initiative; and

WHEREAS, on September 14, 2017, New York State Empire State Development (“ESD”), in support of ESD’s mission “to promote a vigorous and growing state economy, encourage business investment and job creation, and support diverse, prosperous local economies across New York State throughout the efficient use of loans, grants, tax credits, real estate development and marketing”, completed and issued a “Downtown Albany Planning and Feasibility Study” (the “ESD Study”) to assess the potential for redevelopment of an approximate eight (8) acre area in Downtown Albany (which area includes the ACCA Properties); and

WHEREAS, in direct support of CAC’s mission, CAC informed ACCA of its interest in being selected as the entity best suited in terms of both capabilities and experience to lead the redevelopment of the ACCA Properties, and following a period of mutual due diligence conducted by both CAC and ACCA pursuant to a Memorandum of Agreement between CAC and ACCA (approved by Board Resolution 9-2017), CAC entered into a Purchase and Sale Agreement with ACCA to acquire the Properties, (approved by Board Resolution 21-2017) which provides for CAC’s acquisition of the ACCA Properties (subject to certain conditions being satisfied in CAC’s discretion),

WHEREAS, the Board views CAC’s acquisition of such real properties in the Liberty Park area of Downtown Albany, and their subsequent redevelopment, to be of the highest strategic importance to the City of Albany’s future, and in direct alignment with CAC’s mission; and

WHEREAS, due diligence performed by CAC revealed significant expenses necessary for the acquisition, stabilization and preparation of the ACCA Properties; and

WHEREAS, CAC applied to the Capital Region Economic Development Council and Empire State Development for resources from the Upstate Revitalization Initiative on December 8, 2017 to assist with such expenses; and

WHEREAS, CAC was provided an Incentive Proposal dated April 23, 2019 awarding \$15 million in funding for multiple phases of project activities outlined in the application including the acquisition of real property interests for multiple parcels located within the Liberty Park project location, operation/maintenance of such parcels, demolition, stabilization, infrastructure and public space improvements, renovations and new construction;

WHEREAS, the Empire State Development Board of Directors approved an Upstate Revitalization Initiative award of \$10,193,720 to be used for the cost of real estate acquisition, property maintenance, operation and stabilization; emergency demolition; lease/rent expenses; and design and planning costs associated with the Liberty Park Mixed Use Development Capital and Working Capital project; on Thursday, May 16, 2019 and

WHEREAS, CAC was provided a Grant Disbursement Agreement (GDA) dated _____, 2019 awarding funding for project activities outlined above; and

WHEREAS, this funding supports the first phase of a multi-year, multi-phased approach to re-developing an underutilized site in the heart of Downtown Albany's Business Improvement District into a vibrant, mixed-use neighborhood; and

WHEREAS, this GDA was reviewed and recommended to the Board by the Liberty Park and Finance Committees; and

NOW, therefore be it resolved that the Capitalize Albany Corporation Board of Directors authorizes the Corporation's Chairman to execute the Incentive Proposal dated _____, 2019 from Empire State Development.

Signed: _____
Michael Castellana
Chairperson

Date of Authorization: April 30, 2019
Prepared by Thomas M. Owens, Esq.

**RESOLUTION 10-2019
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the Albany Convention Center Authority (“ACCA”) was formed in 2004 with a mission “to design, develop, plan, finance, create, site, construct, renovate, administer, operate, manage, and maintain a convention center facility within the downtown area of the City of Albany”; and

WHEREAS, in support of its mission, ACCA acquired certain property interests to real property parcels located in the heart of the City’s Central Business District, including 28 lots that are owned by the State of New York (“ACCA Owned Properties”) and 22 privately owned lots (“ACCA Leased Properties”) (the ACCA Owned Properties and ACCA Leased Properties are hereinafter collectively referred to as the “ACCA Properties”) that are leased to the State of New York with the purpose of potentially siting and constructing a convention center; and

WHEREAS, in 2012 a new site in downtown Albany at the intersection of Eagle and Howard Street was identified (which did not utilize the ACCA Properties) for locating what is now referred to as the Albany Capital Center; and

WHEREAS, Impact Downtown Albany, the local tactical revitalization strategy for Downtown Albany spearheaded by CAC and released in 2015, identifies the Liberty Park district surrounding and incorporating the ACCA Properties “Downtown’s largest development opportunity” and highlights its redevelopment as a strategic priority; and

WHEREAS, the Capital Region Economic Development Council established the ACCA Properties as a Downtown Catalyst priority and “prime area for development to catalyze economic growth” in the Metro Strategy of its 2015 Capital 20.20 plan to address the Governor’s Upstate Revitalization Initiative; and

WHEREAS, on September 14, 2017, New York State Empire State Development (“ESD”), in support of ESD’s mission “to promote a vigorous and growing state economy, encourage business investment and job creation, and support diverse, prosperous local economies across New York State throughout the efficient use of loans, grants, tax credits, real estate development and marketing”, completed and issued a “Downtown Albany Planning and Feasibility Study” (the “ESD Study”) to assess the potential for redevelopment of an approximate eight (8) acre area in Downtown Albany (“Liberty Park”) (which area includes the ACCA Properties); and

WHEREAS, the mission of Capitalize Albany Corporation (“CAC”) is to facilitate strategic economic development and stimulate transformative investment throughout the City of Albany, making New York’s Capital a vibrant place to thrive; and

WHEREAS, in direct support of CAC’s mission, CAC informed ACCA of its interest in being selected as the entity best suited in terms of both capabilities and experience to lead the redevelopment of the ACCA Properties, and following a period of mutual due diligence conducted by both CAC and ACCA pursuant to a Memorandum of Agreement between CAC and ACCA (approved by Board Resolution 9-2017), CAC entered into a Purchase and Sale

Agreement with ACCA to acquire the Properties (approved by Board Resolution 21-2017), which provides for CAC's acquisition of the ACCA Properties (subject to certain conditions being satisfied in CAC's discretion); and

WHEREAS, subsequent to entering into the Purchase and Sale Agreement with ACCA, and with the knowledge and consent of ACCA, CAC engaged in on-going discussions with the owners of the ACCA Leased Properties concerning CAC's potential acquisition of the fee interests for the ACCA Leased Properties;

WHEREAS, the Board views CAC's acquisition of such real properties in the Liberty Park area of Downtown Albany, and their subsequent redevelopment, to be of the highest strategic importance to the City of Albany's future, and in direct alignment with CAC's mission acquisition and necessary for CAC to further its corporate purpose; and

WHEREAS, CAC has been approved for State funding to be used for the cost of real estate acquisition, property maintenance, operation and stabilization, emergency demolition, lease/rent expenses, and design and planning costs associated with the Liberty Park Mixed Use Development Capital and Working Capital project; on Thursday, May 16, 2019 (see Resolution 10-2019); and

WHEREAS, approximately 0.5 acres of the ACCA Leased Properties ("Chambers Property") are owned by Daniel P. Chambers, Douglas G. Chambers and David O. Chambers, III, as Successor Trustees of the David O. Chambers Testamentary Trust (the "Trust"); and

WHEREAS, acquiring the property rights to the Chambers Property is essential to the redevelopment of the redevelopment of Liberty Park; and

WHEREAS, CAC has conducted due diligence analysis related to the Chambers Property including title review, environmental review, and appraisal; and

WHEREAS, CAC negotiated with the Trust over the course of 18 months resulting in a Purchase and Sale Agreement ("PSA") to acquire the fee interest of the Chambers Property, taking into account the Chambers Property's appraised value, the appraised value of the existing between lease and the value of the remaining lease payments between the Trust and ACCA; and

WHEREAS, Liberty Square Development, LLC ("Liberty", of which CAC is the sole member) entered into the PSA with the Trust for Chambers Property on May 15, 2109, which PSA remains subject to contingencies/diligence periods which must meet Liberty's satisfaction or Liberty may terminate the PSA, including multiple:

- Sixty (60) day Inspection, Environmental and Suitably Review Contingency Period (thru July 14, 2019);
- Sixty (60) day Title Review Contingency Period (thru July 14, 2019);
- Approval of PSA by the CAC Board Contingency (thru June 30, 2019);
- Funding Contingency Period (thru August 13, and extendable by Liberty to November 9, 2019)

WHEREAS, CAC's Finance and Investment and Liberty Park Committees have both reviewed the PSA, for the Chambers Properties and recommends that the Board (i) approves the terms and conditions of the PSA; and (ii) finds that the acquisition of the Chambers

Property at \$3,300,000 is necessary for CAC to further its corporate purpose; and (iii) subject to satisfaction of the above identified contingencies, authorizes CAC/Liberty to acquire the Chambers Property pursuant to the PSA; and

NOW, THEREFORE BE IT FURTHER RESOLVED, that the Capitalize Albany Corporation Board of Directors (i) approves the terms and conditions of the PSA; and (ii) finds that the acquisition of the Chambers Property at \$3,300,000 is necessary for CAC to further its corporate purpose; and (iii) subject to satisfaction of the above identified contingencies, authorizes CAC/Liberty to acquire the Chambers Property pursuant to the PSA.

Signed: _____
Thomas Owens, Esq.
Secretary

Date of Authorization: June 25, 2019
Prepared by: Thomas M. Owens

**RESOLUTION 11-2019
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, On May 16, 2019 the Corporation was awarded a grant totaling up to \$15 million to redevelop the Liberty Park site located in Downtown Albany;

WHEREAS, NYS ESD has awarded an initial \$10,193,720 to Capitalize Albany utilizing URI- Round 1 funds;

WHEREAS, the Corporation is to set up an Imprest Account pursuant to NYS ESD investment guidelines;

WHEREAS, Corporation staff has reached out to two financial institutions that have experience with NYS in funding imprest accounts;

WHEREAS, after reviewing terms and fees the Finance & Investment Committee is recommending that the Corporation set up an imprest account with Key Bank;

NOW THEREFORE BE IT RESOLVED, that the Board of Directors authorizes the President to open an imprest account with Key Bank pursuant to NYS ESD investment guidelines and approval.

Signed: _____
Sarah Reginelli, President

Date of Authorization: June 25, 2019
Prepared by Mark J. Opalka

**RESOLUTION 12-2019
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, In the late 1980's 25 residential duplexes were constructed in the Ten Broeck neighborhood located on Livingston Avenue and Colonie Streets;

WHEREAS, between November 1986 and October 1992 Capitalize Albany Corporation facilitated the purchasing process by offering second mortgages utilizing UDAG program to offer 30 year interest only loans that carried an interest rate of 3%;

WHEREAS, the Corporation received a loan settlement request from one of the borrowers under this program;

WHEREAS, the Finance and investment committee has reviewed and recommends approval of the loan settlement request;

NOW THEREFORE BE IT RESOLVED, that the Capitalize Albany Corporation Board of Directors approve this loan settlement request.

Signed: _____
Sarah Reginelli, President

Date of Authorization: June 25, 2019
Prepared by Mark J. Opalka

**RESOLUTION 13-2019
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, In 2001 the borrower was approved for a \$45,000 mortgage to rehabilitate nine townhomes on South Pearl Street and in 2004 the borrower was approved for an \$100,000 Enterprise Community loan to purchase 147 South Pearl Street;

WHEREAS, In 2011 the borrower files an Chapter 11 reorganization plan where the borrower was to pay \$5,000 upon plan approval and quarterly payments totaling \$13,800 over the five years;

WHEREAS, the borrower paid a total of \$7,000 to the Corporation under this plan with last payment occurring in 2014;

WHEREAS, has contacted the Corporation to offer \$9,000 for satisfaction of the payment plan;

WHEREAS, the Finance and Investment Committee has reviewed the request and recommends approval of the borrower's settlement offer;

NOW THEREFORE BE IT RESOLVED, that the Capitalize Albany Board of Directors approve the borrower's settlement offer.

Signed: _____
Sarah Reginelli, President

Date of Authorization: June 25, 2019
Prepared by Mark J. Opalka

**RESOLUTION 14-2019
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, at the direction of the Board, the Corporation has engaged Hugh Johnson Advisors, LLC to manage its investment portfolio;

WHEREAS, the Corporation was notified on May 28, 2019 that Hugh Johnson Advisors, LLC is merging its operation with Bender Lane Advisory, LLC;

WHEREAS, as a result of this merger a new firm called JNB Advisors, LLC will be created;

WHEREAS, under Section 205(a)(2) of the Investment Advisers Act of 1940, this merger will result in the assignment of the Corporation's advisory contract to JNB Advisors, LLC and will require the Corporation to grant consent;

WHEREAS, the Finance & Investment Committee recommends granting the consent;

NOW THEREFORE BE IT RESOLVED, that the Board of Directors approves the assignment of the Corporation's advisory contract to JNB Advisors, LLC for purposes of providing investment advisory services.

Signed: _____
Sarah Reginelli, President

Date of Authorization: June 25, 2019
Prepared by Mark J. Opalka