



**CAPITALIZE ALBANY**  
CORPORATION

**Monday, March 15, 2021**  
Via Conference, 11:00 a.m.

**Capitalize Albany Corporation**  
**Finance and Investment Committee Meeting**  
Agenda

*In response to a disaster emergency declared pursuant to New York State Executive Law § 28 and Executive Order 202.96, the March meeting of the Capitalize Albany Corporation Finance and Investment Committee will be held remotely and recorded. The public will have the opportunity to listen in to the proceedings via conference line by dialing: **1-646-876-9923, meeting # 853 9379 8452**. Detailed minutes of the proceedings will be posted on the Corporation's website following the meeting.*

1. Review of the minutes from the Finance & Investment Committee meeting of January 11, 2021
2. New Business
  - a) Montgomery Street/705 Broadway Easements
3. Old Business
  - a) Loans Portfolio Update
  - b) Liberty Park Update
4. Other Business

# MINUTES



**CAPITALIZE ALBANY  
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**Date of Meeting:** January 11, 2021

**Meeting:** Capitalize Albany Corporation Finance & Investment Committee Meeting

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The meeting of the Capitalize Albany Corporation Finance & Investment Committee was held at 11:01 a.m., January 11, 2021. Pursuant to New York State Executive Order 202.87, the meeting was held via conference call. The call-in information was posted publicly to allow for the public's attendance at the proceedings.

The following were in attendance:

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

*Other:* Thomas M. Owens, Esq.

*Staff:* Sarah Reginelli, Mark Opalka, Thomas Conoscenti, and Tammie Fanfa

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

## **Review of the minutes from the Finance & Investment Committee meeting of December 7, 2020**

The Committee reviewed the minutes of the meeting. Jeff Sperry made a motion for approval, and Robert Curley seconded. The Committee agreed unanimously to approve the minutes from the Finance & Investment Committee meeting of December 7, 2020.

## **Annual Review of Financial Reports**

### *Unaudited Budget Results 2020*

Staff discussed the financial performance of the 4th Quarter. On a pre-audit basis, through December 31, 2020, the Corporation had a net loss of \$245,000. Staff reviewed the unaudited budget results for 2020 with the Committee.

### *Annual Real Property Report*

Staff reviewed all the property that is owned by Capitalize Albany Corporation with the Committee.

### *Quarterly Investment Report*

Staff reviewed the Investment Portfolio and its performance. Staff advised the Committee that the Corporation's Investment Portfolio is in compliance with the Corporation's Investment Policy except for cash and equivalents. Staff felt that this variance was acceptable due to the fact that bonds were maturing within the next 30 days that would bring the cash and equivalents into compliance. After discussion the Committee was in agreement with Staff's recommendation.

### *Loan Allowances 2020*

Staff reviewed the existing bad debt allowance with the Committee and no changes were proposed by the Committee.

## **Annual Review of Corporate Policies**

### *Review Finance Committee Charter*

Staff reviewed the Corporation's Finance and Investment Committee Charter. The Committee recommended no changes at this time.

## **Loan and Lease Request Update**

### *105 Morris Street*

Staff presented a request from the Borrowers at 105 Morris Street to drawdown a portion of the Corporation loan prior to the full utilization of their loan with Ballston Spa National Bank ("BSNB") as well as mirror the

borrowers updated loan terms with BSNB. A lengthy discussion was had by the Committee on the need to modify the loan terms. Jeff Sperry made a motion to extend the term of the loan to mirror the BSNB loan, subject to further clarifications by Staff with the Borrower, which was seconded by John Harris. A discussion was had regarding the clarifications necessary to make a decision regarding full request from the Borrower, including engineering reports, confirmations of the borrower on funds to complete the project and specific uses for the funds. The Committee requested that prior the January Board meeting, Staff address these concerns and report back to the Committee Chair, which staff agreed. A vote being taken, the recommendation passed unanimously.

#### **Other Business**

Staff informed the Committee that they received a grant from National Grid for the Clinton Market Collective project in the sum of \$250,000. Staff also informed the Committee that they've been notified that the Department of State had signed the contract for the project, but that copies had not been received.

#### **Adjournment**

There being no further business, the Capitalize Albany Corporation Finance & Investment Committee meeting was adjourned at 11:44 am.

# MEMORANDUM



CAPITALIZE ALBANY  
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**To:** Capitalize Albany Finance Committee  
**From:** Staff  
**Date:** March 15, 2021  
**Re:** Montgomery Street/705 Broadway Easements

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## Background

In 2019, Pioneer Companies approached staff about securing four easements on the former road bed of Montgomery Street, which is owned by the Corporation (Tax Parcels #76.08-1-3 & 76.27-1-25.1), to effectuate their development of a \$36 million 132-room Hyatt Place hotel on the adjacent parcel at 705 Broadway (Tax Parcel #76.27-1-18). 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 NMPC) to provide for underground electrical services to the Project; and
4. Approximate 0.01 acre easement to 705 Broadway to provide necessary stormwater utilities.

A diagram of the easements is included in Appendix A. Following those conversations, Capitalize Albany retained Conti Appraisal in February 2020 to conduct an appraisal of the four easements, the conclusion of which valued all four easements at \$140,000. In June 2020, Pioneer suspended work on the project citing numerous delays. Staff stayed in regular contact with Pioneer during the pandemic and towards the end of 2020, Pioneer signaled that they wanted to resume conversations regarding the easements, but noted that they did not agree with our appraisal conclusion, particularly in light of the COVID-19 pandemic. As such staff recommended they conduct their own appraisal.

In February 2021, Pioneer provided staff with an appraisal of the four easements prepared by Cushman and Wakefield. The Cushman appraisal valued the four easements at \$81,400. The biggest difference between the appraisals was the methodology for valuing the residual utility of the parcels after the easements. In addition to the appraisal, staff requested an update on the project to understand the viability of the project moving forward in light of recent articles that cited issues with their contractor, The Pike Company and their primary lender, Berkshire Bank. Through multiple conversations, Pioneer addressed staff concerns and at the moment is expecting to resume construction with a new lender and the same contractor in April/May 2021.

## Recommendation

After discussing with Pioneer, staff is recommending that an average of the two appraisals be used to determine the fair market value, resulting in a valuation of \$110,700 for the four easements. Pursuant to Public Authorities Law and the Corporation's property disposition guidelines, the Corporation is authorized to dispose of property rights through a negotiated sale and is exempted from publicly advertising for bids as the disposition is within the purpose, mission or governing statute of the Corporation. If approved by the Board, staff would work to ensure that the easements to Pioneer are conveyed in a timeline concurrent to their financial close the hotel. Given lead time for National Grid, staff would like to explore options for either closing on the easement directly with them prior to the Pioneer ones or allowing work to be performed on the site with the appropriate indemnifications.

**Appendix A**  
**Diagram of Easements**

