



Monday, January 11, 2021
Via Conference, 11:00 a.m.

CAPITALIZE ALBANY
CORPORATION

Capitalize Albany Corporation
Finance and Investment Committee Meeting
Agenda

In response to a disaster emergency declared pursuant to New York State Executive Law § 28 and Executive Order 202.87, the November meeting of the Capitalize Albany Corporation Finance and Investment Committee will be held remotely with the public provided the opportunity to listen in to the proceedings via conference line by dialing 1-646-876-9923, meeting #813 9000 0334. Detailed minutes of the proceedings will be posted on the Corporation's website following the meeting.

1. Review of the minutes from the Finance & Investment Committee meeting of December 7, 2020
2. Annual Review of Financial Reports
 - a) Unaudited Budget Results 2020
 - b) Annual Real Property Report
 - c) Quarterly Investment Update
 - d) Loan Allowances 2020
3. Annual Review of Corporate Policies
 - a) Review Finance Committee Charter
4. Loan and Lease Request Update
 - a) 105 Morris Street
 - b) COVID-19 Forbearance Update
5. Other Business
 - a) Clinton Market Collective – National Grid Grant

Capitalize Albany Corporation Finance Committee Meeting

Agenda Item #1: Review of Minutes from December 7, 2020

Materials:

- Minutes from December 7, 2020

MINUTES



CAPITALIZE ALBANY
CORPORATION

Date of Meeting: December 7, 2020

Meeting: Capitalize Albany Corporation Finance & Investment Committee Meeting

The meeting of the Capitalize Albany Corporation Finance & Investment Committee was held at 11:00 a.m., December 7, 2020. Pursuant to New York State Executive Order 202.79, the meeting was held via conference call. The call-in information was posted publicly to allow for the public's attendance at the proceedings.

The following were in attendance:

Committee Members: John Vero, Anders Tomson, Bob Curley, Jeff Sperry, and John Harris

Other: Thomas M. Owens, Esq.

Staff: Sarah Reginelli, Mark Opalka, Tom Conoscenti, and Tammie Fanfa

The meeting was called to order at 11:03 a.m.

Review of the minutes from the Finance & Investment Committee meeting of September 21, 2020

The Committee reviewed the minutes of the meeting. Jeff Sperry made a motion for approval, and John Harris seconded. The Committee agreed unanimously to approve the minutes from the Finance & Investment Committee meeting of September 21, 2020.

COVID-19 Business Continuity

Staff briefed the Committee on forbearance-related requests from The Olde English Pub and 40-42 North Pearl Street resulting from the impacts of COVID-19 on their business. Both requests were outside of the guidance given by the Committee and Board earlier in the year to allow staff to execute up to three month deferrals. The Committee discussed the hardships facing retailers and restaurants and how lenders have been handling similar situations related to COVID-19. After much discussion, a motion was made by Jeff Sperry and seconded by John Vero to recommend approval to the full board, subject to further committee-requested clarifications by staff with tenants and borrowers from Staff. A vote being taken, the motion passed unanimously.

Prior to discussing a related forbearance request from the Albany Parking Authority (APA), Jeff Sperry recused himself and left the meeting at 11:27AM following his previously disclosed role on the APA Board of Directors. Staff briefed the Committee on the matter with the APA and no action was taken.

Jeff Sperry returned to the meeting at 11:49 AM.

170-200 Henry Johnson Boulevard

Staff provided a summary of the proposed conveyances of 170 and 200 Henry Johnson Boulevard to the City of Albany, pursuant to agreements the Corporation signed in 1992 and 1993, respectively. A motion was made by John Vero and seconded by Jeff Sperry to recommend that the Board approve the legacy portfolio property dispositions. A vote being taken, the motion passed with all members voting aye.

Downtown BID Lease Renewal

Staff briefed the Committee that the Downtown BID (DBID) lease at 21 Lodge was expiring at the end of December 2020 and that conversations had been had with the DBID to renew the agreement on similar terms. A discussion was had regarding the DBID tenancy and proposed lease. A motion was made by Robert Curley to and seconded by John Vero to recommend that the Board approve a new lease on similar terms with the DBID. A vote being taken, the motion passed with all members voting aye.

Liberty Park Update

Staff updated the Committee that the Corporation and IDA had executed the Liberty Park Funding Agreement that had come before the Board back in June. Staff advised the Committee on recent letters exchanged with PSC, LLC and noted that the IDA will be holding a public hearing on the condemnation application on December 9. It was noted that following receipt of any IDA appraisal, staff would seek approval from the Committee for any necessary deposits pursuant to prior approvals related to the Funding Agreement.

Other Business

Staff informed the Committee that they had still not received an executed contract from NYS Department of State (DOS) for the Clinton Market Collective project, however designs are expected to be completed in early 2021. Staff indicated that they were in ongoing communication with DOS to expedite its review of the contract.

Adjournment

There being no further business, the Capitalize Albany Corporation Finance & Investment Committee meeting was adjourned at 12:02 pm.

	January 1, 2020 - December 31, 2020				2020 Projection	Original Budget	Projected Variance from Budget
	YTD Actual	YTD Budget	Variance - \$	Variance - %			
REVENUE							
General Economic & Community Development Support Income	\$ 497,443	\$ 497,443	\$ -	0%	\$ 497,443	\$ 497,443	\$ -
Real Estate Income	237,098	394,868	(157,770)	-40%	237,098	394,868	(157,770)
Professional Service Agreement Income	494,228	394,228	100,000	25%	494,228	394,228	100,000
Loan Interest Income	57,288	79,000	(21,712)	-27%	57,288	79,000	(21,712)
Fee Income	9,335	14,818	(5,483)	-37%	9,335	14,818	(5,483)
Direct Finance Lease Income	-	-	-	0%	-	-	-
Investment & Interest Income	108,296	113,425	(5,129)	-5%	108,296	113,425	(5,129)
FMV Adj on Fidelity Inv	47,548	-	47,548	100%	47,548	-	47,548
G/L on Sale/Redemption	39,327	-	39,327	100%	39,327	-	39,327
Membership & Event Support	26,744	33,500	(6,756)	-20%	26,744	33,500	(6,756)
TOTAL REVENUE	\$ 1,517,307	\$ 1,527,282	\$ (9,975)	-1%	\$ 1,517,307	\$ 1,527,282	\$ (9,975)
EXPENSE							
Salaries & Fringe Expense	\$ 1,044,021	\$ 1,109,679	\$ (65,658)	-6%	\$ 1,044,021	\$ 1,109,679	\$ (65,658)
Professional Fees	408,059	344,481	63,578	18%	408,059	344,481	63,578
Administrative Expenses	56,016	74,713	(18,697)	-25%	56,016	74,713	(18,697)
Interest Expense	8,706	17,143	(8,437)	-49%	8,706	17,143	(8,437)
Real Estate Expenses	156	4,000	(3,844)	-96%	156	4,000	(3,844)
Occupancy Expense	36,021	75,403	(39,382)	-52%	36,021	75,403	(39,382)
Bad Debt Expense (recovery)	-	-	-	0%	-	-	-
Membership & Event Expense	2,028	25,450	(23,422)	-92%	2,028	25,450	(23,422)
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 1,555,007	\$ 1,650,870	\$ (95,862)	-6%	\$ 1,555,007	\$ 1,650,870	\$ (95,862)
NET INCOME BEFORE DEPRECIATION & PROGRAM ACTIVITY	\$ (37,700)	\$ (123,587)	\$ 85,887	-69%	\$ (37,700)	\$ (123,587)	\$ 85,887
DEPRECIATION	\$ 193,252	\$ 199,541	\$ (6,289)	-3%	\$ 193,252	\$ 199,541	\$ (6,289)
NET INCOME (LOSS) AFTER DEPRECIATION	\$ (230,952)	\$ (323,128)	\$ 92,176	29%	\$ (230,952)	\$ (323,128)	\$ 92,176
PROJECT & PROGRAM REVENUE							
NYS ESD (Liberty Park)	\$ 488,337	\$ 894,228	\$ (405,891)	-45%	488,337	\$ 894,228	\$ (405,891)
Capitalize Albany Grant Programs	99,058	104,445	(5,387)	-5%	99,058	104,445	(5,387)
New York Parks (Skyway Project)	-	-	-	0%	-	-	-
Total Program Income	\$ 587,395	\$ 998,673	\$ (411,278)	-41%	\$ 587,395	\$ 998,673	\$ (411,278)
PROJECT & PROGRAM EXPENSE							
Liberty Park Expenses	\$ 406,223	\$ 948,882	\$ (542,659)	-57%	406,223	\$ 948,882	\$ (542,659)
Capitalize Albany Grant Programs	99,058	104,445	(5,387)	100%	99,058	104,445	(5,387)
Clinton Market Collective	96,557	100,000	(3,443)	-3%	96,557	100,000	(3,443)
Total Program Expense	\$ 601,838	\$ 1,153,327	\$ (551,489)	-48%	\$ 601,838	\$ 1,153,327	\$ (551,489)
NET INCOME (LOSS) FROM PROGRAM ACTIVITY	\$ (14,443)	\$ (154,654)	\$ 140,211	91%	\$ (14,443)	\$ (154,654)	\$ 140,211
NET INCOME (LOSS) AFTER DEPRECIATION & PROGRAM ACTIVITY	\$ (245,395)	\$ (477,782)	\$ 232,387	49%	\$ (245,395)	\$ (477,782)	\$ 232,387

CAPITALIZE ALBANY CORPORATION

Comparative Balance Sheets

Pre-Audited Draft

	December 31, 2020	December 31, 2019
Assets		
Current Assets:		
Cash and cash equivalents	\$ 3,469,369	\$ 3,260,200
Investments	6,217,746	6,065,068
Restricted cash	6,546,349	6,830,301
Mortgage notes receivable, net	1,167,630	1,303,701
Net investment in direct financing leases	-	-
Accrued interest receivable	28,241	30,174
Grants receivable	-	-
Receivables from the City of Albany and City agencies	-	-
Other receivables, net	270,253	103,126
Property held for investment and lease, net	5,668,196	5,700,129
Property and equipment, net	342,781	340,221
Other assets	145,526	580,747
Total assets	\$ 23,856,091	\$ 24,213,667
Deferred Outflows of Resources	\$ -	\$ -
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 116,927	\$ 108,755
Due to the City of Albany	72,892	59,521
Unearned grant and other income	7,032,953	6,958,634
Bonds payable	940,000	1,150,000
Revolving loan fund liability	714,366	712,406
Unearned program support	7,119	7,119
Total liabilities	\$ 8,884,257	\$ 8,996,435
Deferred Inflows of Resources	\$ -	\$ -
Net Position		
Net invested in capital assets	\$ 5,774,838	\$ 5,774,838
Restricted for:		
Debt service	-	-
CDBG eligible activities	114,700	114,700
Other program specific activities	2,292	2,292
Impact Downtown Albany	-	-
Unrestricted	9,080,006	9,325,403
Total net position	\$ 14,971,836	\$ 15,217,232

Capitalize Albany Corporation**STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS**

Pre Audited Draft

	Year to Date December 31, 2020	Year Ended December 31, 2019
Revenues		
Grant income and Contribution Income	\$ 1,084,838	\$ 4,818,709
Rental income	237,098	298,473
Other interest and investment income	195,171	287,030
Interest income on mortgage notes	57,288	59,731
Gain on sale of properties	-	-
Fees and other income	530,307	466,833
Total revenues	<u>2,104,702</u>	<u>5,930,776</u>
Expenses		
Salaries and fringe benefits	1,044,021	801,249
Program and project costs	779,001	573,858
Interest expense	8,706	19,503
Bad debt expenses (recovery)	-	44,304
Administrative Expenses	518,369	375,272
Total expenses	<u>2,350,097</u>	<u>1,814,186</u>
Excess of (expenses over revenues) revenues over expenses	(245,395)	4,116,590
Net Position, Beginning of Year	<u>15,217,232</u>	<u>11,100,642</u>
Net Position, End of Month	<u>\$ 14,971,837</u>	<u>\$ 15,217,232</u>

CAPITALIZE ALBANY CORPORATION
STATEMENTS OF CASH FLOWS
Pre-Audited Draft

Cash Flows From Operating Activities

	December 31, 2020	December 31, 2019
Cash received from customers	\$ 564,388	\$ 381,268
Cash received from grantors	1,161,117	10,811,166
Other operating cash receipts	530,307	453,568
Cash payments to suppliers and grantees	(1,082,574)	(1,028,574)
Cash payments to employees	(1,044,021)	(801,249)

Net cash provided by operating activities 129,217 9,816,179

Cash Flows From Capital and Related Financing Activities

Proceeds from sale of property held for sale	-	-
Purchase of property held for investment and lease	(143,046)	(3,994,883)
Purchase of property and equipment	(20,832)	(23,272)
Purchase of other assets including purchase options	-	-
Principal payments on bonds payable	(210,000)	(200,000)
Interest paid on bonds payable	(8,706)	(19,503)

Net cash used in capital and related financing activities (382,584) (4,237,658)

Cash Flows From Investing Activities

Interest on cash and cash equivalents and investments	96,759	110,918
Proceeds from sales and maturities of investments	3,715,571	5,639,290
Purchase of investments	(3,769,814)	(7,919,842)
Issuance of mortgage notes receivable	-	-
Repayments received on mortgage notes receivable	136,071	147,656
Principal payments received under direct financing leases	-	-

Net cash used in investing activities 178,587 (2,021,978)

Change in cash and cash equivalents

(74,781) 3,556,543

Cash and cash equivalents and restricted cash:

Beginning of year 10,090,501 6,533,958

End of year \$ 10,015,720 \$ 10,090,501

**Reconciliation of Excess of (Expenses Over Revenues)
Revenues Over Expenses to Net Cash Provided by
Operating Activities**

	December 31, 2020	December 31, 2019
Excess of (expenses over revenues) revenues over expenses	\$ (245,395)	\$ 4,116,590
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	193,252	194,775
Adjustment for losses on mortgage notes and other receivables	-	44,304
Gain on sale of property	-	-
Net realized and unrealized losses (gains) on investments	(98,434)	(139,171)
Interest income on cash and cash equivalents and investments	(96,759)	(112,460)
Interest expense on bonds payable	8,706	19,503
Changes in:		
Grants receivable	-	6,059,430
Other receivables, accrued interest receivable and other assets	270,025	(12,336)
Accounts payable and accrued expenses	21,543	(274,218)
Due to the City of Albany	-	-
Unearned grant, program support and other income	74,319	(84,073)
Revolving loan fund liability	1,960	3,835

Net cash provided by operating activities \$ 129,217 \$ 9,816,179

CAPITALIZE ALBANY CORPORATION PROPERTY

Parcel ID	Acres	Location
76.34-2-32	0.06	21 Lodge Street
65.65-2-84	0.41	170 Henry Johnson Blvd.
65.82-5-35	0.11	174 North Pearl Street
76.8-1-3	0.38	35 Spencer Street
76.27-1-25.1	0.03	Spencer Street
76.8-1-4	0.06	41 Montgomery Street
65.82-5-38	0.07	168 North Pearl Street
65.82-5-37	0.07	170 North Pearl Street
76.26-4-12	0.03	27 Clinton Avenue
76.26-4-11	0.03	27 1/2 Clinton Avenue
76.26-4-10	0.04	29 1/2 Clinton Avenue
76.27-1-20	0.31	683 Broadway (1 Quakenbush Square)
76.26-4-15	0.44	Front of 11 Clinton Avenue
65.65-5-80	0.04	200A Henry Johnson Blvd. (State of NY)
65.65-5-79	0.04	200B Henry Johnson Blvd. (CAIDA)
65.65-5-78	0.04	200C Henry Johnson Blvd. (CAIDA)
76.50-1-14	0.02	60 Green Street
76.50-1-8	0.04	59 Green Street
76.42-5-23	0.07	50 Green Street
76.42-5-22	0.04	52-54 Green Street
76.42-5-21	0.02	58 Green Street
76.42-5-25	0.07	50 Hudson Street
76.42-5-24	0.04	52 Hudson Street
76.42-5-27	0.13	46 Hudson Street
76.42-5-28	0.01	37 Division St
76.42-5-29	0.03	41 Division St
76.42-5-30	0.04	43 Division St
76.42-5-31	0.04	45 Division St
76.42-5-32	0.04	47 Division St
76.42-5-33	0.04	49 Division St
76.42-5-34	0.3	10 Dallius Street
76.42-5-44	0.25	358 Broadway
76.50-1-3	0.04	56 Division St
76.50-1-4	0.03	54 Division St
76.50-1-5	0.03	52 Division St
76.50-1-6	0.04	57 Green St
76.50-1-7	0.01	57 1/2 Green St
76.50-1-8	0.04	59 Green St
76.50-1-9	0.13	61 Green St
76.50-1-10	0.07	65 Green St
76.50-1-12	0.02	65 Hamilton St
76.50-1-13	0.02	67 Hamilton St
76.50-1-23	0.42	27 Dallius St
76.50-1-15	0.02	62 Green St
76.50-1-16	0.02	62 1/2 Green St
76.50-1-17	0.04	64 Green St
76.50-1-18	0.06	66 Green St
76.50-1-19	0.08	72 Green St
76.50-1-20	0.04	74 Green St
76.50-1-21	0.02	46 Division St
76.50-1-22	0.03	44 Division St
76.11-1-7	0.44	3 City Square
76.11-1-8	0.14	2 E-Comm Sq
76.11-1-9	0.05	3 E-Comm Sq
76.11-1-10	0.29	310 Broadway
76.11-1-13	0.09	5 Prun St
76.50-1-31	0.21	346 Broadway
76.50-1-34	0.08	1 City Sq
76.11-1-12	0.03	298 Broadway
	0.56	Corning Preserve
	5.36	Corning Preserve - 2002 Port Bonds/Improvements

Capitalize Albany Corporation Finance Committee Meeting

Agenda Item #3: Review of Corporate Policies

Materials:

- a) Review Finance Committee Charter
- b) Review Investment Policy
- c) Review Procurement Policy

CAC FINANCE & INVESTMENT COMMITTEE CHARTER

The Finance & Investment Committee Charter was adopted by the Board of Directors of the Capitalize Albany Corporation (“CAC”) on March 31, 2009 and amended on January 26, 2016.

Purpose

The purpose of the Finance & Investment Committee shall be to (1) ensure the financial health of CAC (2) ensure that CAC assets are protected and resources are used appropriately and (3) assist the Board in understanding CAC’s financial condition.

Scope of Responsibilities

The CAC Finance & Investment Committee shall be responsible for the following:

- Project review
 - Review projects and recommend action for Board approval.
 - Review proposals for the issuance of debt.
- Involvement with CAC finance department management.
 - Work with management to ensure timely and accurate financial data is presented to the Board.
 - Review and recommend new or revised financial policies to the Board for approval.
- Budget Oversight
 - Provide guidelines for the development of the annual operating budget.
 - Review and recommend an annual operating budget for Board approval.
 - Review the financial performance of CAC against budget projections for the period to-date.
- Investment Oversight
 - Develop the investment policy for CAC and review this policy annually.
 - As necessary, recommend investment policy changes to the Board for approval.
 - Meet with the investment manager (if any) at least annually to review the performance. As appropriate, conduct a search for and select a new investment manager.
 - Coordinate with Audit Committee to deliver annual investment report to CAC Board of Directors.
- Meet with CAC staff or outside counsel, as necessary.
- Retaining, at the CAC’s expense, such outside counsel, experts and other advisors as the Finance & Investment Committee may deem appropriate, upon approval of said expenditure(s) by the CAC Board of Directors.

- Recommend any recommend changes to its Committee Charter to the Board.

The CAC Board will ensure that the Finance & Investment Committee has sufficient resources to carry out its duties.

Composition of Committee and Selection of Members

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 Finance and Investment Committee shall be comprised of not less than three (3) independent members. 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 Finance and Investment Committee Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition.

Finance & Investment Committee members shall possess or obtain a basic understanding of financial reporting, accounting, and auditing.

Meetings

The Committee will meet a minimum of four times per year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. Meeting agendas will be prepared for every meeting and provided to Committee members in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The 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.

Members of the Committee, as well as the appropriate senior staff are expected to attend each committee meeting, in person or via telephone or videoconference.

The Committee may invite other individuals to attend meetings and provide pertinent information, as necessary.