



CAPITALIZE ALBANY
CORPORATION

Tuesday, September 24, 2019
21 Lodge Street, 8:00 a.m.

Capitalize Albany Corporation
Board of Directors Meeting

Agenda

1. Review & Approval of Minutes from the Special Meeting of August 29, 2019
2. Report of Executive Staff – Corporation Update
 - a. Skyway Update
 - b. DRI Update
 - c. Communications Update
3. Report of the Finance & Investment Committee
 - a. Land-banked Properties Adjacent to Palace Theatre
 - i. Resolution 20-2019 – Palace Theatre Land-banked Properties PSA
4. Other Business
5. Board Only or Executive Session (if necessary)

Capitalize Albany Corporation Board Meeting

September 24, 2019

Agenda Item #1: Review of Minutes from the Special Meeting of August 29, 2019

Materials:

- Capitalize Albany Corporation Special Board Minutes

Capitalize Albany Corporation Board Meeting – Special Meeting
MINUTES
August 29, 2019

The meeting of the Capitalize Albany Corporation Board of Directors Special Meeting was held at 8:00 a.m., Thursday, August 29, 2019 at 21 Lodge Street, Albany, NY.

The following were in attendance:

Board of Directors:

Michael Castellana	Michael Fancher	Havidán Rodríguez	Michele Vennard
Kaweeda Adams	David Parente	Jeff Sperry	John Vero
Heather Briccetti	Susan Pedo	Anders Tomson	
Bob Curley	Matthew Peter	Karen Torrejon	

Other: Thomas M. Owens, Esq.

Staff: Sarah Reginelli and Genevieve Zurowski

Excused: Sonya del Peral, John Harris

Chairman Michael Castellana called the special meeting of the Capitalize Albany Corporation (“Corporation”) Board to order at 8:00 a.m.

Approval of Minutes for the August 27, 2019 Regular Board Meeting

The Board reviewed the minutes of the August 27, 2019 regular board meeting. Jeff Sperry made a motion for approval, Matt Peter seconded. The Board agreed unanimously to approve the minutes.

Report of Governance Committee

Legal Opinion

a. Resolution 15-2019 Acceptance of Legal Opinion

The Governance Committee provided a summary of their recent meeting. Counsel reminded the Board of previous disclosures by Susan Pedo and the Staff of their relationships with the City of Albany Industrial Development Agency. A motion to enter into executive session to seek legal advice from counsel was made by Heather Briccetti, seconded by Bob Curley and unanimously approved. The Board entered into executive session at 8:02 a.m. and Susan Pedo and CAC staff recused themselves and left the room. Executive session ended at 8:14 a.m. on a motion made by Heather Briccetti, seconded by Matt Peter, and unanimously approved. No actions were taken during executive session. Governance Committee Chairperson Sperry summarized and provided the Board with the “Governance Committee Report on Legal Opinion.” The Board reviewed and discussed this report from the Governance Committee.

Chair Michael Castellana reviewed *Resolution 15-2019 Acceptance of Legal Opinion* to the Board. Following discussion by the Board, a motion to approve *Resolution 15-2019 Acceptance of Legal Opinion* was made by Bob Curley, seconded by Heather Briccetti. A

vote being taken, the motion passed with all other members voting aye. Susan Pedo and CAC staff then re-entered the room.

Report of Finance and Investment Committee

174 North Pearl Street/Palace Theatre Expansion

a. *Resolution 18-2019 Approval of Payment for Demolition of 174 N. Pearl*

Counsel reminded the Board of previous disclosures by Michele Vennard of her role on the Board of Directors of the Palace. Michele Vennard recused herself from any discussion and voting on this matter, and exited the meeting room and did not return to the meeting. Chair Michael Castellana reviewed *Resolution 18-2019 Approval of Payment for Demolition of 174 N. Pearl* with the Board. Following discussion by the Board, a motion to approve *Resolution 18-2019 Approval of Payment for Demolition of 174 N. Pearl* was made by Matt Peter, seconded by Karen Torrejon. A vote being taken, the motion passed with all other members voting aye.

Other Business

General Authorization and Assignment of ACCA PSA to Liberty Square Development, LLC

a. *Resolution 19-2019 General Authorization and Assignment of ACCA PSA to LLC*

Counsel reminded the Board of previous disclosures by Michele Vennard and Sarah Reginelli of their roles on the Board of Directors for the Albany Convention Center Authority. Sarah Reginelli recused herself and exited the room. Chair Michael Castellana reviewed *Resolution 19-2019 General Authorization and Assignment of ACCA PSA to LLC*, with the Board. After discussion by the Board, a motion to approve *Resolution 19-2019 General Authorization and Assignment of ACCA PSA to LLC* was made by Matt Peter, seconded by Bob Curley. A vote being taken, the motion passed with all other members voting aye.

Executive Session

A motion to enter into executive session to discuss the employment history of certain individuals was made by Matt Peter, seconded by Karen Torrejon and unanimously approved. Sarah Reginelli remained in the room while the other CAC staff exited the room. The Board entered executive session at 8:24 am. Executive session ended at 8:30 a.m. on a motion made by Jeff Sperry seconded by Bob Curley and unanimously approved. No actions were taken during executive session.

There being no further business, the Capitalize Albany Corporation Board of Directors – Special Meeting was adjourned at 8:31 a.m.

**RESOLUTION 20-2019
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, CAC owns six (6) unimproved real property parcels (27/27½/29½ Clinton Avenue & 168/170/174 North Pearl Street) (the “Property”) which are immediately adjacent to the real property owned by the Palace Performing Arts Center, Inc., a 501(c)(3) New York not for profit corporation (the “Palace”) on which the Palace owns and operates the historic Palace Theater in downtown Albany; and

WHEREAS, the Palace is in the midst of making significant investments in its physical infrastructure (including expansion, renovation and new construction) which will enable the Palace to expand the diversity and quality of its cultural and entertainment offerings (the “Palace Revitalization Project”) to the public; and

WHEREAS, CAC acquired the Property with the intent to support the Palace Revitalization Project, and the transfer of the Property is required for the Palace Revitalization Project to move forward; and

WHEREAS, an appraisal of the Property was completed in December 2015 which estimated the FMV of the six (6) parcels at \$283,400 and an unitary value of the Property at \$310,000 (however, such appraisal assumed the building which then existed on 174 North Pearl Street to be useable for residential purposes and such building has now been declared unsafe by the City and demolished); and

WHEREAS, the disposition of the Property to the Palace is within CAC’s purpose and mission in that such property transfer will directly support CAC’s mission to facilitate economic development in the City of Albany; and

WHEREAS, the Finance and Investment Committee has reviewed a draft purchase and sale agreement (“PSA”) pursuant to which CAC would transfer the Property to the Palace for a price of \$283,400 on or about a closing date of December 31, 2019, which PSA terms also include CAC financing the purchase of the Property (subject to CAC’s sole approval) at terms which include a first mortgage security position on the Property, a potential 30 year maximum term, and 3.25% interest rate for the first ten years (with interest resetting at the 10 and 20 year mark at the 10 year Treasury + 175 basis points, if the loan is not repaid earlier), and recommends that the Board authorize the President to execute an agreement with the Palace on terms substantially similar to the PSA;

WHEREAS, attached is the statement in accordance with NY Public Authority Law § 2897(7)(b), which has been reviewed by the Board and posted on CAC’s website for public view;

NOW THEREFORE BE IT RESOLVED, that the Board finds that there is no reasonable alternative to the proposed transfer that meets the above stated purposes and authorizes the President to execute a purchase and sale agreement with the Palace on terms substantially similar to the PSA, and to execute any and all documents necessary to transfer the Property to the Palace.

Signed: _____
John Vero
Secretary

Date of Authorization: September 24, 2019
Prepared by Thomas M. Owens, Esq.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

Board Member	Voting	Board Member	Voting	Board Member	Voting
Kaweeda Adams	_____	John Harris	_____	Anders Tomson	_____
Heather Briccetti	_____	David Parente	_____	Karen Torrejon	_____
Michael Castellana	_____	Susan Pedo	_____	Michele Vennard	_____
Bob Curley	_____	Matthew Peter	_____	John Vero	_____
Sonya del Peral	_____	Havidan Rodriguez	_____		
Michael Fancher	_____	Jeffrey Sperry	_____		

Transfer of Property from Capitalize Albany Corporation (“CAC”) to The Palace Performing Arts Center, Inc. (the “Palace”)

Information Pursuant to New York Public Authority Law Section 2897(7)

- i. Full description of the asset: The real properties/improvements to be transferred to the Palace are located at 27 Clinton Avenue, 27 ½ Clinton Avenue, 29 ½ Clinton Avenue, 168 North Pearl Street, 170 North Pearl Street, and 174 North Pearl Street (collectively, the “Property”). These six lots are immediately adjacent to the Palace Theater property, and consist of approximately 0.34 acres in total. One of the lots (174 North Pearl Street) contained a three (3) story building; however, this existing structure was declared unstable/uninhabitable in March 2019, and CAC was in the process of completing its demolition; in August 2019, the City of Albany declared the structure located at 174 North Pearl Street to be unsafe and completed an emergency demolition. With the completed demolition of the one improvement located at 174 North Pearl Street, all six (6) lots now consist of unimproved land.
- ii. Appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board. A commercial appraisal was performed by Empire State Appraisal Consultants, Inc. which estimated the FMV of the six parcels at \$283,400 in December 2015, with a unitary value of \$310,000. However, the appraisal assumed the building then located on the 174 North Pearl Street lot to be usable for residential purposes.
- iii. Description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer. CAC is a not-for-profit corporation (tax exempt IRC §501(c)(3) organization) with offices at 21 Lodge Street, Albany, New York, 12207. CAC’s corporate purpose is to facilitate the creation and retention of jobs, businesses and industry within the City of Albany, and CAC’s mission 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.” The Palace is a not-for profit corporation (tax exempt §IRC 501(c)(3) organization) with offices at 19 Clinton Avenue, Albany, New York, 12207. The Palace’s mission is to “bring world-class arts and entertainment to New York’s Capital Region, greatly enhancing the area’s cultural and economic development.” The Palace operates the historic Palace Theatre in downtown Albany and presents a broad range of performances for a diverse audience, and the venue is made available as a community center for public gatherings. Additionally, the Palace provides art education programming for young people from Albany and the Capital Region. Partnerships are forged between/among The Palace, local businesses and charitable organizations, making downtown Albany and the greater region a more vibrant destination for residents

and visitors, and contributing positively to the area's continued economic development. As the leader in Albany's art/entertainment sector, the Palace's significantly contributes to economic development in Albany and throughout the Capital Region. The Palace is in the midst of making significant investments in its physical infrastructure (including expansion, renovation and new construction) which will enable the Palace to expand the diversity and quality of its cultural and entertainment offerings (the "Palace Revitalization Project") to the public. No jobs are required to be created or retained by this transfer. The Property was purposely acquired by CAC with the awareness that the Palace Revitalization Project was being formulated – in order to effectively land-bank the Property until such time as plans and funds for the Palace Revitalization Project were in place. In order for the Palace Revitalization Project to move forward, the Palace is required to own the Property. This property transfer will directly support CAC's mission to facilitate economic development in the City.

- iv. Statement of the value to be received compared to the fair market value. \$283,400. Note that no real estate brokers are involved in the transaction and therefore, no portion of the purchase price amount will be deducted for brokerage fees.
- v. Names of any private parties participating in the transfer, and if different than the statement required by section (iv), a statement of the value to the private party. The Palace Performing Arts Center, Inc.
- vi. Names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used. None.