



CAPITALIZE ALBANY
CORPORATION

Monday, April 19, 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 202.101, 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 # 862 2106 1766**. 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 March 15, 2021
2. Financial Update
 - a) Investments Update from Hugh Johnson Advisors
 - b) Quarterly Financial Report
3. New Business
 - a) Montgomery Street/APA Update
 - b) Clinton Market Collective Update
4. Other Business

MINUTES



**CAPITALIZE ALBANY
CORPORATION**

Date of Meeting: March 15, 2021

Meeting: Capitalize Albany Corporation Finance & Investment Committee Meeting

The meeting of the Capitalize Albany Corporation Finance & Investment Committee was held at 11:01 a.m., March 15, 2021. Pursuant to New York State Executive Order 202.96, 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 Erin Grace

The meeting was called to order at 11:01 a.m.

Review of the minutes from the Finance & Investment Committee meeting of January 11, 2021

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 January 11, 2021.

New Business

Montgomery Street/705 Broadway Easements

Committee Member Bob Curley recused himself and left the discussion due to a possible conflict of interest at 11:06.

Staff presented a request from the Pioneer companies to secure four easements on the former roadbed of Montgomery Street to effectuate their development of a \$36 million 132-room Hyatt Place hotel on the adjacent parcel at 705 Broadway which is poised to resume construction in the late Spring. Staff recommended to the Committee that the average of two appraisals, one requested by Capitalize Albany Corporation and the other by Pioneer Companies, be used to determine a value of the four easements in the amount of \$110,700. After a discussion by the Committee, a motion was made by John Vero and seconded by John Harris to recommend to the full Board the disposition of the four easements for \$110,700.

Committee Member Bob Curley rejoined the meeting at 11:16.

Old Business

Loan Portfolio Update

Staff briefed the Committee on the status of the Real Estate Loan Fund and a previous request from the owner at the 105 Morris St. project to have certain costs advanced. After receiving additional documentation from the Borrower, staff recommended that the request be denied at this time, however recommended that the Board hold the option to modify the dates to mirror the Ballston Spa National Bank loan, at the point in time when the Borrower requests it.

Liberty Park Update

A motion to go into Executive Session was made by John Vero and seconded by Robert Curley at 11:24.

The Committee returned from Executive Session at 11:54. No action was taken in Executive Session.

Other Business*Clinton Market Collective*

Staff informed the Committee that an executed contract was received from the NY Department of State for the Clinton Market Collective. Staff said that while CAC was awarded \$1 million from the Downtown Revitalization Initiative (DRI), the amount was less than anticipated and the project had to be modified. Staff estimated the current costs at approximately \$1.3 million, and expressed that Capitalize Albany may need to make a financial commitment to the project. After a Committee discussion, staff said they will be coming back in April and possibly May with a more comprehensive update.

Adjournment

There being no further business, the Capitalize Albany Corporation Finance & Investment Committee meeting was adjourned at 12:03 p.m.

	January 1, 2021 - December 31, 2021				Apr - Dec Adjustment Forecast	2021 Projection	Original Budget	Projected Variance from Budget
	YTD Actual	YTD Budget	Variance - \$	Variance - %				
REVENUE								
General Economic & Community Development Support Income	\$ 62,500	\$ 62,500	\$ -	0%	\$ 434,943	\$ 497,443	\$ 497,443	\$ -
Real Estate Income	24,162	24,075	86	0%	372,537	396,698	396,354	345
Professional Service Agreement Income	123,557	123,557	0	0%	433,171	556,728	556,728	0
Loan Interest Income	10,716	14,031	(3,315)	-24%	32,148	42,865	56,123	(13,258)
Fee Income	1,314	1,177	137	12%	9,782	11,096	10,959	137
Direct Finance Lease Income	-	-	-	0%	-	-	-	-
Investment & Interest Income	22,717	27,545	(4,828)	-18%	82,635	105,352	110,180	(4,828)
FMV Adj on Fidelity Inv	(22,955)	-	(22,955)	100%	-	(22,955)	-	(22,955)
G/L on Sale/Redemption	1,842	-	1,842	100%	-	1,842	-	1,842
Membership & Event Support	10	-	10	#DIV/0!	33,500	33,510	33,500	10
TOTAL REVENUE	\$ 223,862	\$ 252,885	\$ (29,023)	-11%	\$ 1,398,716	\$ 1,622,578	\$ 1,661,287	\$ (38,708)
EXPENSE								
Salaries & Fringe Expense	\$ 216,496	\$ 272,328	\$ (55,832)	-21%	\$ 907,762	\$ 1,124,258	\$ 1,180,090	\$ (55,832)
Professional Fees	77,030	132,522	(55,492)	-42%	287,447	364,476	369,834	(5,358)
Administrative Expenses	8,209	9,648	(1,439)	-15%	92,174	100,383	99,865	518
Interest Expense	-	-	-	0%	8,910	8,910	8,910	(0)
Real Estate Expenses	-	-	-	0%	4,312	4,312	4,312	-
Occupancy Expense	14,570	23,097	(8,527)	-37%	65,844	80,414	88,941	(8,527)
Bad Debt Expense (recovery)	(810)	-	(810)	0%	-	(810)	-	(810)
Membership & Event Expense	100	-	100	0%	27,500	27,600	27,500	100
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 315,595	\$ 437,596	\$ (122,000)	-28%	\$ 1,393,948	\$ 1,709,543	\$ 1,779,452	\$ (69,909)
NET INCOME BEFORE DEPRECIATION & PROGRAM ACTIVITY	\$ (91,733)	\$ (184,710)	\$ 92,977	-50%	\$ 4,768	\$ (86,965)	\$ (118,165)	\$ 31,201
DEPRECIATION	\$ -	\$ -	\$ -	#DIV/0!	\$ 195,825	\$ 195,825	\$ 195,825	\$ -
NET INCOME (LOSS) AFTER DEPRECIATION	\$ (91,733)	\$ (184,710)	\$ 92,977	50%	\$ (191,057)	\$ (282,790)	\$ (313,990)	\$ 31,201
PROJECT & PROGRAM REVENUE								
NYS ESD (Liberty Park)	\$ 75,579	\$ 117,665	\$ (42,086)	0%	352,996	428,575	\$ 470,661	\$ (42,086)
Capitalize Albany Grant Programs	7,912	-	7,912	#DIV/0!	130,630	138,542	130,630	7,912
PPP Loan Forgiveness	129,100	-	129,100	0%	-	129,100	-	129,100
Total Program Income	\$ 212,591	\$ 117,665	\$ 94,926	81%	\$ 483,626	\$ 696,217	\$ 601,291	\$ 94,926
PROJECT & PROGRAM EXPENSE								
Liberty Park Expenses	\$ 252,371	\$ 109,735	\$ 142,636	130%	\$ 329,205	581,576	\$ 438,941	\$ 142,636
Capitalize Albany Grant Programs	7,912	-	7,912	100%	\$ 130,630	138,542	130,630	7,912
Clinton Market Collective	35,209	-	35,209	#DIV/0!	\$ 67,343	102,551	100,000	2,551
Total Program Expense	\$ 295,492	\$ 109,735	\$ 185,757	169%	\$ 527,178	\$ 822,670	\$ 669,571	\$ 153,099
NET INCOME (LOSS) FROM PROGRAM ACTIVITY	\$ (82,901)	\$ 7,930	\$ (90,831)	1145%	\$ (43,552)	\$ (126,453)	\$ (68,280)	\$ (58,173)
NET INCOME (LOSS) AFTER DEPRECIATION & PROGRAM ACTIVITY	\$ (174,634)	\$ (176,780)	\$ 2,146	1%	\$ (234,609)	\$ (409,243)	\$ (382,269)	\$ (26,973)

CAPITALIZE ALBANY CORPORATION

Comparative Balance Sheets

Pre-Audited Draft

	March 31, 2021	Projected December 31, 2021	December 31, 2020
Assets			
Current Assets:			
Cash and cash equivalents	\$ 3,311,593	\$ 2,516,161	\$ 3,469,351
Investments	6,232,799	6,292,844	6,231,220
Restricted cash	6,386,826	6,069,678	6,546,534
Mortgage notes receivable, net	1,134,753	1,548,653	1,163,043
Net investment in direct financing leases	-	-	-
Accrued interest receivable	33,054	33,054	39,876
Grants receivable	125,596	125,596	255,496
Receivables from the City of Albany and City agencies	-	-	-
Other receivables, net	141,626	141,626	123,590
Property held for investment and lease, net	5,639,990	5,465,000	5,639,990
Property and equipment, net	342,781	321,946	342,781
Other assets	148,443	148,443	157,983
Total assets	\$ 23,497,461	\$ 22,663,001	\$ 23,969,864
Deferred Outflows of Resources	\$ -	\$ -	\$ -
Liabilities			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 76,174	\$ 13,733	\$ 178,703
Due to the City of Albany	72,892	72,892	59,521
Unearned grant and other income	6,855,120	6,537,707	7,063,965
Bonds payable	940,000	720,000	940,000
Revolving loan fund liability	714,723	714,723	714,487
Unearned program support	7,119	7,120	7,119
Total liabilities	\$ 8,666,028	\$ 8,066,175	\$ 8,963,795
Deferred Inflows of Resources	\$ -	\$ -	\$ -
Net Position			
Net invested in capital assets	\$ 5,932,587	\$ 5,932,587	\$ 5,157,687
Restricted for:			
Debt service	-	-	-
CDBG eligible activities	115,138	115,138	115,138
Other program specific activities	420	420	420
Impact Downtown Albany	-	-	-
Unrestricted	8,783,291	8,548,682	9,732,823
Total net position	\$ 14,831,436	\$ 14,596,827	\$ 15,006,068

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

Pre Audited Draft

	Year to Date March 31, 2021	Projected 2021	Year Ended December 31, 2020
Revenues			
Grant income and Contribution Income	\$ 275,091	\$ 1,193,660	\$ 1,116,607
Rental income	24,162	253,213	297,744
Other interest and investment income	1,603	84,239	213,370
Interest income on mortgage notes	10,716	42,865	45,907
Gain on sale of properties	-	143,485	-
Fees and other income	124,881	601,334	530,307
Total revenues	436,453	2,318,796	2,203,935
Expenses			
Salaries and fringe benefits	216,496	1,124,258	1,044,235
Program and project costs	295,592	1,008,572	839,235
Interest expense	-	8,910	8,703
Bad debt expenses (recovery)	(810)	(810)	-
Administrative Expenses	99,809	587,109	522,926
Total expenses	611,087	2,728,039	2,415,099
Excess of (expenses over revenues) revenues over expenses	(174,634)	(409,243)	(211,164)
Net Position, Beginning of Year	15,006,068	15,006,068	15,217,232
Net Position, End of Month	\$ 14,831,434	\$ 14,596,825	\$ 15,006,068

CAPITALIZE ALBANY CORPORATION
STATEMENTS OF CASH FLOWS
Pre-Audited Draft

	March 31, 2021	December 31, 2021	December 31, 2020
Cash Flows From Operating Activities			
Cash received from customers	\$ 15,735	\$ 436,090	\$ 307,153
Cash received from grantors	196,380	807,078	1,276,505
Other operating cash receipts	124,881	601,334	530,307
Cash payments to suppliers and grantees	(482,938)	(1,549,833)	(1,113,464)
Cash payments to employees	(216,496)	(1,124,258)	(1,044,235)
Net cash provided by operating activities	<u>(362,438)</u>	<u>(829,589)</u>	<u>(43,734)</u>
Cash Flows From Capital and Related Financing Activities			
Proceeds from sale of property held for sale	-	-	-
Purchase of property held for investment and lease	-	-	(5,252)
Purchase of property and equipment	-	-	(20,833)
Purchase of other assets including purchase options	-	-	(109,598)
Proceeds from Paychex Protection Program	-	-	129,100
Principal payments on bonds payable	-	(220,000)	(210,000)
Interest paid on bonds payable	-	(8,910)	(8,703)
Net cash used in capital and related financing activities	<u>-</u>	<u>(228,910)</u>	<u>(225,286)</u>
Cash Flows From Investing Activities			
Interest on cash and cash equivalents and investments	28,976	86,405	108,941
Proceeds from sales and maturities of investments	1,561,407	1,561,407	7,365,491
Purchase of investments	(1,572,891)	(1,632,938)	(7,420,686)
Issuance of mortgage notes receivable	-	(500,000)	-
Repayments received on mortgage notes receivable	27,480	113,580	140,658
Principal payments received under direct financing leases	-	-	-
Net cash used in investing activities	<u>44,972</u>	<u>(371,546)</u>	<u>194,404</u>
Change in cash and cash equivalents	<u>(317,466)</u>	<u>(1,430,046)</u>	<u>(74,616)</u>
Cash and cash equivalents and restricted cash:			
Beginning of year	<u>10,015,885</u>	<u>10,015,885</u>	<u>10,090,501</u>
End of year	<u>\$ 9,698,419</u>	<u>\$ 8,585,839</u>	<u>\$ 10,015,885</u>

\$ (1,430,046)

	March 31, 2021	December 31, 2021	December 31, 2020
Reconciliation of Excess of (Expenses Over Revenues)			
Revenues Over Expenses to Net Cash Provided by Operating Activities			
Excess of (expenses over revenues) revenues over expenses	\$ (174,634)	\$ (409,243)	\$ (605,674)
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:			
Depreciation and amortization	-	195,825	193,251
Adjustment for losses on mortgage notes and other receivables	810	810	-
Gain on sale of property	-	-	-
Net realized and unrealized losses (gains) on investments	9,907	9,911	(110,957)
Interest income on cash and cash equivalents and investments	(28,976)	(86,407)	(109,942)
Interest expense on bonds payable	-	8,910	8,703
Changes in:			
Grants receivable and other receivables	-	139,440	183,605
Other receivables, accrued interest receivable and other assets	128,224	(11,214)	(45,490)
Accounts payable and accrued expenses	(89,158)	(151,599)	69,948
Due to the City of Albany	-	-	-
Unearned grant, program support and other income	(208,846)	(526,257)	370,741
Revolving loan fund liability	235	235	2,081
Net cash provided by operating activities	<u>\$ (362,438)</u>	<u>\$ (829,589)</u>	<u>\$ (43,734)</u>