



Tuesday, March 23, 2021
Via Conference, 8:00 a.m.

CAPITALIZE ALBANY CORPORATION

Capitalize Albany Corporation Board of Directors Meeting

In response to a disaster emergency declared pursuant to New York State Executive Law § 28 and Executive Order 202.96, the March meeting of the Capitalize Albany Corporation Board will be held remotely and recorded, and the public will be provided the opportunity to join the proceedings via conference line by dialing:

1-646-876-9923, meeting # 815 7126 0398.

Detailed minutes of the proceedings will be posted on the Corporation's website following the meeting.

Agenda

1. Review & Approval of Minutes from the Regular Meeting of January 26, 2021
2. Report of Executive Staff – Corporation Update
3. Report of the Audit Committee
 - a. Review of Reports
 - i. 2020 Audit and 2020 Audited Financial Statements
 - ii. 2020 Management Assessment of Internal Controls Report
 - iii. 2020 Audit Committee Annual Report
 - b. Approval of Reports
 - i. 2020 Annual, Procurement & Investment Reports
 - ii. 2020 Public Authorities Performance Measurements Report
4. Report of the Finance & Investment Committee
 - a. Montgomery Street/705 Broadway Easements – *Resolution 3-2021*
 - b. Liberty Park Update
5. Board Only and/or Executive Session (if necessary)

MINUTES - DRAFT



CAPITALIZE ALBANY
CORPORATION

Date of Meeting: January 26, 2021

Meeting: Capitalize Albany Corporation Board Meeting

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, January 26, 2021. Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 202.87 issued, the Capitalize Albany Corporation (the "Corporation") Board Meeting scheduled for Tuesday, January 26, 2021 was held electronically via conference call instead of a public meeting open for the public to attend in person. Instructions on how the public was able to attend the meeting via conference call were published in the public notice of the meeting. A record of the meeting via the Minutes are transcribed below and have been posted to the Corporation's website.

The following were in attendance:

Board of Directors:

| | | | |
|--------------------|-------------------|-------------------|-----------------|
| Michael Castellana | John Harris | Michele Vennard | Jeff Sperry |
| Anders Tomson | Havidan Rodriguez | Heather Briccetti | Karen Torrejon |
| Kaweeda Adams | Sonya del Peral | Robert Curley | Michael Fancher |
| Susan Pedo | David Parente | John Vero | Matthew Peter |

Staff: Sarah Reginelli, Thomas Conoscenti, Ashley Mohl, Michael Bohne, Nora Culhane-Friedel, Andy Corcione, Virginia Rawlins, Mark Opalka

Others: Tom Owens, Hon. Kathy Sheehan, Jacque Vincent

Excused Members: N/A

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation ("Corporation") Board to order at 8:02 a.m.

Review of the minutes from the Regular Meeting of December 15, 2021

The Board reviewed the minutes of the December 15, 2021 Regular Board meeting. Anders Tomson made a motion for approval, Kaweeda Adams seconded. A vote being taken, the motion passed unanimously.

Guest Speaker: Mayor Kathy Sheehan

Mayor Kathy Sheehan gave a presentation to the Board on her outlook and priorities for the City of Albany and economic development, highlighting the importance of enhancing safety and access to affordable housing, jobs and amenities. The Mayor emphasized the importance of the Corporation's work throughout the City including its COVID-19 response efforts, assistance of quality affordable housing projects, blight removal, and strategic real estate and amenity development projects. The Board and the Mayor discussed upcoming economic development priorities. The Board commended the Mayor on the City's success and thanked her for her leadership and vision. Mayor Sheehan left the meeting at 8:35 a.m.

Report of Executive Staff- Corporation Update

Staff provided an overview of the Corporation's operational and strategic activities since the last Board meeting, including a general update on project activity. Staff provided updates on current events including the Port of Albany's off-shore wind manufacturing announcement and the City of Albany School District's elevated graduation rates, as well as internal staffing and compliance matters. Staff then highlighted the status of the Albany Skyway, the initial design of which was conceived and funded by the Corporation. Staff provided an

update on the status of the Downtown Revitalization Initiative-funded Clinton Market Collective project, including a confirmation that the grant agreement for a \$250,000 award through National Grid would be executed. Staff indicated that an executed agreement for the DRI award had not yet been received, and, therefore, bidding and construction of the project would be postponed until the 2022 construction season. Staff described interim next steps on the project including design completion and permitting, site control with the NYS Department of Transportation, and the development of operational partnerships.

Prior to staff providing an update on Liberty Park, Susan Pedo cited her previous disclosure of her relationship with the City of Albany Industrial Development Agency (CAIDA) and recused herself from the discussion leaving the meeting at 8:40 a.m. Staff notified the Board that at its previous meeting, CAIDA approved the determination and findings concerning the proposed acquisition of certain property and the adoption of a negative declaration in its SEQR Findings for the matter. Susan Pedo re-entered the room at 8:44 a.m.

The Board discussed the Corporation update with particular emphasis on the positive trends seen in Albany City School District graduation rates and progress on the Skyway. The Chairman also recommended that the Corporation formally acknowledge and endorse the Port of Albany's off-shore wind turbine manufacturing announcement.

Report of the Finance & Investment Committee

The Finance Committee asked staff to present the following matters discussed at the previous Committee meeting.

Annual Review of Financial Reports

Review of Unaudited 4th Quarter Results

Staff discussed the financial performance for the fourth quarter. On a pre-audit basis, through December 31st, the Corporation had net loss after depreciation and program activity of \$235,756, which compares favorably to the year-to-date unaudited budgeted loss of \$477,782.

Investment Performance Overview

Staff discussed the recent performance of the Corporation's investment portfolio. Currently the Corporation has approximately \$6.25 MM in investments with Hugh Johnsons Advisors which are invested in accordance with the Corporation's investment guidelines. The overall 12 month return was 2.8% compared to the benchmark of 2.9%.

The Committee indicated that they would be speaking to representatives of Hugh Johnson Advisors at an upcoming meeting, and would extend an invitation for representatives from HJA to attend an upcoming Board meeting as well to review both performance and overall trends.

Other Business

Citing previously-disclosed relationships with the City of Albany Industrial Development Agency and Capital Resource Corporation, Susan Pedo, Sarah Reginelli, Tom Conoscenti and Mark Opalka recused themselves from the following matters and left the room at 8:53 a.m.

Review/Approval of IDA/CRC Professional and Economic Development Service Agreements

IDA/CRC Professional Service Agreement Approval – Resolution 1-2021

Counsel reviewed the resolution of the Professional Service Agreement and outlined the contents of the agreement. The Board proposed no changes for 2021. A motion was made to approve Resolution 1-2021 by Anders Tomson and seconded by Heather Briccetti. Susan Pedo having previously recused herself, the motion passed upon a vote being taken with all other members voting aye.

IDA Economic Development Fee for Service Approval – Resolution 2-2021

Counsel reviewed the resolution for the IDA Economic Development Fee for Service. The Board presented no changes for 2021. A motion was made to approve Resolution 1-2020 by Jeff Sperry and seconded by Karen Torrejon. Susan Pedo having previously recused herself, the motion passed upon a vote being taken with all other members voting aye.

Susan Pedo, Sarah Reginelli, Tom Conoscenti and Mark Opalka re-joined the meeting at 8:57 a.m.

Adjournment

The Board was reminded that the next meeting would be held on March 23, 2021. There being no further business the Capitalize Albany Corporation Board meeting was adjourned at 8:59 am.

CAPITALIZE ALBANY CORPORATION

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

CAPITALIZE ALBANY CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Capitalize Albany Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Capitalize Albany Corporation, which comprise the consolidated statements of net position as of December 31, 2020 and 2019, and the related consolidated statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Capitalize Albany Corporation as of December 31, 2020 and 2019, and the changes in their financial position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 8 be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March __, 2021, on our consideration of Capitalize Albany Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Capitalize Albany Corporation's internal control over financial reporting and compliance.

Albany, New York
March __, 2021

CAPITALIZE ALBANY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (MD&A) of Capitalize Albany Corporation (Capitalize Albany or the Corporation) activities and financial performance, is offered as an introduction and overview of the consolidated financial statements of Capitalize Albany Corporation for the fiscal year ended December 31, 2020. Following this MD&A are the basic consolidated financial statements of the Corporation together with the notes thereto which are essential to a full understanding of the data contained in the consolidated financial statements. In addition to the notes, this section also presents certain supplementary information to assist with the understanding of Capitalize Albany Corporation's financial operations.

Capitalize Albany Corporation has a Corporate Governance Policy, which includes a conflict of interest policy and a conflict of interest disclosure. The conflict of interest disclosure is distributed to and completed by the Corporation's Board of Directors on an annual basis.

Not less than six times annually, the Board of Directors of Capitalize Albany Corporation meets to discuss programming needs, project activity and progress, and meets quarterly to discuss the Corporation's financial position. The Finance and Investment Committee meets on a quarterly basis or more frequently if necessary to provide enhanced project and transactional analysis. As necessary, the Committee makes recommendations for the Board's consideration. The Governance Committee meets twice a year or more frequently if necessary to among other things review and update corporate governance principles and practices. The Audit Committee meets twice a year among other things to appoint and oversee the Corporation's independent auditors, review and approve the Corporation's year-end financial statements and reviews the effectiveness of internal controls. In addition, the Audit Committee, without management present, independently meets with the external auditors to discuss relevant issues and concerns.

OPERATION SUMMARY

As a catalyst for economic growth, Capitalize Albany Corporation facilitates transformational development projects. As a registered 501(c) (3) non-profit organization, the Corporation implements programs and resources to create, retain, and attract business in the City of Albany. Powered by investors composed of Albany's community and business leaders, Capitalize Albany manages and coordinates the local economic development functions in the City of Albany.

In 1979, the Capitalize Albany Corporation (formerly Albany Local Development Corporation) was incorporated to primarily provide financing to eligible businesses in order to create and retain employment and investment within the City of Albany. The Corporation continues to extend loans and plays an active role in facilitating strategic development, business development and transformational real estate development projects that have been identified as a priority. These efforts are developed in partnership with regional stakeholders, and are backed by market analysis and trend identification. Implementation of its initiatives is accomplished through direct efforts of the Corporation as well as through collaboration with complementary organizations and tools.

The mission of Capitalize Albany Corporation 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.

Business Development

Capitalize Albany encourages job creation and business development through its work with individual businesses. This work includes, but is not limited to, extending grants and loans to new and existing businesses, providing technical support with respect to accessing city, state and other economic development resources, and helping businesses to identify appropriate locations to grow and expand within the City. Capitalize Albany staff worked with more than 300 businesses in 2020. Capitalize Albany also works with government officials, business leaders, community and neighborhood organizations, and the public to ensure that the City maintains and enhances an environment that is both conducive to new business growth and supportive of the expansion of existing enterprises.

CAPITALIZE ALBANY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

In recent years, the Corporation has administered three distinct grant programs (Amplify Albany, Downtown Retail, and Small Business Façade) in order to stimulate buzz in commercial corridors, attract new investment at street level in the Downtown core and improve the quality of neighborhood commercial districts while catalyzing new investment. In 2020, the Corporation launched an emergency round of its Small Business Façade Improvement Program and Downtown Retail Program to assist businesses that were directly impacted by vandalism and looting during the year. To respond to the needs of local small businesses as the deal with ongoing impacts of COVID-19, in 2020 the Corporation launched the Small Business Adaptation Program (SBAP), whereby it administered grants to approximately 60 predominantly women and minority-owned businesses funded directly by the City of Albany Industrial Development Agency and Albany Community Development Agency. Prior to the pandemic, the Corporation had also received funding approval for a \$100,000 investment from the Capital Resource Corporation to implement a Commercial Corridor Retail Grant Program, which was designed to assist retail businesses with the costs associated with renovating or retrofitting a commercial space located in one of the identified neighborhoods within West Hill, Arbor Hill, North Albany & the South End, four of the City's Neighborhood Strategy Areas. The Corporation postponed the launch of this program as a result of the pandemic and the shifting needs and priorities of the business community.

Real Estate Development

Capitalize Albany facilitates real estate development in the City of Albany through programs and partnerships as well as brick and mortar projects of its own.

In 2010, the Corporation's Board of Directors established a Revolving Real Estate Loan Fund designed to provide subordinate lending to qualifying borrowers at below market rates in concert with primary lenders for the purpose of stimulating strategic development projects. The Board allocated \$2 million to capitalize the Fund which is focused on revitalizing strategic vacant or underutilized real estate that will contribute positive and transformational development activity. Through December 31, 2020, \$2,575,000 has been disbursed under this revolving loan fund program representing over \$32 million of project investment within the City of Albany. These projects have created 165 market-rate rental units.

Contracted under a professional services agreement, Capitalize Albany administers and provides staffing, office equipment, phone and computer network support to the City of Albany Industrial Development Agency (CAIDA) and the City of Albany Capital Resource Corporation (CACRC). In the past five years, more than \$390 million of investment was made possible in the City of Albany with support from the CAIDA, creating 1,725 construction and 430 new and retained full-time jobs.

Strategic Initiatives

The Corporation continues to follow the citywide economic development plan laid out in the Capitalize Albany Strategy as well as neighborhood, commercial district, City and Regional economic development and revitalization strategies to catalyze strategic growth in the Capital City. The Corporation's execution of these various plans has resulted in the assistance of roughly \$500 million in Downtown Albany and more than \$1 billion of activity throughout Albany's neighborhoods.

The revitalization of Downtown Albany is a strategic priority of Capitalize Albany Corporation. In response to the recognized need for a common vision, strategic direction, and tactical solutions to issues facing the Downtown neighborhood, Capitalize Albany launched Impact Downtown Albany, a strategic plan which positions Downtown, its adjacent warehouse district and waterfront as the ideal urban center, in 2014. The plan has provided a clear path forward for projects, incentives and structural changes and define what Downtown Albany should be striving toward throughout the next decade. Through December 31, 2020, Impact Downtown Albany has led to more than \$400 million of project investment recently completed and underway within the City of Albany. Facilitating the creation of Downtown residential units continues to be a priority and will act as a driving market force for economic development. Under Impact Downtown Albany the Corporation has assisted in the creation of more than 650 units to date. More than 400 are currently under construction.

CAPITALIZE ALBANY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

In 2015, the Impact Downtown Albany strategy served as a core guiding document for the creation of the Capital Region Economic Development Council's transformative regional strategy, the Capital 20.20 Plan. The Plan's Metro section prioritizes downtown development and matches Impact Downtown Albany catalyst sites with developers, resources, and prospective tenants to build on the current momentum and move aggressive projects forward. Implementation of Capital 20.20 began in 2015 and will continue to be a priority for the Corporation in coming years.

FINANCIAL OPERATIONS HIGHLIGHTS

Capitalize Albany Corporation's activities fluctuate greatly from year to year. With such diversity, it is not always meaningful to compare revenue and expenditure levels to prior years. While revenues and expenditures for any given year represent activity during that year, one must consider the level of program revenue to program expenses within a given year, in relation to the projects undertaken and accomplished during that same year. A condensed summary of revenues and expenses for the years ended December 31, 2020 and 2019 is shown below:

| | <u>2020</u> | <u>2019</u> |
|-------------------------------|---------------------|--------------------|
| Total revenues | | |
| Operating revenues | \$1,809,425 | \$1,822,298 |
| Capital grant funding | <u>394,510</u> | <u>4,108,478</u> |
| | 2,203,935 | 5,930,776 |
| Total expenses | <u>2,415,099</u> | <u>1,814,186</u> |
| Change in net position | <u>\$ (211,164)</u> | <u>\$4,116,590</u> |

Total revenues decreased \$3,726,841 or 63%:

- Capital grant income of \$4,108,478 in 2019 and \$394,510 in 2020 was recognized under the ESD grant for the acquisition and redevelopment of property in the Liberty Park neighborhood in Downtown Albany.
- Grant and contribution income that is not capital-related is classified as operating revenue and increased \$11,866 or 2% from \$710,231 in 2019 to \$722,097 in 2020. Revenue derived from grants and contributions is typically program specific and non-recurring. Significant grants and contributions in 2020 include \$250,000 from the IDA and \$165,843 from the Albany Community Development Agency, both for general economic development support, and \$125,596 from the New York State Department of State for the Clinton Market Collective project.
- Rental income decreased \$729 or less than 1% from \$298,473 in 2019 to \$297,744 in 2020. There were no significant changes in the Corporation's lessor arrangements during 2020.
- Other interest and investment income decreased \$73,660 or 26% from \$287,030 in 2019 to \$213,370 in 2020 primarily due to lower yields earned on the Corporation's fixed income investments in addition to lower interest earned on the Corporation's general bank accounts.
- Interest income on mortgage notes decreased \$13,824 or 23% from \$59,731 in 2019 to \$45,907 in 2020 due to lower principal balances on existing notes due to repayments with no new loan disbursements in 2019 or 2020.
- Fees, program, and other income increased \$63,474 or 14% from \$466,833 in 2019 to \$530,307 in 2020. This is primarily attributable to an approved increase in the Corporation's management fees pursuant to a professional services agreement with the CAIDA and CACRC.

CAPITALIZE ALBANY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Total expenses increased \$600,913 or 33%:

- Salaries and fringe benefits increased \$242,986 or 30% from \$801,249 in 2019 to \$1,044,235 in 2020. This increase is primarily attributable to staffing increases due to the implementation of the Corporation's staffing plan in 2020.
- Program and project costs increased \$265,377 or 46% from \$573,858 in 2019 to \$839,235 in 2020. The increase is primarily attributable to activity in 2020 related to the Clinton Market Collective project.
- Professional and consulting expenses increased \$172,050 or 72% from \$240,268 in 2019 to \$412,318 in 2020. This increase is attributable to higher consulting fees incurred by the Corporation, including fees related to communications and outsourced staffing.
- Interest expense decreased \$10,800 or 55% from \$19,503 in 2019 to \$8,703 in 2020. This decrease is attributable to a reduction in interest expense related to the variable rate bonds for the Corning Preserve project.
- Bad debt expense totaled \$44,034 in 2019 compared to \$0 in 2020. The Corporation's allowance for losses is evaluated on a regular basis by management. Additional bad debt provisions are charged to earnings and offset by recoveries, if any.
- Other administrative expenses decreased \$24,396 or 18% from \$135,004 in 2019 to \$110,608 in 2020. This decrease is attributable lower meeting expenses in 2020 as a direct result of the cancellation of in-person meetings as result of the COVID-19 pandemic.

A condensed summary of Capitalize Albany's net position at December 31, 2020 and 2019 is shown below:

| | 2020 | 2019 |
|--|----------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 3,469,351 | \$ 3,260,200 |
| Investments | 6,231,220 | 6,065,068 |
| Restricted cash | 6,546,534 | 6,830,301 |
| Other assets | 462,028 | 599,142 |
| Mortgage notes receivable, net of allowances | 1,163,043 | 1,303,701 |
| Property, plant and equipment, net (includes property held for investment and lease) | 1,982,248 | 2,149,414 |
| Liberty Park properties | 4,115,439 | 4,005,841 |
| Total assets | \$ 23,969,863 | \$ 24,213,667 |
| Deferred Outflows of Resources | \$ - | \$ - |
| Liabilities | | |
| Bonds payable | \$ 940,000 | \$ 1,150,000 |
| Paycheck Protection Program loan | 129,100 | - |
| Other liabilities | 238,224 | 168,276 |
| Unearned grant and other income | 6,934,865 | 6,958,634 |
| Unearned program support and revolving loan fund liability | 721,606 | 719,525 |
| Total liabilities | \$ 8,963,795 | \$ 8,996,435 |
| Deferred Inflows of Resources | \$ - | \$ - |
| Net Position | | |
| Net investment in capital assets | \$ 5,157,687 | \$ 5,005,255 |
| Restricted net position | 115,558 | 117,270 |
| Unrestricted net position | 9,732,823 | 10,094,707 |
| Total net position | \$ 15,006,068 | \$ 15,217,232 |

CAPITALIZE ALBANY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

CURRENT KNOWN FACTS, DECISIONS OR CONDITIONS

In 2021, Capitalize Albany will focus on the continued implementation of Corporation, local, regional and State revitalization strategies and strategic plans to further economic development and growth through new programs and initiatives, focusing on a variety of areas, including long-range vision, community engagement, and market-driven recommendations. These implementation efforts will be consistent with the Corporation's mission and align with the business, real estate and strategic development activities outlined above.

Capitalize Albany Corporation will also continue to focus on the implementation of the specific components of the Capital 20.20 Plan which are consistent with the mission of the Corporation. Special focus will be given to those projects which directly align with the objectives of Impact Downtown.

Capitalize Albany will also continue to facilitate the Capitalize Albany Economic Development Strategy. As part of that strategy, the Corporation will continue to focus on developing more downtown residential capacity and will pursue opportunities that will result in catalytic development projects as well as maximize and diversify potential revenue sources for the Corporation.

Continual execution of the Strategic Plan established by the Corporation's Board in 2009 will translate into potential projects. New economic development opportunities with the potential to generate new resources to stimulate growth will be developed by re-focusing and deploying existing strengths and resources. Ultimately, programmatic, marketing, and financial initiatives will reconcile to the objectives set forth in the Strategic Plan.

In December 2016 the Corporation was awarded State funding, to study the feasibility of and design the conversion of the I-787 northbound exit ramp from Quay Street to Clinton Avenue into the Region's first and only highline park — the Skyway. Corporation staff continues to provide support as the City and NYS Department of Transportation construct the project, which is expected to open at the end of 2021.

In December 2017, the Corporation entered into a PSA with the Albany Convention Center Authority (ACCA) for transfer of property interests in the roughly five acre ACCA surplus property surrounding Liberty Park in downtown Albany. The Corporation and the ACCA closed on this agreement in 2019. This development site (Liberty Park) was highlighted as a priority in both the Impact Downtown Albany and Capital 20.20 plans. In 2018, the Corporation formed Liberty Square Development, LLC to aid in the revitalization efforts to acquire and develop properties related to Liberty Park site redevelopment.

In 2019, the Corporation was awarded up to \$15 million in Upstate Revitalization Initiative funds for the redevelopment of Liberty Park. This funding will support acquisition, demolition, stabilization of property, infrastructure and public space improvements, design, planning, construction and renovation costs. Empire State Development approved the distribution of \$10.1 million for associated preliminary costs. Capitalize Albany has used the grant to acquire all parcels in the 8 acre footprint, with the exception of .88 acres for which the Corporation submitted an acquisition assistance application to the CAIDA in 2020 to facilitate future development within the site. The Corporation anticipates closing on the final properties in 2022 pending the outcome of the legal proceeding.

In 2018, the City of Albany was chosen as the Capital Region's New York State Downtown Revitalization Initiative (DRI) \$10 million-winner in an effort administered by the Corporation on behalf of the City. Capitalize Albany's Clinton Market Collective project was competitively awarded \$1 million. This DRI Priority Project will create a new market concept and proving ground for start-up businesses on the Corporation-owned 11 Clinton Avenue site. Capitalize Albany initiated the project's design phase in 2020 and expects to break ground next year and be completed by 2024.

CAPITALIZE ALBANY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

In 2019, Capitalize Albany Corporation entered into a Purchase and Sale Agreement (PSA) with the Palace Performing Arts Center, Inc., a 501(c)(3) New York not for profit corporation (Palace Theatre) for the transfer of six (6) CAC-owned unimproved real property parcels to support the Palace's announced expansion, renovation and new construction project which will ultimately enable the Palace to expand the diversity and quality of its cultural and entertainment offerings. Parcels include 27 and 29 Clinton Avenue and 168, 170, and 174 North Pearl Street which are immediately adjacent to the historic theater in downtown Albany. Given the impact of COVID-19 on the hospitality and entertainment industry, the project did not close in 2020, however the transaction is still pending.

FINANCIAL STATEMENTS

Capitalize Albany Corporation's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB). Capitalize Albany Corporation is organized under the Not-For-Profit Corporation laws of the State of New York. Capitalize Albany follows enterprise fund accounting; accordingly, the financial statements are presented using the economic resources management focus. These financial statements are presented in a manner similar to a private business.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Corporation's finances for all those interested. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to the Controller, Capitalize Albany Corporation, 21 Lodge Street, Albany, NY 12207.

CAPITALIZE ALBANY CORPORATION
CONSOLIDATED STATEMENTS OF NET POSITION
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|-----------------------------|-----------------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents (Note 2) | \$ 3,469,351 | \$ 3,260,200 |
| Investments (Note 4) | 6,231,220 | 6,065,068 |
| Restricted cash (Note 3) | 6,546,534 | 6,830,301 |
| Mortgage notes receivable, current portion, net (Note 5) | 117,041 | 156,206 |
| Accrued interest receivable | 39,875 | 30,174 |
| Grant receivables | 255,496 | 439,101 |
| Other receivables | 30,066 | 12,346 |
| Total current assets | <u>16,689,583</u> | <u>16,793,396</u> |
| Noncurrent Assets: | | |
| Mortgage notes receivable, less current portion, net (Note 5) | 1,046,002 | 1,147,495 |
| Other receivables, net | 93,524 | 90,780 |
| Property held for investment and lease, net (Note 6) | 1,639,467 | 1,809,193 |
| Property and equipment, net (Note 7) | 342,781 | 340,221 |
| Liberty Park properties (Note 8) | 4,115,439 | 4,005,841 |
| Other assets | 43,067 | 26,741 |
| Total noncurrent assets | <u>7,280,280</u> | <u>7,420,271</u> |
| Total assets | <u>\$ 23,969,863</u> | <u>\$ 24,213,667</u> |
| Deferred Outflows of Resources | <u>\$ -</u> | <u>\$ -</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses | \$ 178,703 | \$ 108,755 |
| Funds held related to Hudson River Way campaign | 59,521 | 59,521 |
| Unearned grant and other income | 6,934,865 | 6,958,634 |
| Paycheck Protection Program loan (Note 13) | 129,100 | - |
| Bonds payable, current portion (Note 10) | 220,000 | 210,000 |
| Total current liabilities | <u>7,522,189</u> | <u>7,336,910</u> |
| Noncurrent Liabilities: | | |
| Bonds payable, less current portion (Note 10) | 720,000 | 940,000 |
| Revolving loan fund liability (Note 11) | 714,487 | 712,406 |
| Unearned program support | 7,119 | 7,119 |
| Total noncurrent liabilities | <u>1,441,606</u> | <u>1,659,525</u> |
| Total liabilities | <u>\$ 8,963,795</u> | <u>\$ 8,996,435</u> |
| Deferred Inflows of Resources | <u>\$ -</u> | <u>\$ -</u> |
| Net Position | | |
| Net invested in capital assets | \$ 5,157,687 | \$ 5,005,255 |
| Restricted for: | | |
| CDBG eligible activities | 115,138 | 114,977 |
| Other program specific activities | 420 | 2,293 |
| Unrestricted | 9,732,823 | 10,094,707 |
| Total net position | <u>\$ 15,006,068</u> | <u>\$ 15,217,232</u> |

See notes to consolidated financial statements.

CAPITALIZE ALBANY CORPORATION
CONSOLIDATED STATEMENTS OF REVENUES AND EXPENSES AND
CHANGES IN NET POSITION
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-----------------------------|-----------------------------|
| Operating Revenues | | |
| Grant and contribution income | \$ 722,097 | \$ 710,231 |
| Rental income | 297,744 | 298,473 |
| Other interest and investment income | 213,370 | 287,030 |
| Interest income on mortgage notes | 45,907 | 59,731 |
| Fees, program, and other income | <u>530,307</u> | <u>466,833</u> |
| Total operating revenues | <u>1,809,425</u> | <u>1,822,298</u> |
| Operating Expenses | | |
| Salaries and fringe benefits | 1,044,235 | 801,249 |
| Program and project costs | 839,235 | 573,858 |
| Professional and consulting expenses | 412,318 | 240,268 |
| Interest expense | 8,703 | 19,503 |
| Bad debt expense | - | 44,304 |
| Other administrative expenses | <u>110,608</u> | <u>135,004</u> |
| Total operating expenses | <u>2,415,099</u> | <u>1,814,186</u> |
| Change in Net Position Before Capital Funding | (605,674) | 8,112 |
| Capital grant funding | <u>394,510</u> | <u>4,108,478</u> |
| Change in Net Position | (211,164) | 4,116,590 |
| Net Position, Beginning of Year | <u>15,217,232</u> | <u>11,100,642</u> |
| Net Position, End of Year | <u><u>\$ 15,006,068</u></u> | <u><u>\$ 15,217,232</u></u> |

See notes to consolidated financial statements.

CAPITALIZE ALBANY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|-----------------------------|-----------------------------|
| Cash Flows From Operating Activities | | |
| Cash received from customers | \$ 307,153 | \$ 381,268 |
| Cash received from grantors and contributors | 1,276,505 | 617,446 |
| Other operating cash receipts | 530,307 | 453,568 |
| Cash payments to suppliers and grantees | (1,113,464) | (1,028,574) |
| Cash payments to employees | (1,044,235) | (801,249) |
| Net cash used in operating activities | <u>(43,734)</u> | <u>(377,541)</u> |
| Cash Flows From Capital and Related Financing Activities | | |
| Purchase of property held for investment and lease | (5,252) | - |
| Purchase of property and equipment | (20,833) | (23,272) |
| Proceeds from Paycheck Protection Program loan | 129,100 | - |
| Purchase of Liberty Park properties | (109,598) | (3,994,883) |
| Cash received from capital grant funding | - | 10,193,720 |
| Principal payments on bonds payable | (210,000) | (200,000) |
| Interest paid on bonds payable | (8,703) | (19,503) |
| Net cash (used in) provided by capital and related financing activities | <u>(225,286)</u> | <u>5,956,062</u> |
| Cash Flows From Investing Activities | | |
| Interest on cash, cash equivalents, restricted cash, and investments | 108,941 | 110,918 |
| Proceeds from sales and maturities of investments | 7,365,491 | 5,639,290 |
| Purchase of investments | (7,420,686) | (7,919,842) |
| Repayments received on mortgage notes and other receivables | 140,658 | 147,656 |
| Net cash provided by (used in) investing activities | <u>194,404</u> | <u>(2,021,978)</u> |
| Change in cash, cash equivalents, and restricted cash | (74,616) | 3,556,543 |
| Cash, cash equivalents, and restricted cash: | | |
| Beginning of year | <u>10,090,501</u> | <u>6,533,958</u> |
| End of year | <u><u>\$ 10,015,885</u></u> | <u><u>\$ 10,090,501</u></u> |
| Reconciliation of Cash, Cash Equivalents, and Restricted Cash to the Statements of Net Position: | | |
| Cash and cash equivalents | \$ 3,469,351 | \$ 3,260,200 |
| Restricted cash | <u>6,546,534</u> | <u>6,830,301</u> |
| | <u><u>\$ 10,015,885</u></u> | <u><u>\$ 10,090,501</u></u> |

See notes to consolidated financial statements.

CAPITALIZE ALBANY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|--------------------|---------------------|
| Reconciliation of Change in Net Position Before Capital Funding to Net Cash Used in Operating Activities | | |
| Change in net position before capital funding | \$ (605,674) | \$ 8,112 |
| Adjustments to reconcile change in net position before capital funding to net cash used in operating activities: | | |
| Depreciation and amortization | 193,251 | 194,775 |
| Adjustment for losses on mortgage notes and other receivables | - | 44,304 |
| Net realized and unrealized gains on investments | (110,957) | (139,171) |
| Interest income on cash, cash equivalents, restricted cash, and investments | (109,942) | (112,460) |
| Interest expense on bonds payable | 8,703 | 19,503 |
| Changes in: | | |
| Grant receivables | 183,605 | (25,812) |
| Other receivables, accrued interest receivable and other assets | (45,490) | (12,336) |
| Accounts payable and accrued expenses | 69,948 | (274,218) |
| Unearned grant and other income | 370,741 | (70,808) |
| Unearned program support | - | (13,265) |
| Revolving loan fund liability | 2,081 | 3,835 |
| Net cash used in operating activities | <u>\$ (43,734)</u> | <u>\$ (377,541)</u> |

See notes to consolidated financial statements.

CAPITALIZE ALBANY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 1 — ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Mission

Capitalize Albany Corporation (the "Corporation") was formed under the Not-for-Profit Corporation Laws of the State of New York in October 1979 for the purposes of facilitating the creation of new employment opportunities, retaining existing jobs and encouraging investment that will expand the commercial and industrial tax base within the City of Albany (City). The Corporation facilitates large scale transformational real estate projects to accomplish its mission.

The Corporation's mission is accomplished by providing technical support for City, State and other economic development programs and loaning money to new or existing businesses. Additionally, the Corporation has invested in certain real estate, and leases such real estate to businesses in order to further job opportunities within the City.

The Corporation formed Citywide Property Holdings, LLC (Citywide) in April 2008 for the limited purpose of assisting the Corporation in the furtherance of the Corporation's mission. The Corporation is the sole member and manager of Citywide. Citywide's participation in the furtherance of the Corporation's mission is evaluated on a project basis. This participation includes, but is not limited to, holding property as available for sale to enhance project development.

The Corporation formed Liberty Square Development, LLC in January 2018 for the limited purpose of assisting the Corporation in the furtherance of the Corporation's mission. The Corporation is the sole member and manager of Liberty Square Development, LLC. Liberty Square Development LLC's operations includes, but are not limited to, the acquisition, disposition and development of properties located in the Liberty Park area of Downtown Albany.

The consolidated financial statements represent the consolidated financial position and the consolidated changes in financial position and cash flows of the Corporation, Citywide, and Liberty Park Development, LLC. All intercompany transactions between the Corporation, Citywide, and Liberty Park Development, LLC have been eliminated for financial reporting purposes.

Basis of Accounting and Presentation

The Corporation follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Capitalize Albany Corporation's consolidated financial statements apply all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Revenue Recognition

Grant and contribution income

Grants, contributions, and similar items, including capital grant funding, are recognized as revenue when all requirements imposed by the grantor or contributor, if any, have been satisfied. Grant funds received for which all requirements have not yet been met are recorded as unearned grant and other income.

Rental income

Rental income is recognized as earned over the term of the related lease arrangements.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 — ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Fees, program, and other income

Fees, program, and other income consists primarily of management fees, which are recognized as earned under a management fee arrangement with terms of generally one year.

In addition, the Corporation, under Urban Development Action Grants (UDAG) financing arrangements through the United States Department of Housing and Urban Development (HUD), has recognized grant amounts as mortgage notes receivable, with corresponding credits to deferred program support. Principal repayments on these notes are recognized as fees, program, and other income and are applied against deferred program support. The UDAG agreements provide that the program income, together with the interest earned thereon, are restricted by HUD to be used for Title I eligible activities. The deferred program support account, in the Corporation's consolidated balance sheet, is a contra account which reflects UDAG loan principal repayments scheduled to be received in future years. There were no new UDAG grants in either 2020 or 2019.

Cash and Cash Equivalents

Cash is comprised of various interest bearing and non-interest bearing deposits in several financial institutions. The Corporation considers all highly liquid investments with original maturities of three months or less to be cash equivalents except for cash equivalents included in the investment account, which are included in investments in the accompanying consolidated balance sheets.

Investments

Investments are carried at fair value on a recurring basis, based on current market prices.

Mortgage Notes Receivable and Allowance for Losses

As explained further in Note 5, mortgage notes receivable are carried at the principal amount outstanding, net of an allowance for estimated uncollectible amounts. The Corporation's allowance for losses is evaluated on a regular basis by management and is estimated based on delinquency rates, current economic conditions, borrowers' outstanding balances, an analysis of borrowers' financial condition, and estimated value of any underlying collateral. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. The allowance for losses is increased by provisions charged to earnings and reduced by charge-offs, net of recoveries.

Loans made by the Corporation to recipient entities are generally issued as part of larger financial packages involving additional lenders. Substantially all of the Corporation's mortgage notes receivable, which are collateralized by real property and/or equipment, are subordinated to the loans provided by these other lenders. In some cases, projected growth and overall economic conditions have substantially changed since loan origination. The Corporation attempts to work with borrowers who are experiencing financial difficulties and has entered into debt restructuring agreements with respect to certain financially troubled borrowers. These restructuring agreements often incorporate notes, for which current repayment is contingent upon favorable future events as specified in the note agreement. Such uncertainties have been considered by the Corporation in establishing the estimated allowance for possible losses.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 — ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Mortgage Notes Receivable and Allowance for Losses (Continued)

The Corporation places impaired loans on nonaccrual status and recognizes interest income on such loans only on a cash basis. Accrual of interest is discontinued on a loan when management believes, after considering economics, business conditions, and collection efforts that the borrower's financial condition is such that collection of interest is doubtful. Uncollectible interest previously accrued is charged off. Income is subsequently recognized only to the extent cash payments are received until, in management's judgment, the borrower's ability to make periodic interest and principal payments is back to normal, in which case the loan is returned to accrual status.

Property Held for Investment and Lease, Net

Property held for investment and lease is carried at the lower of cost or net realizable value and represents assets acquired to assist in the Corporation's mission of encouraging economic development and business retention within the City.

Property and Equipment, Net

Property and equipment is stated at cost. Depreciation of property and equipment is provided using straight-line method over the estimated useful lives of the respective assets ranging from 5 years for equipment to 40 years for buildings.

Liberty Park Properties

Liberty Park consists of property within the boundaries of South Pearl Street, Madison Avenue, Broadway, and Hudson Avenue in the City of Albany, referred to as Liberty Park, held by the Corporation for possible redevelopment.

The Corporation records Liberty Park assets at historical cost. Cost is considered the appropriate basis for this project because several uncertainties exist with regard to the timing and nature of redevelopment completion. Cost includes the purchase price of the property and site improvement and development costs. The costs of normal maintenance and operation of the properties that do not add to the value of the properties are not capitalized. Cost basis does not necessarily represent fair value.

See Note 8 for additional information.

Description of Leasing Arrangements

The Corporation, as part of its mission, has entered into arrangements leasing various parcels of real estate. The lease terms range from one to thirty years. See Note 9 for further disclosure of these lease arrangements.

Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 — ORGANIZATION AND MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Corporation is a publicly supported organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Citywide and Liberty Park Development LLC's annual tax information filings are included with the annual filings of their sole member, Capitalize Albany Corporation.

Net Position

In order to present consolidated financial condition and consolidated operating results of the Corporation in a manner consistent with limitations and restrictions placed upon the use of resources, the Corporation classifies net position into three categories as follows:

Net invested in capital assets – This component of net position consists of property and equipment, including property held for investment and lease, net of accumulated depreciation, and reduced by the outstanding balances of debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net invested in capital assets. Rather, when applicable, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on assets use through external constraints imposed by creditors, by law or regulation, or through enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of "net invested in capital assets" or "restricted."

Reclassifications

Certain items in the prior year financial statements have been reclassified to conform to the current year presentation.

Subsequent Events

For purposes of preparing these financial statements, Capitalize Albany Corporation considered events through March __, 2021, the date the financial statements were available for issuance.

NOTE 2 — CASH AND CASH EQUIVALENTS

The Corporation maintains its cash in bank accounts with several financial institutions.

The Corporation has not experienced any losses with respect to its cash and cash equivalents balances. Based on management's review of the strength of the financial institutions, management feels the risk of loss on its cash balances is minimal.

At December 31, 2020, the carrying amount and the bank balances of the Corporation's deposits were approximately \$3,469,000 and \$3,604,000, respectively. Of the bank balances, approximately \$1,562,000 was insured under FDIC coverage. The remaining approximately \$2,042,000 was invested in a daily sweep/repurchase agreement with a financial institution which is invested in and fully collateralized by United States government issued securities but is not FDIC insured. There were no uncollateralized amounts at December 31, 2020.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 3 — RESTRICTED CASH

Generally, restricted cash represents funds that have been placed in a segregated account that cannot be used for a purpose other than the purpose for which that account is designated. Restricted cash includes amounts restricted for the following purposes at December 31:

| | 2020 | 2019 |
|--|--------------------|--------------------|
| Liberty Park (ESD grant funds) | \$5,757,244 | \$6,120,354 |
| CDBG eligible activities | 115,138 | 114,977 |
| EC/EDZ revolving loan fund | 614,554 | 535,424 |
| Hudson River Way campaign | 59,598 | 59,546 |
| Total restricted cash and cash equivalents | <u>\$6,546,534</u> | <u>\$6,830,301</u> |

At December 31, 2020, bank balances of restricted cash were approximately \$6,547,000, of which approximately \$365,000 were not insured under FDIC coverage or collateralized. The Liberty Park (ESD grant funds) bank balance is fully collateralized by an undivided security interest in pooled U.S. federal agency and government sponsored enterprise securities in proportion to its deposit to the bank's total deposits secured by the pool. The total collateral value of the pool is maintained at a minimum of 100% of total deposits secured by the pool after FDIC insurance. Uncollateralized amounts were maintained with major financial institutions considered by management to be secure.

NOTE 4 — INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of the following at December 31:

| | 2020 | | 2019 | |
|-------------------------|---------------------|---------------------|---------------------|---------------------|
| | Cost | Fair Value | Cost | Fair Value |
| Fixed Income Securities | \$ 5,222,265 | \$ 5,292,091 | \$ 5,557,216 | \$ 5,591,748 |
| Certificates of Deposit | 300,461 | 301,234 | - | - |
| Equities | 296,060 | 473,830 | 267,620 | 418,600 |
| Money Market | 164,065 | 164,065 | 54,720 | 54,720 |
| Total | <u>\$ 5,982,851</u> | <u>\$ 6,231,220</u> | <u>\$ 5,879,556</u> | <u>\$ 6,065,068</u> |

Unrealized gains of approximately \$58,000 and \$77,000 at December 31, 2020 and 2019, respectively, are included in other interest and investment income in the consolidated statements of revenue and expenses and changes in net position.

GASBS No. 72, *Fair Value Measurement and Application*, establishes requirements on how fair value should be measured, which assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 4 — INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth, within the fair value hierarchy, the Corporation's assets at fair value at December 31, 2020 and 2019:

| December 31, 2020 | | | | |
|---------------------------|---------------------|-------------------|----------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Money Market | \$ 164,065 | \$ - | \$ - | \$ 164,065 |
| Equities | 473,830 | - | - | 473,830 |
| Corporate Debt Securities | 1,762,872 | - | - | 1,762,872 |
| U.S. Treasury | 3,007,207 | - | - | 3,007,207 |
| Municipal Bonds | - | 522,012 | - | 522,012 |
| Certificates of Deposit | - | 301,234 | - | 301,234 |
| | <u>\$ 5,407,974</u> | <u>\$ 823,246</u> | <u>\$ -</u> | <u>\$ 6,231,220</u> |
| December 31, 2019 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Money Market | \$ 54,720 | \$ - | \$ - | \$ 54,720 |
| Equities | 418,600 | - | - | 418,600 |
| Corporate Debt Securities | 979,050 | - | - | 979,050 |
| U.S. Treasury | 4,235,535 | - | - | 4,235,535 |
| Municipal Bonds | - | 377,163 | - | 377,163 |
| | <u>\$ 5,687,905</u> | <u>\$ 377,163</u> | <u>\$ -</u> | <u>\$ 6,065,068</u> |

NOTE 5 — MORTGAGE NOTES RECEIVABLE, NET

The Corporation's mortgage notes receivable are comprised of 27 individual accounts at both December 31, 2020 and 2019 with an average outstanding principal balance approximating \$122,000 and \$127,000 at December 31, 2020 and 2019, respectively.

Repayment terms and interest rates on mortgage loans vary with each loan. Generally, interest rates range from 0% to 9% per year, with a weighted yield on all loans approximating 3.8% for each of the years ended December 31, 2020 and 2019. Current maturities range from 2021 through the year 2080.

Substantially all mortgage notes are collateralized by a subordinate interest in real property and/or equipment.

The composition of mortgage notes receivable by funding source is as follows at December 31:

| | 2020 | | 2019 | |
|---------------------------------|------------------------|---------------------|------------------------|---------------------|
| | Number of Notes | Amount | Number of Notes | Amount |
| CDBG | 1 | \$ 33,735 | 1 | \$ 33,735 |
| UDAG | 8 | 881,353 | 8 | 881,353 |
| EC/EDZ | 4 | 199,518 | 4 | 276,849 |
| Revolving Real Estate Loan Fund | 4 | 816,389 | 4 | 831,609 |
| Other | 10 | 1,355,493 | 10 | 1,403,599 |
| | <u>27</u> | <u>3,286,488</u> | <u>27</u> | <u>3,427,145</u> |
| Less allowance for losses | | <u>(2,123,445)</u> | | <u>(2,123,444)</u> |
| Mortgage notes receivable, net | | 1,163,043 | | 1,303,701 |
| Less: current portion | | <u>117,041</u> | | <u>156,206</u> |
| Noncurrent | | <u>\$ 1,046,002</u> | | <u>\$ 1,147,495</u> |

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 5 — MORTGAGE NOTES RECEIVABLE, NET (Continued)

The Community Block Development Grant Program (CDBG) and UDAG notes were funded through monies received under Federal programs in prior years. The Enterprise Community/Economic Development Zone (EC/EDZ) notes were funded through grant monies received in prior years (see Note 11).

The Revolving Real Estate Loan Fund was established through an allocation of \$2 million of general funds of the Corporation for the purpose of stimulating strategic development projects. The Corporation also lends monies to individuals, businesses, and non-profit agencies for other projects in furtherance of its mission utilizing general funds of the Corporation. Both the Revolving Real Estate Loan Fund and Other notes are not restricted by any external funding sources.

The recorded investment in mortgage notes receivable that are considered to be impaired approximated \$2,170,000 and \$2,191,000 at December 31, 2020 and 2019, respectively. The allowance for losses related to impaired loans approximated \$2,123,000 at both December 31, 2020 and 2019. Interest income recognized during 2020 and 2019 on impaired mortgage notes receivable, while such mortgage notes receivable were impaired, was not material.

NOTE 6 — PROPERTY HELD FOR INVESTMENT AND LEASE, NET

The following is a summary of changes in property held for investment and lease for the year ended December 31, 2020:

| | January 1, 2020 | Additions | Dispositions | Reclassification | Impairment | December 31, 2020 |
|--|---------------------|-----------|--------------|------------------|------------|----------------------|
| Riverfront Bar & Grill - Utilities Project | \$ 43,800 | \$ - | \$ - | \$ - | \$ - | \$ 43,800 |
| Quackenbush Square Parking Lot | 146,864 | - | - | - | - | 146,864 |
| Quackenbush House | 199,192 | 5,252 | - | - | - | 204,444 |
| Palace Properties | 25,000 | - | - | - | - | 25,000 |
| Corning Preserve Project | 4,114,091 | - | - | - | - | 4,114,091 |
| Land at 11 Clinton Avenue | 225,000 | - | - | - | - | 225,000 |
| Land at 174 North Pearl | 114,915 | - | - | - | - | 114,915 |
| | 4,868,862 | 5,252 | - | - | - | 4,874,114 |
| Less accumulated depreciation | 3,059,669 | 174,978 | - | - | - | 3,234,647 |
| | <u>\$ 1,809,193</u> | | | | | <u>\$ 1,639,467</u> |

The following is a summary of changes in property held for investment and lease for the year ended December 31, 2019:

| | January 1, 2019 | Additions | Dispositions | Reclassification | Impairment | December 31, 2019 |
|--|---------------------|-----------|--------------|------------------|------------|----------------------|
| Riverfront Bar & Grill - Utilities Project | \$ 43,800 | \$ - | \$ - | \$ - | \$ - | \$ 43,800 |
| Quackenbush Square Parking Lot | 146,864 | - | - | - | - | 146,864 |
| Quackenbush House | 199,192 | - | - | - | - | 199,192 |
| Palace Properties | 25,000 | - | - | - | - | 25,000 |
| Corning Preserve Project | 4,114,091 | - | - | - | - | 4,114,091 |
| Land at 11 Clinton Avenue | 225,000 | - | - | - | - | 225,000 |
| Land at 174 North Pearl | - | - | - | 114,915 | - | 114,915 |
| | 4,753,947 | - | - | 114,915 | - | 4,868,862 |
| Less accumulated depreciation | 2,884,186 | 175,483 | - | - | - | 3,059,669 |
| | <u>\$ 1,869,761</u> | | | | | <u>\$ 1,809,193</u> |

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 6 — PROPERTY HELD FOR INVESTMENT AND LEASE, NET (Continued)

Property located at 174 North Pearl Street was vacant and as of December 31, 2018, a plan of reuse had not been developed and was included in other assets in the consolidated statement of net position at December 31, 2018. In 2019, the Corporation approved a plan to sell the property and it is classified as property held for investment and lease, net, in the consolidated statements of net position at December 31, 2020 and 2019.

Corning Preserve Project

The Corporation, in 2002, functioned as the conduit agency with several related parties related to a project to construct various improvements to a portion of the Corning Preserve Park (Corning Preserve Project). The Corporation entered into an interim use and ground lease agreement with the City providing for a ground lease of the property owned by the City, underlying the Corning Preserve Project. The interim use and ground lease agreement has a thirty-five year term and provides for a nominal rent payment. At the end of the lease term the Corning Preserve Project reverts to the City.

The Corporation entered into a lease agreement with the City of Albany Industrial Development Agency (CAIDA) to sublease the property to the CAIDA. The sublease expires at the earlier of a date requested by the Corporation or the completion date of the Corning Preserve Project. The lease agreement provides for a nominal payment. The Corporation also entered into an installment sale agreement with the CAIDA pursuant to which the Corporation is obligated, among other things, to complete the Corning Preserve Project as the agent of the CAIDA and the CAIDA sells the Corning Preserve Project to the Corporation on an installment basis. The Corporation's payments under the installment sale agreement are equivalent to the debt service requirements on the \$4,390,000 in 2002 Civic Facility Revenue Bonds issued by the CAIDA to fund the Corning Preserve Project, which is accounted for as bonds payable (see Note 10).

The Corporation entered into a shared use and sublease agreement with the Albany Port District Commission (the "Port"). Under the shared use and sublease agreement the Port is obligated to perform on behalf of the Corporation, the Corporation's obligations under the interim use and ground lease agreement and the installment sale agreement. Also under the shared use and sublease agreement, which is accounted for as an operating lease, the Port is obligated to fund the Corporation's obligations relating to the Corning Preserve Project, including funding payments sufficient to cover all related bond debt service and certain other expenses (see Note 9).

NOTE 7 — PROPERTY AND EQUIPMENT, NET

The following is a summary of changes in property and equipment for the year ended December 31, 2020:

| | January 1, 2020 | Additions | Dispositions | December 31, 2020 |
|-------------------------------|----------------------------|------------------|---------------------|------------------------------|
| Land | \$ 49,300 | \$ - | \$ - | \$ 49,300 |
| Building and improvements | 485,035 | - | - | 485,035 |
| Furniture and equipment | 170,731 | 20,833 | - | 191,564 |
| Total | 705,066 | 20,833 | - | 725,899 |
| Less accumulated depreciation | 364,845 | 18,273 | - | 383,118 |
| | <u>\$340,221</u> | <u>\$ 2,560</u> | <u>\$ -</u> | <u>\$ 342,781</u> |

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 7 — PROPERTY AND EQUIPMENT, NET (Continued)

The following is a summary of changes in property and equipment for the year ended December 31, 2019:

| | January 1, 2019 | Additions | Dispositions | December 31, 2019 |
|-------------------------------|----------------------------|------------------|---------------------|------------------------------|
| Land | \$ 49,300 | \$ - | \$ - | \$ 49,300 |
| Building and improvements | 485,035 | - | - | 485,035 |
| Furniture and equipment | 147,459 | 23,272 | - | 170,731 |
| Total | 681,794 | 23,272 | - | 705,066 |
| Less accumulated depreciation | 345,553 | 19,292 | - | 364,845 |
| | <u>\$336,241</u> | <u>\$ 3,980</u> | <u>\$ -</u> | <u>\$ 340,221</u> |

Depreciation expense, including depreciation expense on property held for investment and lease, was approximately \$193,000 and \$195,000 for the years ended December 31, 2020 and 2019, respectively.

NOTE 8 — LIBERTY PARK PROPERTIES

Liberty Park consists of property within the boundaries of South Pearl Street, Madison Avenue, Broadway, and Hudson Avenue in the City of Albany, referred to as Liberty Park, held by the Corporation for possible redevelopment.

The Corporation records Liberty Park assets at historical cost. Cost is considered the appropriate basis for this project because several uncertainties exist with regard to the timing and nature of redevelopment completion. Cost includes the purchase price of the property and site improvement and development costs. The costs of normal maintenance and operation of the properties that do not add to the value of the properties are not capitalized. Cost basis does not necessarily represent fair value.

In December 2017, the Corporation entered into a Purchase and Sale Agreement with the Albany Convention Center Authority (ACCA) for the transfer of property interests in the roughly five acre ACCA surplus property surrounding Liberty Park in downtown Albany (Liberty Park) for a nominal purchase price of \$1. The Corporation and the ACCA closed on this transfer effective December 2019. As part of the agreement, the Corporation assumed a ground lease obligation expiring in 2038. Annual rent through August 2023 is \$174,000 with escalations in annual rent of \$12,000 every 5 years thereafter through August 2038.

In 2019, the Corporation was awarded up to \$15 million in Upstate Revitalization Initiative funds for the redevelopment of Liberty Park. Empire State Development (ESD) approved an initial investment of \$10.1 million for the acquisition of property rights (fee and/or leasehold interests as needed), emergency demolition, property maintenance, operation and stabilization, and administration, planning and design, which was transferred to a restricted cash account held by the Corporation. Drawdowns of grant funds from the restricted account must be approved by ESD.

The Corporation utilized a portion of the grant funds to purchase a portion of the Liberty Park site with existing leases that have since been terminated for \$3.3 million in November 2019, which is included in the Liberty Park properties asset in the accompanying consolidated statements of net position.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 8 — LIBERTY PARK PROPERTIES (Continued)

Significant assets, liabilities, revenues, and expenses associated with the Liberty Park properties as of and for the years ended December 31, 2020 and 2019 are summarized below and included in the referenced category (financial statement line item) in the consolidated financial statements:

| | <u>2020</u> | <u>2019</u> |
|--|--------------------|---------------------|
| Assets | | |
| Restricted cash | <u>\$5,757,244</u> | <u>\$ 6,120,354</u> |
| Liberty Park properties | <u>\$4,115,439</u> | <u>\$ 4,005,841</u> |
| Liabilities | | |
| Unearned program support and revolving loan fund liability | <u>\$5,690,732</u> | <u>\$ 6,085,242</u> |
| Rental income | <u>\$ 62,838</u> | <u>\$ -</u> |
| Capital grant funding | <u>\$ 394,510</u> | <u>\$ 4,108,478</u> |
| Program and project costs | <u>\$ 437,419</u> | <u>\$ 113,816</u> |

NOTE 9 — OPERATING LEASES

The Corporation leases the Quackenbush Square Parking Lot, the Quackenbush House, and Corning Preserve Project, all classified as property held for investment and lease (see Note 6), to help accomplish its economic development goals. In addition, the Corporation entered into an agreement to lease a certain portion of the acquired Liberty Park properties.

The following is a schedule by year of the minimum future rentals to be received on non-cancellable operating leases as of December 31, 2020:

| | |
|------------|---------------------|
| 2021 | \$ 358,775 |
| 2022 | 286,098 |
| 2023 | 301,773 |
| 2024 | 298,168 |
| 2025 | 44,262 |
| Thereafter | <u>7,413</u> |
| | <u>\$ 1,296,489</u> |

The Corporation leases the Corning Preserve Project to the Albany Port District Commission (the "Port") under a shared use and lease agreement (see Note 6). The shared use and sublease agreement has a thirty year term expiring in 2032. Under the shared use and lease agreement the Port is obligated to make lease payments sufficient to cover all related bond debt service and certain other expenses. The annual rent payments due from the Port will change on a year to year basis as a result of the variable interest rate associated with the bonds, the amortization schedule of the bonds and bond prepayments. The Corporation is recognizing the base rental income on a straight-line basis over the life of the lease based on the lease factors at inception of the lease. For the years ended December 31, 2020 and 2019, rental income approximated \$152,000 and \$153,000, respectively. Increases or decreases to the base rental income result from changes in lease factors occurring subsequent to the inception of the lease and are recognized as contingent rentals in the period that the changes take place.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 10 — BONDS PAYABLE

The following is a summary of changes in bonds payable for the year ended December 31, 2020:

| | <u>January 1,</u> <u>2020</u> | <u>Increases</u> | <u>Decreases</u> | <u>December 31,</u> <u>2020</u> |
|------------------------------------|----------------------------------|------------------|------------------|------------------------------------|
| Bonds Payable: | | | | |
| CAIDA Corning Preserve Project (A) | \$ 1,150,000 | \$ - | \$ (210,000) | \$ 940,000 |
| Less current maturities | <u>210,000</u> | | | <u>220,000</u> |
| | <u>\$ 940,000</u> | | | <u>\$ 720,000</u> |

The following is a summary of changes in bonds payable for the year ended December 31, 2019:

| | <u>January 1,</u> <u>2019</u> | <u>Increases</u> | <u>Decreases</u> | <u>December 31,</u> <u>2019</u> |
|-----------------------------------|----------------------------------|------------------|------------------|------------------------------------|
| Bonds Payable: | | | | |
| AIDA Corning Preserve Project (A) | \$ 1,350,000 | \$ - | \$ (200,000) | \$ 1,150,000 |
| Less current maturities | <u>200,000</u> | | | <u>210,000</u> |
| | <u>\$ 1,150,000</u> | | | <u>\$ 940,000</u> |

- (A) The Corporation functioned as the conduit agency in connection with a 2002 Civic Facility Revenue bond issue of the CAIDA in the amount of \$4,390,000. The proceeds were utilized to fund a project that includes the construction of various improvements to the Corning Preserve Park. The obligation requires monthly payment of interest and the interest rate is adjusted weekly. The bonds mature in May 2027. The bonds are secured by a letter of credit issued by Key Bank. The letter of credit requires principal payments on the outstanding bonds, annually on May 1, in prescribed amounts currently ranging from \$220,000 in 2021 to \$255,000 in 2024, thus providing for the full amortization of the bonds by the 2027 maturity date. The letter of credit also requires principal payments on the outstanding bonds if certain grant proceeds related to the Corning Preserve Project are received. The interest rate at December 31, 2020 was 0.23% (1.10% at December 31, 2019). The Corning Preserve Project is leased to the Port under a related agreement that has been classified as an operating lease (see Note 9).

At December 31, 2020, principal and interest requirements to maturity are as follows:

| | <u>Principal</u> | <u>Interest</u> |
|------|-------------------|-----------------|
| 2021 | \$ 220,000 | \$ 1,863 |
| 2022 | 225,000 | 1,351 |
| 2023 | 240,000 | 815 |
| 2024 | <u>255,000</u> | <u>244</u> |
| | <u>\$ 940,000</u> | <u>\$ 4,273</u> |

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 11 — REVOLVING LOAN FUND LIABILITY

In June 1999, the Corporation was awarded a grant of \$643,291 to establish and operate a revolving loan fund to benefit prospective or existing Enterprise Community and/or Economic Development Zone (EC/EDZ) businesses. Generally, repayments on loans originated are to be recycled back into the loan fund to provide additional loans. However, with approval from the Empire State Development Corporation (“ESDC”), interest generated from the loans can be recorded as revenue to the extent that it offsets administrative expenses related to operating the loan fund. Approximately \$9,000 and \$15,000 of such revenue was recognized for the years ended December 31, 2020 and 2019, respectively.

NOTE 12 — EMPLOYEE BENEFIT PLANS

Retirement Plan

Prior to January 1, 2020, the Corporation sponsored a Simplified Employee Pension Plan (SEP-IRA). The Corporation elected to contribute 11% of an eligible employee’s compensation annually to the SEP-IRA. Effective January 1, 2020, the Corporation replaced the existing SEP-IRA plan with a company-sponsored 401(k) plan. The Corporation elected to continue to contribute 11% of eligible employee compensation to the 401(k) plan.

During 2020 and 2019, nine and seven employees were covered by the plans, and total contribution expenses incurred were approximately \$88,000 and \$65,000, respectively.

Post Employment Benefit

The Corporation does not offer post employment benefits to its employees.

NOTE 13 — PAYCHECK PROTECTION PROGRAM LOAN

In May 2020, the Corporation received loan proceeds of \$129,100 under the Small Business Administration’s (“SBA”) Paycheck Protection Program (“PPP”) established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). Generally, the PPP loan and related accrued interest are forgivable, as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains certain payroll levels.

In accordance with GASB 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, the PPP loan is required to be reported as a liability until the entity is legally released from the debt. The Corporation applied for and has been notified that the full \$129,100 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven effective January 5, 2021. As the Corporation did not receive notification of the PPP loan forgiveness as of December 31, 2020, the PPP loan is reported as a current liability in the accompanying 2020 consolidated statement of net position and the forgiveness will be recognized in the 2021 consolidated statement of revenues and expenses and changes in net position.

The Corporation must maintain all records relating to the PPP loan for six years from the date the loan is forgiven.

CAPITALIZE ALBANY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 14 — COMMITMENTS AND CONTINGENCIES

Professional Services Agreement

During 2015, the Corporation entered into a professional services agreement with the City of Albany with a five-year term, which has been renewed for an additional five-year term expiring in December 2024. Under this agreement the City of Albany provides economic development, planning, and community development consultancy services in furtherance of the Corporation's mission. The Corporation's fee to the City of Albany under this agreement totaled approximately \$53,000 for each of the years ended December 31, 2020 and 2019. The fee shall be automatically modified to reflect any salary and fringe adjustment to the City employee positions and any changes to expenses.

COVID-19

Global and domestic responses to the coronavirus disease (COVID-19) outbreak continue to evolve. Management's determination is that currently, there is minimal financial effect on the Corporation. However, management will continue to closely monitor financial results, including areas with a greater risk of potential adverse impact, including repayments of mortgage notes receivable and any significant decline in investment values. The ability of borrowers to repay mortgage notes can be impaired by a number of factors, including a pandemic such as COVID-19. Furthermore, in light of the global market's volatility since the pandemic, the Corporation will continue to monitor its investments as it has successfully done in the past, but has no immediate plans to significantly change its investment portfolio based on its current composition (see Note 4). As the situation continues to unfold, management may need to find ways to address the disruption of operations that may result from the ongoing national and local response to the outbreak. At this point, the extent to which COVID-19 may impact the Corporation is uncertain.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Capitalize Albany Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Capitalize Albany Corporation, which comprise the consolidated statement of net position as of December 31, 2020, and the related consolidated statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March __, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Capitalize Albany Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capitalize Albany Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Capitalize Albany Corporation's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Capitalize Albany Corporation's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Investment Guidelines for Public Authorities and Capitalize Albany Corporation's investment guidelines, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Albany, New York
March __, 2021

2020 Assessment of the Effectiveness of Internal Controls

Capitalize Albany Corporation (“Corporation”) Major Business Functions:

The primary mission of the Corporation is as follows:

Facilitate economic development projects within the City of Albany

The Capitalize Albany Corporation (formerly the Albany Local Development Corporation) was incorporated in 1979 to primarily provide financing to eligible businesses in order to create and retain employment and investment within the City of Albany. The Corporation also plays an active role in facilitating large-scale transformational real estate projects that the Corporation identifies as a priority.

No changes have occurred with respect to funding sources, mission or objectives of the Corporation during 2020. Accomplishments, including financial status, committee accomplishments and legal requirements are outlined on a monthly basis via publically advertised and open meetings. Minutes of these meetings as well as supporting documents are maintained on the agency’s website.

Risks Associated with the Corporation’s Operations:

Public meeting rules are in place and regularly followed. The Chair of the Board of Directors is regularly engaged as are other board members. The Audit and Finance Committees regularly reviews financial information which is then presented to the board at publically open meetings. Additionally, for both legal and financial aspects, the Corporation utilizes outside sources with expertise in the associated functions to lend additional controls. As such, risks are deemed to be low for all activities and functions within the Corporation. A review for 2019 finds no change to the differing levels of involvement and approval.

Internal Control Systems in Place

There has been a longstanding set of policies, procedures and guidelines in place at the Corporation that are designed to ensure the Corporation's mission is carried out in full and to minimize risk. These items remained in place during 2020. Some of the key internal controls in place include:

- Public meeting and disclosure requirements are in effect and regularly followed.
- Board of Directors annually reviews and accepts the NYS PAAA policies.
- As noted previously, the use of external parties provides additional levels of internal control. Additionally, personnel with appropriate backgrounds and experience are utilized to help identify such items as legal or financial risks.
- Consistent reports are provided to management as well as the various committees and the full Board of Directors.
- The Corporation annually has a financial audit. The financial audit provides an opinion on the financial statements and also includes the audit related assessment of internal controls.
- The Corporation’s board actions have addressed internal controls through review and adoption of policies and procedures. These policy and procedures include the following:
 - Annual Board adoption and acceptance of NYS PAAA policies
 - Annual Board adoption and acceptance of PARIS reports
 - Annual external financial audit with Audit Committee oversight

- Annual completion of Board self-evaluation.
- Annual meeting of membership to appoint Board of Directors
- Annual review and acceptance of the Corporation's performance goals
- Annual completion of the Board's Conflict of Interest Declaration forms
- Annual Review and adoption of the Corporation's Procurement Policy
- Annual Review and adoption of the Corporation's Investment Policy
- Annual Review of the Corporation's investment performance
- Annual Review and adoption of the Corporation's Property Acquisition and Disposition Policy.

Extent to Which the Internal Control System is Effective

Management has reviewed the internal control system for 2020 and finds that the items as outlined above remain in place and functioning as expected. The Corporation's most recent financial audit (for the calendar year 2019 and the year ended December 31, 2019) identified no material weaknesses or significant deficiencies. Policies and procedures in place are deemed sufficient. As noted previously, the Corporation's staff regularly reviews updates to pertinent rules.

Corrective Action

No specific corrective action is required at this time. Management consistently works to strengthen controls as possible.

March 19, 2021

To: Chairman and Board, Capitalize Albany Corporation (“CAC”)

From: Chairman, CAC Audit Committee

Subj: *CAC Audit Committee Annual Report for 2020*

The CAC Audit Committee Charter provides that the Audit Committee “shall present annually to the Corporation’s Board a written report of how it has discharged its duties and responsibilities as outlined in the Charter.”

Below is the Committee’s Annual Report for 2020. The format below identifies each of the Committee’s four major areas of responsibilities followed by a summary of the Committee’s 2020 activities.

I. Independent Audit

A. “Appoint, compensate and oversee the independent auditors”

- Committee engaged CAC’s independent auditor;
- Committee met with the independent auditor to review the scope/planning of audit prior to audit commencement and ensured CAC’s full transparency/cooperation with the audit process;
- Committee met with the independent auditor during, and following, the audit to oversee the audit process and review/approve CAC’s audited financial results, report on internal controls, and related auditor communications; and
- Committee reviewed both the 2018 audit process and the performance/independence of the independent auditor, and found no deficiencies.

II. Internal Controls

A. “Review the Management’s assessment of internal controls and the independent auditor’s report on internal controls”

- Committee reviewed CAC management’s assessment of internal controls and the independent auditor’s report on internal controls.

III. Special Investigations

A. “Ensure . . . confidential mechanism to report suspected fraudulent activities, allegations of corruption, fraud . . . and oversee special investigations as needed”

- No allegations/reports of any improper activity were received by the Committee.

IV. Other Responsibilities

A. “Review Committee’s Charter annually . . . and recommend any proposed changes to the Board”

- No proposed changes to the Charter were recommended in 2020.

B. “Conduct an annual self-evaluation of [Committee] performance, including its . . . compliance with the Charter and request Board approval for proposed changes”

- Committee reports that it complied with the Charter and has no request for Charter changes.

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

Governance Information (Authority-Related)

| Question | | Response | URL (if Applicable) |
|----------|---|----------|--------------------------|
| 1. | Has the Authority prepared its annual report on operations and accomplishments for the reporting period as required by section 2800 of PAL? | Yes | www.capitalizealbany.com |
| 2. | As required by section 2800(9) of PAL, did the Authority prepare an assessment of the effectiveness of its internal controls? | Yes | www.capitalizealbany.com |
| 3. | Has the lead audit partner for the independent audit firm changed in the last five years in accordance with section 2802(4) of PAL? | Yes | N/A |
| 4. | Does the independent auditor provide non-audit services to the Authority? | No | N/A |
| 5. | Does the Authority have an organization chart? | Yes | www.capitalizealbany.com |
| 6. | Are any Authority staff also employed by another government agency? | No | |
| 7. | Has the Authority posted their mission statement to their website? | Yes | www.capitalizealbany.com |
| 8. | Has the Authority's mission statement been revised and adopted during the reporting period? | No | N/A |
| 9. | Attach the Authority's measurement report, as required by section 2824-a of PAL and provide the URL. | | www.capitalizealbany.com |

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

Governance Information (Board-Related)

| Question | Response | URL (If Applicable) |
|---|----------|--------------------------|
| 1. Has the Board established a Governance Committee in accordance with Section 2824(7) of PAL? | Yes | N/A |
| 2. Has the Board established an Audit Committee in accordance with Section 2824(4) of PAL? | Yes | N/A |
| 3. Has the Board established a Finance Committee in accordance with Section 2824(8) of PAL? | Yes | N/A |
| 4. Provide a URL link where a list of Board committees can be found (including the name of the committee and the date established): | | www.capitalizealbany.com |
| 5. Does the majority of the Board meet the independence requirements of Section 2825(2) of PAL? | Yes | N/A |
| 6. Provide a URL link to the minutes of the Board and committee meetings held during the covered fiscal year | | www.capitalizealbany.com |
| 7. Has the Board adopted bylaws and made them available to Board members and staff? | Yes | www.capitalizealbany.com |
| 8. Has the Board adopted a code of ethics for Board members and staff? | Yes | www.capitalizealbany.com |
| 9. Does the Board review and monitor the Authority's implementation of financial and management controls? | Yes | N/A |
| 10. Does the Board execute direct oversight of the CEO and management in accordance with Section 2824(1) of PAL? | Yes | N/A |
| 11. Has the Board adopted policies for the following in accordance with Section 2824(1) of PAL? | | |
| Salary and Compensation | Yes | N/A |
| Time and Attendance | Yes | N/A |
| Whistleblower Protection | Yes | N/A |
| Defense and Indemnification of Board Members | Yes | N/A |
| 12. Has the Board adopted a policy prohibiting the extension of credit to Board members and staff in accordance with Section 2824(5) of PAL? | Yes | N/A |
| 13. Are the Authority's Board members, officers, and staff required to submit financial disclosure forms in accordance with Section 2825(3) of PAL? | Yes | N/A |
| 14. Was a performance evaluation of the board completed? | Yes | N/A |
| 15. Was compensation paid by the Authority made in accordance with employee or union contracts? | No | N/A |
| 16. Has the board adopted a conditional/additional compensation policy governing all employees? | No | |

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

Board of Directors Listing

| | | | |
|---|----------------|--|-------|
| Name | Adams, Kaweeda | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 12/20/2018 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2021 | Complied with Training Requirement of Section 2824? | No |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

| | | | |
|---|--------------------|--|-------|
| Name | Briccetti, Heather | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 12/20/2018 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2021 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

| | | | |
|---|---------------------|--|-------|
| Name | Castellana, Michael | Nominated By | Other |
| Chair of the Board | Yes | Appointed By | Other |
| If yes, Chair Designated by | Elected by Board | Confirmed by Senate? | N/A |
| Term Start Date | 12/20/2018 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2021 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | Yes |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

| | | | |
|---|----------------|--|-------|
| Name | Curley, Robert | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 12/17/2019 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2022 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

| | | | |
|---|------------------|--|-------|
| Name | Fancher, Michael | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 12/15/2020 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2024 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

| | | | |
|---|--------------|--|-------|
| Name | Harris, John | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 12/17/2019 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2022 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

| | | | |
|---|----------------|--|-------|
| Name | Parente, David | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 12/20/2018 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2021 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

| | | | |
|---|-------------|--|-------|
| Name | Pedo, Susan | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | No |
| Term Start Date | 12/17/2019 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2022 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

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Status: UNSUBMITTED

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| | | | |
|---|----------------|--|-------|
| Name | Peter, Matthew | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | No |
| Term Start Date | 12/17/2019 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2022 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | Yes |
| Designee Name | | Ex-Officio | |

| | | | |
|---|--------------------|--|-------|
| Name | Rodriguez, Havidan | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 12/15/2020 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2024 | Complied with Training Requirement of Section 2824? | No |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

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| | | | |
|---|-----------------|--|-------|
| Name | Sperry, Jeffrey | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 12/20/2018 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2021 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

| | | | |
|---|----------------|--|-------|
| Name | Tomson, Anders | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 12/15/2020 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2024 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

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Status: UNSUBMITTED

Certified Date: N/A

| | | | |
|---|-----------------|--|-------|
| Name | Torrejón, Karen | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | No |
| Term Start Date | 12/15/2020 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2024 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

| | | | |
|---|------------------|--|-------|
| Name | Vennard, Michele | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 12/20/2018 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2021 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | Yes |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

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Certified Date: N/A

| | | | |
|---|------------|--|-------|
| Name | Vero, John | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 12/17/2019 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2022 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

| | | | |
|---|------------------|--|-------|
| Name | del Peral, Sonya | Nominated By | Other |
| Chair of the Board | No | Appointed By | Other |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 12/20/2018 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 12/31/2021 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

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Status: UNSUBMITTED

Certified Date: N/A

Staff Listing

| Name | Title | Group | Department/ Subsidiary | Union Name | Bargaining Unit | Full Time/ Part Time | Exempt | Base Annualized Salary | Actual salary paid to the Individual | Overtime paid by Authority | Performance Bonus | Extra Pay | Other Compensati on/Allowanc es/Adjustme nts | Total Compensati on paid by Authority | Individual also paid by another entity to perform the work of the Authority | If yes, Is the payment made by a State or local governme nt |
|----------------------|--------------------------------------|--------------|---------------------------|---------------|--------------------|-------------------------|--------|------------------------------|---|----------------------------------|----------------------|-------------|--|---|---|--|
| Bohne, Michael | Communications & Marketing Assistant | Professional | | | | FT | Yes | \$63,000.00 | \$62,943.15 | \$0.00 | \$0.00 | \$1,120.26 | \$0.00 | \$64,063.41 | No | |
| Conoscenti, Thomas S | Vice President | Executive | | | | FT | Yes | \$134,000.00 | \$100,500.07 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$100,500.07 | No | |
| Corcione, Andrew | Sr. Economic Developer II | Professional | | | | FT | Yes | \$77,500.00 | \$77,447.36 | \$0.00 | \$0.00 | \$6,985.87 | \$0.00 | \$84,433.23 | No | |
| Culhane, Nora M | Program Assistant | Professional | | | | FT | Yes | \$50,400.00 | \$45,623.09 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$45,623.09 | No | |
| Medve, Christopher P | Sr. Economic Developer II | Professional | | | | FT | Yes | \$80,000.00 | \$76,923.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$76,923.00 | No | |
| Mohl, Ashley | Director of Economic Development | Professional | | | | FT | Yes | \$112,100.00 | \$105,523.17 | \$0.00 | \$0.00 | \$744.88 | \$0.00 | \$106,268.05 | No | |
| Opalka, Mark | Controller | Professional | | | | FT | Yes | \$83,888.00 | \$83,845.75 | \$0.00 | \$0.00 | \$9,274.51 | \$0.00 | \$93,120.26 | No | |
| Rawlins, Virginia | Economic Development Specialist | Professional | | | | FT | Yes | \$45,000.00 | \$44,480.79 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$44,480.79 | No | |
| Reginelli, Sarah | President | Executive | | | | FT | Yes | \$171,500.00 | \$171,334.52 | \$0.00 | \$0.00 | \$23,123.08 | \$0.00 | \$194,457.60 | No | |

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Benefit Information

| | |
|---|----|
| During the fiscal year, did the Authority continue to pay for any of the above mentioned benefits for former staff or individuals affiliated With the Authority after those individuals left the Authority? | No |
|---|----|

Board Members

| Name | Title | Severance Package | Payment for Unused Leave | Club Member-ships | Use of Corporate Credit Cards | Personal Loans | Auto | Transportation | Housing Allowance | Spousal / Dependent Life Insurance | Tuition Assistance | Multi-Year Employment | None of these Benefits | Other |
|---------------------|--------------------|-------------------|--------------------------|-------------------|-------------------------------|----------------|------|----------------|-------------------|------------------------------------|--------------------|-----------------------|------------------------|-------|
| Adams, Kaweeda | Board of Directors | | | | | | | | | | | | X | |
| Briccetti, Heather | Board of Directors | | | | | | | | | | | | X | |
| Castellana, Michael | Board of Directors | | | | | | | | | | | | X | |
| Curley, Robert | Board of Directors | | | | | | | | | | | | X | |
| Fancher, Michael | Board of Directors | | | | | | | | | | | | X | |
| Harris, John | Board of Directors | | | | | | | | | | | | X | |
| Parente, David | Board of Directors | | | | | | | | | | | | X | |
| Pedo, Susan | Board of Directors | | | | | | | | | | | | X | |
| Peter, Matthew | Board of Directors | | | | | | | | | | | | X | |
| Rodriguez, Havidan | Board of Directors | | | | | | | | | | | | X | |
| Sperry, Jeffrey | Board of Directors | | | | | | | | | | | | X | |
| Tomson, Anders | Board of Directors | | | | | | | | | | | | X | |
| Torrejon, Karen | Board of Directors | | | | | | | | | | | | X | |
| Vennard, Michele | Board of Directors | | | | | | | | | | | | X | |
| Vero, John | Board of | | | | | | | | | | | | X | |

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| Name | Title | Severance Package | Payment for Unused Leave | Club Member-ships | Use of Corporate Credit Cards | Personal Loans | Auto | Transportation | Housing Allowance | Spousal / Dependent Life Insurance | Tuition Assistance | Multi-Year Employment | None of these Benefits | Other |
|------------------|--------------------|-------------------|--------------------------|-------------------|-------------------------------|----------------|------|----------------|-------------------|------------------------------------|--------------------|-----------------------|------------------------|-------|
| | Directors | | | | | | | | | | | | | |
| del Peral, Sonya | Board of Directors | | | | | | | | | | | | X | |

Staff

| Name | Title | Severance Package | Payment for Unused Leave | Club Member-ships | Use of Corporate Credit Cards | Personal Loans | Auto | Transportation | Housing Allowance | Spousal / Dependent Life Insurance | Tuition Assistance | Multi-Year Employment | None of these Benefits | Other |
|----------------------|----------------------------------|-------------------|--------------------------|-------------------|-------------------------------|----------------|------|----------------|-------------------|------------------------------------|--------------------|-----------------------|------------------------|-------|
| Conoscenti, Thomas S | Vice President | | | | | | | | | | | | X | |
| Mohl, Ashley | Director of Economic Development | | | | | | | | | | | | X | |
| Reginelli, Sarah | President | | | | | | | | | | | | X | |

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Subsidiary/Component Unit Verification

| | |
|--|-----|
| Is the list of subsidiaries, as assembled by the Office of the State Comptroller, correct? | No |
| Are there other subsidiaries or component units of the Authority that are active, not included in the PARIS reports submitted by this Authority and not independently filing reports in PARIS? | Yes |

| Name of Subsidiary/Component Unit | Status |
|-----------------------------------|--------|
|-----------------------------------|--------|

Request Subsidiary/Component Unit Change

| Name of Subsidiary/Component Unit | Status | Requested Changes |
|-----------------------------------|--------|-------------------|
|-----------------------------------|--------|-------------------|

Request Add Subsidiaries/Component Units

| Name of Subsidiary/Component Unit | Establishment Date | Purpose of Subsidiary/Component Unit |
|-----------------------------------|--------------------|--|
| Citywide Property Holdings LLC | 4/28/2008 | Assist the Corporation in the furtherance of its mission and to enhance project development. |
| Liberty Square Development LLC | 1/5/2018 | Assist the Corporation in the furtherance of its mission and to enhance project development. |

Request Delete Subsidiaries/Component Units

| Name of Subsidiary/Component Unit | Termination Date | Reason for Termination | Proof of Termination Document Name |
|-----------------------------------|------------------|------------------------|------------------------------------|
|-----------------------------------|------------------|------------------------|------------------------------------|

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Status: UNSUBMITTED

Certified Date: N/A

Summary Financial Information
SUMMARY STATEMENT OF NET ASSETS

| | | | Amount |
|-------------------------------|---|--|-----------------|
| Assets | | | |
| Current Assets | | | |
| | Cash and cash equivalents | | \$3,469,351.00 |
| | Investments | | \$6,231,220.00 |
| | Receivables, net | | \$442,478.00 |
| | Other assets | | \$0.00 |
| | Total Current Assets | | \$10,143,049.00 |
| Noncurrent Assets | | | |
| | Restricted cash and investments | | \$6,546,534.00 |
| | Long-term receivables, net | | \$1,139,526.00 |
| | Other assets | | \$43,067.00 |
| | Capital Assets | | |
| | | Land and other nondepreciable property | \$4,790,252.00 |
| | | Buildings and equipment | \$4,854,085.00 |
| | | Infrastructure | \$144,591.00 |
| | | Accumulated depreciation | \$3,691,241.00 |
| | | Net Capital Assets | \$6,097,687.00 |
| | Total Noncurrent Assets | | \$13,826,814.00 |
| Total Assets | | | \$23,969,863.00 |
| Liabilities | | | |
| Current Liabilities | | | |
| | Accounts payable | | \$178,703.00 |
| | Pension contribution payable | | \$0.00 |
| | Other post-employment benefits | | \$0.00 |
| | Accrued liabilities | | \$0.00 |
| | Deferred revenues | | \$6,934,865.00 |
| | Bonds and notes payable | | \$349,100.00 |
| | Other long-term obligations due within one year | | \$59,521.00 |
| | Total Current Liabilities | | \$7,522,189.00 |
| Noncurrent Liabilities | | | |

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| | | | |
|----------------------------|---|--|-----------------|
| | Pension contribution payable | | \$0.00 |
| | Other post-employment benefits | | \$0.00 |
| | Bonds and notes payable | | \$720,000.00 |
| | Long Term Leases | | \$0.00 |
| | Other long-term obligations | | \$721,606.00 |
| | Total Noncurrent Liabilities | | \$1,441,606.00 |
| Total Liabilities | | | \$8,963,795.00 |
| Net Asset (Deficit) | | | |
| Net Assets | | | |
| | Invested in capital assets, net of related debt | | \$5,157,687.00 |
| | Restricted | | \$115,558.00 |
| | Unrestricted | | \$9,732,823.00 |
| | Total Net Assets | | \$15,006,068.00 |

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

| | | | Amount |
|--------------------------------|---------------------------------|--|----------------|
| Operating Revenues | | | |
| | Charges for services | | \$557,316.00 |
| | Rental & financing income | | \$280,813.00 |
| | Other operating revenues | | \$26,725.00 |
| | Total Operating Revenue | | \$864,854.00 |
| Operating Expenses | | | |
| | Salaries and wages | | \$778,445.00 |
| | Other employee benefits | | \$265,790.00 |
| | Professional services contracts | | \$412,318.00 |
| | Supplies and materials | | \$5,732.00 |
| | Depreciation & amortization | | \$193,252.00 |
| | Other operating expenses | | \$86,759.00 |
| | Total Operating Expenses | | \$1,742,296.00 |
| Operating Income (Loss) | | | (\$877,442.00) |
| Nonoperating Revenues | | | |
| | Investment earnings | | \$213,369.00 |
| | State subsidies/grants | | \$520,106.00 |
| | Federal subsidies/grants | | \$9,085.00 |
| | Municipal subsidies/grants | | \$0.00 |
| | Public authority subsidies | | \$415,843.00 |

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| | | | |
|---|---------------------------------------|--|-----------------|
| | Other nonoperating revenues | | \$180,677.00 |
| | Total Nonoperating Revenue | | \$1,339,080.00 |
| Nonoperating Expenses | | | |
| | Interest and other financing charges | | \$8,703.00 |
| | Subsidies to other public authorities | | \$0.00 |
| | Grants and donations | | \$101,086.00 |
| | Other nonoperating expenses | | \$563,013.00 |
| | Total Nonoperating Expenses | | \$672,802.00 |
| | Income (Loss) Before Contributions | | (\$211,164.00) |
| Capital Contributions | | | \$0.00 |
| Change in net assets | | | (\$211,164.00) |
| Net assets (deficit) beginning of year | | | \$15,217,232.00 |
| Other net assets changes | | | \$0.00 |
| Net assets (deficit) at end of year | | | \$15,006,068.00 |

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Current Debt

| Question | | Response |
|----------|--|----------|
| 1. | Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period? | Yes |
| 2. | If yes, has the Authority issued any debt during the reporting period? | |

New Debt Issuances

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Schedule of Authority Debt

| Type of Debt | | | Statutory Authorization(\$) | Outstanding Start of Fiscal Year(\$) | New Debt Issuances(\$) | Debt Retired (\$) | Outstanding End of Fiscal Year(\$) |
|-------------------------------------|-------------------------------------|--|-----------------------------|--------------------------------------|------------------------|-------------------|------------------------------------|
| State Obligation | State Guaranteed | | | | | | |
| State Obligation | State Supported | | | | | | |
| State Obligation | State Contingent Obligation | | | | | | |
| State Obligation | State Moral Obligation | | | | | | |
| Other State-Funded | Other State-Funded | | | | | | |
| Authority Debt - General Obligation | Authority Debt - General Obligation | | | | | | |
| Authority Debt - Revenue | Authority Debt - Revenue | | 0.00 | 1,150,000.00 | 0.00 | 210,000.00 | 940,000.00 |
| Authority Debt - Other | Authority Debt - Other | | | | | | |
| Conduit | | Conduit Debt | | | | | |
| Conduit | | Conduit Debt - Pilot Increment Financing | | | | | |
| TOTALS | | | 0.00 | 1,150,000.00 | 0.00 | 210,000.00 | 940,000.00 |

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Real Property Acquisition/Disposal List

| | |
|--|-----------------------------|
| Address Line1 | 59 Green Street |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code | 12207 |
| Plus4 | |
| Province/Region | |
| Country | USA |
| Property Description | Vacant Lot/Undeveloped Land |
| Estimated Fair Market Value | \$15,000.00 |
| How was the Fair Market Value Determined? | Appraisal |
| Transaction Type | ACQUISITION |
| If Other, Explain | |
| Transaction Date | 9/23/2020 |
| Purchase Sale Price | \$40,000.00 |
| Lease Data (If Applicable) | |
| Market Rate(\$/square foot) | |
| Lease Rate(\$/square foot) | |
| Lease Period (months) | |
| Organization | Division Tower Assoicates |
| Last Name | |
| First Name | |
| Address Line1 | 40 Beaver Street |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code | 12207 |
| Plus4 | |
| Province/Region | |
| Country | United States |
| Relation With Board member/senior authority management? | No |

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Personal Property

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Status: UNSUBMITTED

Certified Date: N/A

Property Documents

| Question | | Response | URL (If Applicable) |
|----------|---|----------|--|
| 1. | In accordance with Section 2896(3) of PAL, the Authority is required to prepare a report at least annually of all real property of the Authority. Has this report been prepared? | Yes | www.capitalizealbany.com |
| 2. | Has the Authority prepared policies, procedures, or guidelines regarding the use, awarding, monitoring, and reporting of contracts for the acquisition and disposal of property? | Yes | www.capitalizealbany.com |
| 3. | In accordance with Section 2896(1) of PAL, has the Authority named a contracting officer who shall be responsible for the Authority's compliance with and enforcement of such guidelines? | Yes | N/A |

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Grant Information

| | |
|--|---|
| Source of Grant Funds | Municipal |
| Name of Grant Recipient | 151 HJB, LLC |
| Address Line1 | 56 Sheridan Avenue |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code - Plus4 | 12210 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$5,523.00 |
| Date Grant Awarded | 1/7/2020 |
| Purpose of Grant | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

| | |
|--|----------------------------|
| Source of Grant Funds | Not for Profit |
| Name of Grant Recipient | 16 Sheridan Avenue LLC |
| Address Line1 | 204 Lafayette Street |
| Address Line2 | |
| City | SCHENECTADY |
| State | NY |
| Postal Code - Plus4 | 12309 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$21,333.00 |
| Date Grant Awarded | 12/8/2020 |
| Purpose of Grant | Business Expansion/Startup |
| Was the Grant Expected to Result in New Jobs Being Created? | Yes |
| If yes, How Many Jobs Were Planned to be Created? | 7 |
| If yes, How Many Jobs Have Been Created to Date? | 1 |

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| | |
|--|---|
| Source of Grant Funds | Municipal |
| Name of Grant Recipient | 351 Hudson Avenue, LLC |
| Address Line1 | 351 Hudson Avenue |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code - Plus4 | 12210 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$10,000.00 |
| Date Grant Awarded | 12/30/2020 |
| Purpose of Grant | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

| | |
|--|---|
| Source of Grant Funds | Municipal |
| Name of Grant Recipient | 56 Sheridan LLC |
| Address Line1 | 130 Remsen Street |
| Address Line2 | #202 |
| City | COHOES |
| State | NY |
| Postal Code - Plus4 | 12047 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$6,210.00 |
| Date Grant Awarded | 2/25/2020 |
| Purpose of Grant | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

| | |
|--|------------------------------------|
| Source of Grant Funds | Not for Profit |
| Name of Grant Recipient | Albany Distilling Co |
| Address Line1 | 78 Montgomery Street |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code - Plus4 | 12207 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$3,000.00 |
| Date Grant Awarded | 4/29/2020 |
| Purpose of Grant | Marketing and Business Recruitment |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

| | |
|--|---|
| Source of Grant Funds | Municipal |
| Name of Grant Recipient | Ali Celik |
| Address Line1 | 12 Wyngate Drive |
| Address Line2 | |
| City | GLENMONT |
| State | NY |
| Postal Code - Plus4 | 12077 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$10,000.00 |
| Date Grant Awarded | 2/27/2020 |
| Purpose of Grant | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

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| | |
|--|------------------------------------|
| Source of Grant Funds | Not for Profit |
| Name of Grant Recipient | Downtown Albany BID |
| Address Line1 | 21 Lodge Street |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code - Plus4 | 12207 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$3,375.00 |
| Date Grant Awarded | 12/16/2020 |
| Purpose of Grant | Marketing and Business Recruitment |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

| | |
|--|------------------------------------|
| Source of Grant Funds | Not for Profit |
| Name of Grant Recipient | Feed Albany |
| Address Line1 | 25 Chapel Street |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code - Plus4 | 12210 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$5,000.00 |
| Date Grant Awarded | 12/11/2020 |
| Purpose of Grant | Marketing and Business Recruitment |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

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| | |
|--|---|
| Source of Grant Funds | Municipal |
| Name of Grant Recipient | Fresh Neighborhood Market |
| Address Line1 | 16 Judson Street |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code - Plus4 | 12206 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$6,297.84 |
| Date Grant Awarded | 3/3/2020 |
| Purpose of Grant | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

| | |
|--|------------------------------------|
| Source of Grant Funds | Not for Profit |
| Name of Grant Recipient | Historic Albany Foundation |
| Address Line1 | 89 Lexington Avenue |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code - Plus4 | 12206 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$702.61 |
| Date Grant Awarded | 5/19/2020 |
| Purpose of Grant | Marketing and Business Recruitment |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

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| | |
|--|------------------------------------|
| Source of Grant Funds | Not for Profit |
| Name of Grant Recipient | Mahogany Connections LLC |
| Address Line1 | 134 2nd Ave |
| Address Line2 | |
| City | TROY |
| State | NY |
| Postal Code - Plus4 | 12180 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$2,000.00 |
| Date Grant Awarded | 2/6/2020 |
| Purpose of Grant | Marketing and Business Recruitment |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

| | |
|--|---|
| Source of Grant Funds | Municipal |
| Name of Grant Recipient | NY Gear Inc |
| Address Line1 | 38 Grandview Drive |
| Address Line2 | |
| City | LATHAM |
| State | NY |
| Postal Code - Plus4 | 12110 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$5,030.00 |
| Date Grant Awarded | 12/30/2020 |
| Purpose of Grant | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

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| | |
|--|---|
| Source of Grant Funds | Municipal |
| Name of Grant Recipient | Nor Jewelers LLC |
| Address Line1 | 303 Central Avenue |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code - Plus4 | 12206 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$4,606.00 |
| Date Grant Awarded | 12/30/2020 |
| Purpose of Grant | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

| | |
|--|---|
| Source of Grant Funds | Municipal |
| Name of Grant Recipient | Oman Industries LLC |
| Address Line1 | 50 Yardboro Avenue |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code - Plus4 | 12205 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$534.60 |
| Date Grant Awarded | 11/17/2020 |
| Purpose of Grant | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

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| | |
|--|---|
| Source of Grant Funds | Municipal |
| Name of Grant Recipient | Rosanna's Table |
| Address Line1 | 23 Dove Street |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code - Plus4 | 12210 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$9,889.62 |
| Date Grant Awarded | 11/5/2020 |
| Purpose of Grant | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

| | |
|--|---|
| Source of Grant Funds | Municipal |
| Name of Grant Recipient | Seraj Properties LLC |
| Address Line1 | 141 South Pearl Street |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code - Plus4 | 12202 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$3,822.79 |
| Date Grant Awarded | 12/15/2020 |
| Purpose of Grant | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

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| | |
|--|---|
| Source of Grant Funds | Not for Profit |
| Name of Grant Recipient | Seraj Wireless LLC |
| Address Line1 | 83 Central Avenue |
| Address Line2 | |
| City | ALBANY |
| State | NY |
| Postal Code - Plus4 | 12206 |
| Province/Region | |
| Country | United States |
| Amount of Grant Award Provided During Reporting Year | \$1,733.40 |
| Date Grant Awarded | 12/11/2020 |
| Purpose of Grant | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Was the Grant Expected to Result in New Jobs Being Created? | No |
| If yes, How Many Jobs Were Planned to be Created? | |
| If yes, How Many Jobs Have Been Created to Date? | |

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Loan Information

| | | | |
|-------------------------------|---------------------------|---|--|
| Source of Loan Funds | Other | Original Amount of Loan | \$125,000.00 |
| Name of Loan Recipient | 196 Washington Ave., Inc. | Date Loan Awarded | 5/4/2000 |
| Address Line1 | 1 Rapp Road | Interest Rate (%) | 6 |
| Address Line2 | | Length of Loan(# of years to repay) | 22 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$78,017.13 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12203 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|-------------------------------|---|---|
| Source of Loan Funds | Other | Original Amount of Loan | \$275,000.00 |
| Name of Loan Recipient | 40-48 South Pearl Street, LLC | Date Loan Awarded | 7/9/2015 |
| Address Line1 | 95 Daniel Street | Interest Rate (%) | 5 |
| Address Line2 | | Length of Loan(# of years to repay) | 6 |
| City | SLINGERLANDS | Amount of Loan Principal Repaid to Date | \$20,599.97 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12159 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

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| | | | |
|-------------------------------|-------------------------|---|---|
| Source of Loan Funds | Other | Original Amount of Loan | \$400,000.00 |
| Name of Loan Recipient | 412 Broadway Realty LLC | Date Loan Awarded | 10/17/2014 |
| Address Line1 | 664 Plank Rd | Interest Rate (%) | 5 |
| Address Line2 | Suite 205 | Length of Loan(# of years to repay) | 12 |
| City | CLIFTON PARK | Amount of Loan Principal Repaid to Date | \$32,071.06 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12065 | Was the loan expected to result in new jobs being created? | Yes |
| Plus4 | | If Yes, how many jobs were planned to be created? | 8 |
| Province/Region | | If Yes, how many jobs have been created to date? | 8 |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|-----------------------------|---|---|
| Source of Loan Funds | Other | Original Amount of Loan | \$100,000.00 |
| Name of Loan Recipient | 420 Broadway, LLC | Date Loan Awarded | 12/28/2018 |
| Address Line1 | 525 Union Street, Suite 101 | Interest Rate (%) | 5.25 |
| Address Line2 | | Length of Loan(# of years to repay) | 7 |
| City | SCHENECTADY | Amount of Loan Principal Repaid to Date | \$0.00 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12305 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

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| | | | |
|-------------------------------|-------------------------|---|--|
| Source of Loan Funds | Federal | Original Amount of Loan | \$100,000.00 |
| Name of Loan Recipient | Ace Holding, LLC. | Date Loan Awarded | 2/19/2004 |
| Address Line1 | 2C Sterling Ridge Drive | Interest Rate (%) | 5 |
| Address Line2 | | Length of Loan(# of years to repay) | 15 |
| City | RENSSELAER | Amount of Loan Principal Repaid to Date | \$8,898.13 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12144 | Was the loan expected to result in new jobs being created? | Yes |
| Plus4 | | If Yes, how many jobs were planned to be created? | 3 |
| Province/Region | | If Yes, how many jobs have been created to date? | 0 |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|-------------------------|---|---|
| Source of Loan Funds | Other | Original Amount of Loan | \$45,000.00 |
| Name of Loan Recipient | Ace Holding, LLC. | Date Loan Awarded | 11/2/2001 |
| Address Line1 | 2C Sterling Ridge Drive | Interest Rate (%) | 5 |
| Address Line2 | | Length of Loan(# of years to repay) | 20 |
| City | RENSSELAER | Amount of Loan Principal Repaid to Date | \$12,857.65 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12144 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

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| | | | |
|-------------------------------|------------------------------------|---|---|
| Source of Loan Funds | Other | Original Amount of Loan | \$220,000.00 |
| Name of Loan Recipient | Albany Center for Economic Success | Date Loan Awarded | 4/20/1993 |
| Address Line1 | 255 Orange Street | Interest Rate (%) | 3 |
| Address Line2 | | Length of Loan(# of years to repay) | 25 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$0.00 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12210 | Was the loan expected to result in new jobs being created? | Yes |
| Plus4 | | If Yes, how many jobs were planned to be created? | 10 |
| Province/Region | | If Yes, how many jobs have been created to date? | 10 |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|-------------------------------------|---|---|
| Source of Loan Funds | Other | Original Amount of Loan | \$90,000.00 |
| Name of Loan Recipient | Albany Community Development Agency | Date Loan Awarded | 12/23/2011 |
| Address Line1 | 200 Henry Johnson Blvd. | Interest Rate (%) | 5.75 |
| Address Line2 | | Length of Loan(# of years to repay) | 10 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$77,577.65 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12210 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

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| | | | |
|-------------------------------|-------------------------------------|---|---|
| Source of Loan Funds | Federal | Original Amount of Loan | \$410,000.00 |
| Name of Loan Recipient | Albany Community Development Agency | Date Loan Awarded | 12/23/2011 |
| Address Line1 | 200 Henry Johnson Blvd. | Interest Rate (%) | 5.75 |
| Address Line2 | | Length of Loan(# of years to repay) | 10 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$353,409.30 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12210 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|-------------------------------------|---|---|
| Source of Loan Funds | Federal | Original Amount of Loan | \$200,000.00 |
| Name of Loan Recipient | Albany Community Development Agency | Date Loan Awarded | 2/12/2004 |
| Address Line1 | 200 Henry Johnson Blvd. | Interest Rate (%) | 4.25 |
| Address Line2 | | Length of Loan(# of years to repay) | 15 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$155,175.16 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12210 | Was the loan expected to result in new jobs being created? | Yes |
| Plus4 | | If Yes, how many jobs were planned to be created? | 5 |
| Province/Region | | If Yes, how many jobs have been created to date? | 5 |
| Country | United States | Have the terms of the loan been completed? | No |

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| | | | |
|-------------------------------|----------------------|---|---|
| Source of Loan Funds | Federal | Original Amount of Loan | \$11,107.00 |
| Name of Loan Recipient | Andrea Thompson-Howe | Date Loan Awarded | 5/26/1987 |
| Address Line1 | 241 Livingston Ave. | Interest Rate (%) | 3 |
| Address Line2 | | Length of Loan(# of years to repay) | 30 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$0.00 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12210 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|--------------------------------------|---|--|
| Source of Loan Funds | Federal | Original Amount of Loan | \$15,000.00 |
| Name of Loan Recipient | Angela Boney D/B/A Boney Enterprises | Date Loan Awarded | 10/1/2002 |
| Address Line1 | P.O. Box 12421 | Interest Rate (%) | 5 |
| Address Line2 | | Length of Loan(# of years to repay) | 17 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$7,511.12 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12212 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

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| | | | |
|-------------------------------|--------------------------------------|---|---|
| Source of Loan Funds | Federal | Original Amount of Loan | \$55,000.00 |
| Name of Loan Recipient | Angela Boney D/B/A Boney Enterprises | Date Loan Awarded | 10/25/2000 |
| Address Line1 | P.O. Box 12421 | Interest Rate (%) | 5 |
| Address Line2 | | Length of Loan(# of years to repay) | 20 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$28,773.62 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12212 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|---------------------|---|--|
| Source of Loan Funds | Federal | Original Amount of Loan | \$11,107.00 |
| Name of Loan Recipient | Anthony Perkins | Date Loan Awarded | 3/29/1989 |
| Address Line1 | 225 Livingston Ave. | Interest Rate (%) | 3 |
| Address Line2 | | Length of Loan(# of years to repay) | 30 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$0.00 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12210 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

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| | | | |
|-------------------------------|------------------------------------|---|---|
| Source of Loan Funds | Other | Original Amount of Loan | \$65,000.00 |
| Name of Loan Recipient | Arbor Hill Development Corporation | Date Loan Awarded | 8/12/1994 |
| Address Line1 | 241 Clinton Avenue | Interest Rate (%) | 7 |
| Address Line2 | | Length of Loan(# of years to repay) | 30 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$44,083.60 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12210 | Was the loan expected to result in new jobs being created? | Yes |
| Plus4 | | If Yes, how many jobs were planned to be created? | 2 |
| Province/Region | | If Yes, how many jobs have been created to date? | 249 |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|---------------------|---|--|
| Source of Loan Funds | Federal | Original Amount of Loan | \$11,107.00 |
| Name of Loan Recipient | Benjamin White | Date Loan Awarded | 12/28/1988 |
| Address Line1 | 179 Livingston Ave. | Interest Rate (%) | 3 |
| Address Line2 | | Length of Loan(# of years to repay) | 30 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$0.00 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12210 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

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|-------------------------------|----------------|---|---|
| Source of Loan Funds | Federal | Original Amount of Loan | \$11,107.00 |
| Name of Loan Recipient | Byron Hamilton | Date Loan Awarded | 11/23/1988 |
| Address Line1 | P.O. Box 5216 | Interest Rate (%) | 3 |
| Address Line2 | | Length of Loan(# of years to repay) | 30 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$0.00 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12205 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|----------------------------------|---|--|
| Source of Loan Funds | Other | Original Amount of Loan | \$500,000.00 |
| Name of Loan Recipient | Center for Medical Science, Inc. | Date Loan Awarded | 8/28/2009 |
| Address Line1 | 747 Pierce Road | Interest Rate (%) | 7.25 |
| Address Line2 | | Length of Loan(# of years to repay) | 10 |
| City | CLIFTON PARK | Amount of Loan Principal Repaid to Date | \$99,698.28 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12065 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

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| | | | |
|-------------------------------|--------------------|---|--|
| Source of Loan Funds | Other | Original Amount of Loan | \$145,000.00 |
| Name of Loan Recipient | Costev, Inc. | Date Loan Awarded | 12/11/2008 |
| Address Line1 | 31 Hanacreek Drive | Interest Rate (%) | 5 |
| Address Line2 | | Length of Loan(# of years to repay) | 30 |
| City | RAVENA | Amount of Loan Principal Repaid to Date | \$30,276.98 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12143 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|----------------------------------|---|--|
| Source of Loan Funds | Federal | Original Amount of Loan | \$190,000.00 |
| Name of Loan Recipient | Historic Albany Foundation, Inc. | Date Loan Awarded | 10/19/2007 |
| Address Line1 | 89 Lexington Ave. | Interest Rate (%) | 5 |
| Address Line2 | | Length of Loan(# of years to repay) | 2 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$190,000.00 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12206 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

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Status: UNSUBMITTED

Certified Date: N/A

| | | | |
|-------------------------------|---------------------------------|---|---|
| Source of Loan Funds | Other | Original Amount of Loan | \$616,950.00 |
| Name of Loan Recipient | Historic Pastures Mansions, LLC | Date Loan Awarded | 12/30/2014 |
| Address Line1 | 117 West Liberty Street | Interest Rate (%) | 6 |
| Address Line2 | | Length of Loan(# of years to repay) | 33 |
| City | ROME | Amount of Loan Principal Repaid to Date | \$210,800.00 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 13440 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|---------------------|---|---|
| Source of Loan Funds | Federal | Original Amount of Loan | \$11,107.00 |
| Name of Loan Recipient | James McBride | Date Loan Awarded | 11/26/1986 |
| Address Line1 | 243 Livingston Ave. | Interest Rate (%) | 3 |
| Address Line2 | | Length of Loan(# of years to repay) | 30 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$0.00 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12210 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

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Fiscal Year Ending: 12/31/2020

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Status: UNSUBMITTED

Certified Date: N/A

| | | | |
|-------------------------------|----------------------------|---|--|
| Source of Loan Funds | Federal | Original Amount of Loan | \$75,000.00 |
| Name of Loan Recipient | M.K. Rooney's Realty, LLC. | Date Loan Awarded | 9/14/2001 |
| Address Line1 | 61 Ryckman Avenue | Interest Rate (%) | 6.5 |
| Address Line2 | | Length of Loan(# of years to repay) | 20 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$67,998.98 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12208 | Was the loan expected to result in new jobs being created? | Yes |
| Plus4 | | If Yes, how many jobs were planned to be created? | 3 |
| Province/Region | | If Yes, how many jobs have been created to date? | 3 |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|--------------------------|---|---|
| Source of Loan Funds | Other | Original Amount of Loan | \$250,000.00 |
| Name of Loan Recipient | MNM Holding Company, LLC | Date Loan Awarded | 11/13/2012 |
| Address Line1 | 374 Broadway | Interest Rate (%) | 5 |
| Address Line2 | | Length of Loan(# of years to repay) | 11 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$155,940.07 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12207 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

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Certified Date: N/A

| | | | |
|-------------------------------|----------------------------|---|---|
| Source of Loan Funds | Other | Original Amount of Loan | \$125,000.00 |
| Name of Loan Recipient | Michael and Antonella Urgo | Date Loan Awarded | 6/16/2006 |
| Address Line1 | 12 Briarwood Terrace | Interest Rate (%) | 5 |
| Address Line2 | | Length of Loan(# of years to repay) | 30 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$30,100.46 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12203 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|---------------------|---|---|
| Source of Loan Funds | Federal | Original Amount of Loan | \$11,107.00 |
| Name of Loan Recipient | Moses Devanandan | Date Loan Awarded | 3/31/1988 |
| Address Line1 | 177 Livingston Ave. | Interest Rate (%) | 3 |
| Address Line2 | | Length of Loan(# of years to repay) | 30 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$0.00 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12210 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

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Fiscal Year Ending: 12/31/2020

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Status: UNSUBMITTED

Certified Date: N/A

| | | | |
|-------------------------------|------------------------|---|--|
| Source of Loan Funds | Federal | Original Amount of Loan | \$850,000.00 |
| Name of Loan Recipient | Steuben Place Partners | Date Loan Awarded | 4/15/1981 |
| Address Line1 | P.O. Box 648 | Interest Rate (%) | 0 |
| Address Line2 | | Length of Loan(# of years to repay) | 100 |
| City | COHOES | Amount of Loan Principal Repaid to Date | \$50,089.00 |
| State | NY | Purpose of Loan | Commercial Property Construction/Acquisition/Revitalization/Improvement |
| Postal Code | 12047 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

| | | | |
|-------------------------------|--------------------|---|---|
| Source of Loan Funds | Federal | Original Amount of Loan | \$14,805.00 |
| Name of Loan Recipient | Valentine Wilson | Date Loan Awarded | 10/23/1992 |
| Address Line1 | 258 Colonie Street | Interest Rate (%) | 3 |
| Address Line2 | | Length of Loan(# of years to repay) | 30 |
| City | ALBANY | Amount of Loan Principal Repaid to Date | \$0.00 |
| State | NY | Purpose of Loan | Residential Property Construction/Acquisition/Rehabilitation/Improvement |
| Postal Code | 12210 | Was the loan expected to result in new jobs being created? | No |
| Plus4 | | If Yes, how many jobs were planned to be created? | |
| Province/Region | | If Yes, how many jobs have been created to date? | |
| Country | United States | Have the terms of the loan been completed? | No |

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

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Status: UNSUBMITTED

Certified Date: N/A

Bond Information

This Authority has indicated that it did not have any outstanding bonds during the reporting period.

Annual Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021

Status: UNSUBMITTED

Certified Date: N/A

Additional Comments

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

 Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Information:

| Question | | Response | URL (If Applicable) |
|----------|---|----------|--------------------------|
| 1. | Does the Authority have procurement guidelines? | Yes | www.capitalizealbany.com |
| 2. | Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board? | Yes | |
| 3. | Does the Authority allow for exceptions to the procurement guidelines? | Yes | |
| 4. | Does the Authority assign credit cards to employees for travel and/or business purchases? | No | |
| 5. | Does the Authority require prospective bidders to sign a non-collusion agreement? | No | |
| 6. | Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts? | No | |
| 7. | Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"? | No | |
| 8. | Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law? | No | |
| 8a. | If Yes, was a record made of this impermissible contact? | | |
| 9. | Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law? | No | |

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

 Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Transactions Listing:

| | | | |
|--|--|--------------------------------|----------------------|
| 1. Vendor Name | Albany Convention Center Authority | Address Line1 | 126 State Street |
| Type of Procurement | Other Professional Services | Address Line2 | |
| Award Process | Authority Contract - Non-Competitive Bid | City | ALBANY |
| Award Date | 1/1/2020 | State | NY |
| End Date | 8/31/2020 | Postal Code | 12207 |
| Fair Market Value | \$6,856.00 | Plus 4 | |
| Amount | \$6,856.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$6,856.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Property Maintenance |

| | | | |
|--|---|--------------------------------|---------------|
| 2. Vendor Name | Arthur J. Gallagher & Co., | Address Line1 | 677 Broadway |
| Type of Procurement | Other Professional Services | Address Line2 | 4th Floor |
| Award Process | Non Contract Procurement/Purchase Order | City | ALBANY |
| Award Date | | State | NY |
| End Date | | Postal Code | 12207 |
| Fair Market Value | | Plus 4 | |
| Amount | | Province/Region | |
| Amount Expended For Fiscal Year | \$69,519.04 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Insurance |

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

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 Status: UNSUBMITTED
 Certified Date : N/A

| | | | |
|--|--|--------------------------------|---------------------------|
| 3. Vendor Name | BST & Co CPA, LLP | Address Line1 | c/o BST & Co; CPA's , LLP |
| Type of Procurement | Financial Services | Address Line2 | 26 Computer Drive West |
| Award Process | Authority Contract - Non-Competitive Bid | City | ALBANY |
| Award Date | 10/3/2016 | State | NY |
| End Date | | Postal Code | 12205 |
| Fair Market Value | \$20,850.00 | Plus 4 | |
| Amount | \$20,850.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$20,850.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Accounting Services |

| | | | |
|--|--|--------------------------------|-------------------|
| 4. Vendor Name | CHA Consulting | Address Line1 | PO Box 5269 |
| Type of Procurement | Consulting Services | Address Line2 | |
| Award Process | Authority Contract - Non-Competitive Bid | City | ALBANY |
| Award Date | 12/28/2019 | State | NY |
| End Date | | Postal Code | 12205 |
| Fair Market Value | \$51,000.00 | Plus 4 | 0269 |
| Amount | \$51,000.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$51,000.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Feasibility Study |

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

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 Status: UNSUBMITTED
 Certified Date : N/A

| | | | |
|--|--|--------------------------------|--|
| 5. Vendor Name | City of Albany | Address Line1 | 24 Eagle Street |
| Type of Procurement | Other Professional Services | Address Line2 | |
| Award Process | Authority Contract - Non-Competitive Bid | City | ALBANY |
| Award Date | 1/1/2020 | State | NY |
| End Date | 12/31/2025 | Postal Code | 12207 |
| Fair Market Value | \$53,484.00 | Plus 4 | |
| Amount | \$53,484.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$53,484.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Economic Development Professional Services |

| | | | |
|--|--|--------------------------------|------------------------|
| 6. Vendor Name | Fusco Personell | Address Line1 | 4 Executive Park Drive |
| Type of Procurement | Staffing Services | Address Line2 | |
| Award Process | Authority Contract - Non-Competitive Bid | City | ALBANY |
| Award Date | 10/18/2019 | State | NY |
| End Date | | Postal Code | 12203 |
| Fair Market Value | \$83,209.36 | Plus 4 | |
| Amount | \$83,209.36 | Province/Region | |
| Amount Expended For Fiscal Year | \$83,209.36 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Temporary Staffing |

Procurement Report for Capitalize Albany Corporation

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Status: UNSUBMITTED
Certified Date : N/A

| | | | |
|--|--|--------------------------------|----------------------------------|
| 7. Vendor Name | Guardian | Address Line1 | PO Box 824404 |
| Type of Procurement | Other | Address Line2 | |
| Award Process | Authority Contract - Non-Competitive Bid | City | PHILADELPHIA |
| Award Date | 1/1/2017 | State | PA |
| End Date | | Postal Code | 19182 |
| Fair Market Value | \$8,366.76 | Plus 4 | 4404 |
| Amount | \$8,366.76 | Province/Region | |
| Amount Expended For Fiscal Year | \$8,366.76 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Employee Dental/Vision Insurance |

| | | | |
|--|---|--------------------------------|----------------------|
| 8. Vendor Name | Intelligent Technology Solutions Inc | Address Line1 | 11786 State Route 9W |
| Type of Procurement | Technology - Hardware | Address Line2 | |
| Award Process | Non Contract Procurement/Purchase Order | City | WEST COXSACKIE |
| Award Date | | State | NY |
| End Date | | Postal Code | 12192 |
| Fair Market Value | | Plus 4 | |
| Amount | | Province/Region | |
| Amount Expended For Fiscal Year | \$16,214.40 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | New Workstations |

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

 Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

| | | | |
|--|--|--------------------------------|----------------------|
| 9. Vendor Name | Intelligent Technology Solutions Inc | Address Line1 | 11786 State Route 9W |
| Type of Procurement | Technology - Consulting/Development or Support | Address Line2 | |
| Award Process | Authority Contract - Non-Competitive Bid | City | WEST COXSACKIE |
| Award Date | 1/1/2020 | State | NY |
| End Date | 12/31/2020 | Postal Code | 12192 |
| Fair Market Value | \$23,566.77 | Plus 4 | |
| Amount | \$23,566.77 | Province/Region | |
| Amount Expended For Fiscal Year | \$23,566.77 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Computer Services |

| | | | |
|--|---|--------------------------------|---------------------|
| 10. Vendor Name | JMD Cleaning Services | Address Line1 | PO Box 291 |
| Type of Procurement | Other | Address Line2 | |
| Award Process | Non Contract Procurement/Purchase Order | City | RENSSELAER |
| Award Date | | State | NY |
| End Date | | Postal Code | 12144 |
| Fair Market Value | | Plus 4 | |
| Amount | | Province/Region | |
| Amount Expended For Fiscal Year | \$10,848.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Janitorial Services |

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

 Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

| | | | |
|--|--|--------------------------------|------------------------|
| 11. Vendor Name | LAZ Karp Associates LLC | Address Line1 | One Financial Plaza |
| Type of Procurement | Other Professional Services | Address Line2 | 14th Floor |
| Award Process | Authority Contract - Non-Competitive Bid | City | HARTFORD |
| Award Date | 1/1/2020 | State | CT |
| End Date | | Postal Code | 06103 |
| Fair Market Value | \$9,646.28 | Plus 4 | |
| Amount | \$9,646.28 | Province/Region | |
| Amount Expended For Fiscal Year | \$9,646.28 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Parking Lot Operations |

| | | | |
|--|--------------------------------------|--------------------------------|----------------------------|
| 12. Vendor Name | Marathon Strategies, LLC | Address Line1 | 8 E. 29th St |
| Type of Procurement | Other Professional Services | Address Line2 | |
| Award Process | Authority Contract - Competitive Bid | City | NEW YORK |
| Award Date | 10/29/2019 | State | NY |
| End Date | | Postal Code | 10016 |
| Fair Market Value | | Plus 4 | |
| Amount | \$120,000.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$120,000.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Marketing & Communications |

Procurement Report for Capitalize Albany Corporation

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 Status: UNSUBMITTED
 Certified Date : N/A

| | | | |
|--|---|--------------------------------|------------------------|
| 13. Vendor Name | National Grid | Address Line1 | P.O. Box 11745 |
| Type of Procurement | Commodities/Supplies | Address Line2 | |
| Award Process | Non Contract Procurement/Purchase Order | City | NEWARK |
| Award Date | | State | NJ |
| End Date | | Postal Code | 07101 |
| Fair Market Value | | Plus 4 | |
| Amount | | Province/Region | |
| Amount Expended For Fiscal Year | \$13,333.31 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Electric & Gas Service |

| | | | |
|--|--------------------------------------|--------------------------------|----------------------|
| 14. Vendor Name | Overwatch Management Group | Address Line1 | 142 Central Avenue |
| Type of Procurement | Other Professional Services | Address Line2 | |
| Award Process | Authority Contract - Competitive Bid | City | ALBANY |
| Award Date | 7/13/2020 | State | NY |
| End Date | | Postal Code | 12206 |
| Fair Market Value | | Plus 4 | |
| Amount | \$10,765.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$10,765.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Property Maintenance |

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

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 Status: UNSUBMITTED
 Certified Date : N/A

| | | | |
|--|---|--------------------------------|--------------------|
| 15. Vendor Name | Paychex | Address Line1 | 94 New Karner Road |
| Type of Procurement | Other Professional Services | Address Line2 | Suite 101 |
| Award Process | Non Contract Procurement/Purchase Order | City | ALBANY |
| Award Date | | State | NY |
| End Date | | Postal Code | 12203 |
| Fair Market Value | | Plus 4 | |
| Amount | | Province/Region | |
| Amount Expended For Fiscal Year | \$143,705.42 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Payroll & Benefits |

| | | | |
|--|--|--------------------------------|----------------|
| 16. Vendor Name | Thomas M. Owens Esc. | Address Line1 | P.O. Box 307 |
| Type of Procurement | Legal Services | Address Line2 | |
| Award Process | Authority Contract - Non-Competitive Bid | City | SLINGERLANDS |
| Award Date | 12/1/2009 | State | NY |
| End Date | | Postal Code | 12159 |
| Fair Market Value | | Plus 4 | |
| Amount | \$69,742.90 | Province/Region | |
| Amount Expended For Fiscal Year | \$69,742.90 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Legal Services |

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

 Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

| | | | |
|--|---|--------------------------------|---------------|
| 17. Vendor Name | Travelers | Address Line1 | PO Box 660317 |
| Type of Procurement | Other | Address Line2 | |
| Award Process | Non Contract Procurement/Purchase Order | City | DALLAS |
| Award Date | | State | TX |
| End Date | | Postal Code | 75266 |
| Fair Market Value | | Plus 4 | 0317 |
| Amount | | Province/Region | |
| Amount Expended For Fiscal Year | \$19,827.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Insurance |

| | | | |
|--|--|--------------------------------|-------------------------|
| 18. Vendor Name | UHY LLP | Address Line1 | PO Box 8505 |
| Type of Procurement | Other Professional Services | Address Line2 | |
| Award Process | Authority Contract - Non-Competitive Bid | City | CAROL STREAM |
| Award Date | 10/16/2018 | State | IL |
| End Date | 9/30/2019 | Postal Code | 60197 |
| Fair Market Value | \$42,000.00 | Plus 4 | |
| Amount | \$42,000.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$41,120.44 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Auditing & Tax Services |

Procurement Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

 Run Date: 03/11/2021
 Status: UNSUBMITTED
 Certified Date : N/A

| | | | |
|--|--|--------------------------------|----------------------|
| 19. Vendor Name | Young Sommer LLC | Address Line1 | Five Palisades Drive |
| Type of Procurement | Legal Services | Address Line2 | |
| Award Process | Authority Contract - Non-Competitive Bid | City | ALBANY |
| Award Date | 11/14/2017 | State | NY |
| End Date | | Postal Code | 12205 |
| Fair Market Value | | Plus 4 | |
| Amount | \$29,562.33 | Province/Region | |
| Amount Expended For Fiscal Year | \$29,562.33 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Legal Services |

Additional Comments

Investment Report for Capitalize Albany Corporation

Fiscal Year Ending: 12/31/2020

Run Date : 03/12/2021
Status: UNSUBMITTED
Certified Date: N/A**Investment Information**

| Question | | Response | URL (If Applicable) |
|----------|---|----------|--|
| 1. | Has the Authority prepared an Annual Investment Report for the reporting period as required by Section 2925 (6) of PAL? | Yes | www.capitalizealbany.com |
| 2. | Are the Authority's investment guidelines reviewed and approved annually? | Yes | |
| 3. | Did the Authority have an independent audit of investments as required by Section 2925(3)(f) of PAL? | Yes | www.capitalizealbany.com |
| 4. | Has the Authority's independent auditor issued a management letter to the Authority in connection with its annual audit of investments? | No | |

Additional Comments

Authorities Budget Office Policy Guidance



Authority Mission Statement and Performance Measurements

Name of Public Authority: Capitalize Albany Corporation

Public Authority's Mission Statement: The mission of Capitalize Albany Corporation 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.

Date Adopted: April 25, 2017

List of Performance Goals (If additional space is needed, please attach):

1. Implement the recommendations of the Board's economic development strategies including Impact Downtown Albany and the Capitalize Albany Plan
2. Increase employment, economic activity, and tax base within the City of Albany
3. Collaborate and develop partnerships to most effectively utilize, administer and deploy economic and community development funding at the federal, state and local levels
4. Support market-rate residential projects within the City of Albany through the development and enhancement of lending, technical assistance, and grant programs
5. Broaden the Corporation's revenue sources to include more sustainable and recurring sources

Additional questions:

1. **Have the board members acknowledged that they have read and understood the mission of the public authority?** The Board of Directors of the Capitalize Albany Corporation have reviewed the mission statement and have not made any amendments to the mission statement in 2020

2. **Who has the power to appoint the management of the public authority?** The Corporation's Board of Directors appoints the officers and executive management of the Capitalize Albany Corporation.
3. **If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?** The Board appoints management who are best qualified to execute the mission of the Capitalize Albany Corporation. Management serves at the pleasure of the Board of Directors.
4. **Briefly describe the role of the Board and the role of management in the implementation of the mission.** The Corporation's mission was developed by the Board of Directors and management through careful consideration and discussion. The Board of Directors is an independent body responsible for control and management of the affairs and property of the Corporation and to adopt rules, regulations, and policies governing the Corporation. The Board looks to management to implement said policies. The Board of Directors shall ensure overall financial accountability, and hire management to oversee the day-to-day affairs of the Corporation in the delivery of its mission.
5. **Has the Board acknowledged that they have read and understood the responses to each of these questions?** The Capitalize Albany Corporation Board of Directors participated in the drafting, presentation for discussion, and approval of these responses.

**RESOLUTION 3-2021
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, Capitalize Albany Corporation (“CAC”) owns real property located in the former roadbed of Spencer Street and Montgomery Street in Albany, New York (Tax Parcels #76.08-1-3 & 76.27-1-25.1) (“Property”); and

WHEREAS, the Pioneer Companies (“Pioneer”), a New York based real estate development company is undertaking a development on an adjacent parcel at 705 Broadway (Tax Parcel #76.27-1-18), which includes the development of a hotel (the “Project”); and

WHEREAS, in order to facilitate the construction and operation of the development, Pioneer requires four easements on the adjacent CAC Property totaling approximately 0.32 acres. The four easements are: (1) approximate 0.11 acre non-exclusive easement to 705 Broadway for access to, construction of, and utilities for the Project; (2) approximate 0.13 acre non-exclusive easement to 705 Broadway for pedestrian and vehicular access to the Project; (3) Approximate 0.07 acre easement to 705 Broadway (or Niagara Mohawk Power Company/National Grid to provide for underground electrical services to the Project; and (4) Approximate 0.01 acre easement to 705 Broadway to provide necessary stormwater utilities to the Project; and

WHEREAS, the estimated fair market value of all four easements was determined to be between approximately \$81,400 and \$140,000 based upon appraisals dated February 2020 and December 2020; and

WHEREAS, the disposition of the Property to Pioneer 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, through negotiation, Pioneer has agreed to pay \$110,700 for the four easements; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Corporation has been informed that (1) the City of Albany Planning Board (the “Planning Board”) was designated to act as “lead agency” with respect to the Project, and (2) the Planning Board issued a Determination of Non Significance on January 18, 2018 (the “Negative Declaration”), attached hereto as Exhibit A, determining that the acquisition, construction and installation of the Project will not have a “significant effect on the environment”; and

WHEREAS, the Corporation is an “involved agency” with respect to the Project and the Corporation now desires to concur in the determination by the Planning Board, as “lead agency” with respect to the Project, to acknowledge receipt of a copy of the Negative Declaration and to indicate that the Corporation has no information to suggest that the Planning Board was incorrect in determining that the Project will not have a “significant effect on the environment” pursuant to SEQRA and, therefore, that no environmental impact statement need be prepared with respect to the Project;

WHEREAS, the CAC Finance and Investment Committee has reviewed the proposed transaction terms and recommends to the Board that CAC dispose of these real property interests; and

WHEREAS, attached hereto as Exhibit B 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, the Board accepts the recommendation of the Finance Committee, finds that there is no reasonable alternative to the proposed transfer that meets the above stated purposes, and authorizes the President or Vice President to execute and enter into any and all documents that may be necessary or proper to effectuate the foregoing resolution.

Signed: _____
Sarah Reginelli
President

Date of Authorization: March 23, 2021

Prepared by Thomas Conoscenti

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 | _____ | Aye: 15; No: 0 | |
| Michael Fancher | _____ | Jeffrey Sperry | _____ | Recused: | |

Exhibit A

Negative Declaration

Full Environmental Assessment Form
Part 3 - Evaluation of the Magnitude and Importance of Project Impacts
and
Determination of Significance

Part 3 provides the reasons in support of the determination of significance. The lead agency must complete Part 3 for every question in Part 2 where the impact has been identified as potentially moderate to large or where there is a need to explain why a particular element of the proposed action will not, or may, result in a significant adverse environmental impact.

Based on the analysis in Part 3, the lead agency must decide whether to require an environmental impact statement to further assess the proposed action or whether available information is sufficient for the lead agency to conclude that the proposed action will not have a significant adverse environmental impact. By completing the certification on the next page, the lead agency can complete its determination of significance.

Reasons Supporting This Determination:

To complete this section:

- Identify the impact based on the Part 2 responses and describe its magnitude. Magnitude considers factors such as severity, size or extent of an impact.
- Assess the importance of the impact. Importance relates to the geographic scope, duration, probability of the impact occurring, number of people affected by the impact and any additional environmental consequences if the impact were to occur.
- The assessment should take into consideration any design element or project changes.
- Repeat this process for each Part 2 question where the impact has been identified as potentially moderate to large or where there is a need to explain why a particular element of the proposed action will not, or may, result in a significant adverse environmental impact.
- Provide the reason(s) why the impact may, or will not, result in a significant adverse environmental impact
- For Conditional Negative Declarations identify the specific condition(s) imposed that will modify the proposed action so that no significant adverse environmental impacts will result.
- Attach additional sheets, as needed.

The City of Albany Planning Board determined that potential impacts could occur related to land disturbance (erosion and stormwater), historic and archaeological resources, and transportation. The action will result in a more intensive land use, will create traffic issues, increase water usage and sewage output, and could impact historic and archaeological resources.

Potential impacts moderate in magnitude were identified by the Board related to water supply and sewage. The site previously contained contaminated soil and was connected to the Combined Sewer system. To avoid future contamination and negative impacts related to a Combined Sewer Overflow event, treated stormwater will be discharged through a separate storm sewer and 88 percent of project-generated sewage will be diverted from the Combined Sewer system to reduce the potential for a Combined Sewer Overflow event. Based on these mitigation efforts, the Board concluded that these impacts would be small or not significant.

The Board also identified potential impacts moderate in magnitude that could occur related to flooding and erosion. The site is located within a FEMA-designated floodplain and a portion of the site (0.05 acre) sits below the Base Flood Elevation (BFE). As a result, building and garage entrance elevations will be raised above the BFE, along with the addition of a pump storm drainage system in the portion of the garage that is located below the BFE. Based on these mitigation efforts, the Board concluded that these impacts would be small or not significant.

Long-term, potentially moderate traffic impacts as a result of development. Traffic studies determined that the traffic generated from the proposed development may exceed acceptable levels during the evening peak hour. To mitigate these impacts, the proposed development will include the installation of a traffic light, along with bicycle and pedestrian improvements, to reduce congestion and improve safety for multiple modes of transportation. Based on these results, the Board concluded that these impacts would not be small or not significant.

Since the site previously contained a property eligible for the National Historic Register and sits adjacent to two State and National historic Register listed properties, the Board determined that potential impacts to historic and archaeological resources could occur. However, a previous archaeological study and consultation with the New York State Office for Parks, Recreation, and Historic Preservation determined that there would be no significant effect to the site, adjacent properties, or any historic/ archaeological resources. Based on these consultations, the Board concluded that these impacts would not be significant.

As a result of this analysis, the Planning Board has decided that the impacts of Section 1, 5, 10, and 13 will be avoided or mitigated and thus small in magnitude and unlikely to occur. Given the context of this project, the Board did not find any impacts that they considered important. The Board has made a determination that the project was not significant and would not need further analysis in an EIS.

Determination of Significance - Type 1 and Unlisted Actions

SEQR Status: ☒ Type 1 ☐ Unlisted

Identify portions of EAF completed for this Project: ☒ Part 1 ☒ Part 2 ☒ Part 3

| | |
|---|---------------|
| Upon review of the information recorded on this EAF, as noted, plus this additional support information <hr/> <hr/> <hr/> | |
| and considering both the magnitude and importance of each identified potential impact, it is the conclusion of the <div style="text-align: center;">City of Albany Department of Planning and Development</div> as lead agency that: | |
| <input checked="" type="checkbox"/> A. This project will result in no significant adverse impacts on the environment, and, therefore, an environmental impact statement need not be prepared. Accordingly, this negative declaration is issued. | |
| <input type="checkbox"/> B. Although this project could have a significant adverse impact on the environment, that impact will be avoided or substantially mitigated because of the following conditions which will be required by the lead agency: <hr/> <hr/> <hr/> | |
| There will, therefore, be no significant adverse impacts from the project as conditioned, and, therefore, this conditioned negative declaration is issued. A conditioned negative declaration may be used only for UNLISTED actions (see 6 NYCRR 617.d). | |
| <input type="checkbox"/> C. This Project may result in one or more significant adverse impacts on the environment, and an environmental impact statement must be prepared to further assess the impact(s) and possible mitigation and to explore alternatives to avoid or reduce those impacts. Accordingly, this positive declaration is issued. | |
| Name of Action: 705 Broadway, Albany, NY 12207 (AKA Quackenbush Square) | |
| Name of Lead Agency: City of Albany Planning Board | |
| Name of Responsible Officer in Lead Agency: Albert R. Desalvo | |
| Title of Responsible Officer: Chair | |
| Signature of Responsible Officer in Lead Agency: <i>Albert R. Desalvo</i> | Date: 1/18/18 |
| Signature of Preparer (if different from Responsible Officer) | Date: |
| For Further Information: Contact Person: Yasmine Robinson Address: 200 Henry Johnson Blvd, #3, Albany, NY 12210 Telephone Number: (518) 434- 2583 E-mail: yrobinson@albanyny.gov | |
| For Type 1 Actions and Conditioned Negative Declarations, a copy of this Notice is sent to: Chief Executive Officer of the political subdivision in which the action will be principally located (e.g., Town / City / Village of) Other involved agencies (if any) Applicant (if any) Environmental Notice Bulletin: http://www.dec.ny.gov/enb/enb.html | |

PRINT FULL FORM

Page 2 of 2

Exhibit B

Transfer of Property Interests from Capitalize Albany Corporation (“CAC”) to the Pioneer Companies (“Pioneer”)

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

i. Full description of the asset:

The asset to be transferred are four easements (as described below) located on a former public street bed known as Spencer Street and Montgomery Street (Tax Parcels #76.08-1-3 & 76.27-1-25.1) (“Property”). The disposition consists of four (4) easements on the Property which are required in order for anyone to access, and for necessary utilities to service a development (Project”) adjacent to the Property. The four easements are: (1) approximate 0.11 acre non-exclusive easement to 705 Broadway for access to, construction of, and utilities for the Project; (2) approximate 0.13 acre non-exclusive easement to 705 Broadway for pedestrian and vehicular access to the Project; (3) Approximate 0.07 acre easement to 705 Broadway (or Niagara Mohawk Power Company/National Grid to provide for underground electrical services to the Project; and (4) Approximate 0.01 acre easement to 705 Broadway to provide necessary stormwater utilities for the Project.

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 Conti Appraisal for CAC which estimated the fair market value of the four easements to be approximately \$140,000 in February 2020. A second appraisal was performed by Cushman and Wakefield for Pioneer which estimated the fair market value of the four easements to be approximately \$81,400 in December 2020.

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.” Pioneer is a real

estate development company that is in the process of constructing a multi-phase development adjacent to the Properties. The Project includes an approximately 130 room hotel which is under construction, which is expected to yield 20 permanent jobs and 100 construction jobs. In addition, the Project is expected to yield a net benefit to the taxing jurisdiction of approximately \$2.7 million.

iv. Statement of the value to be received compared to the fair market value

\$110,700. 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
FC 705 Broadway, LLC / 705 Broadway Hotel, LLC or Niagara Mohawk Power Corporation.

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.