



Tuesday, April 27, 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 202.101, 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 # 824 2914 3837

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 March 23, 2021
2. Guest Speaker: Robert Hennes, Hugh Johnson Advisors
3. Report of Executive Staff – Corporation Update
 - a. Clinton Market Collective – *Resolution 4-2021*
4. Report of the Finance & Investment Committee
 - a. Quarterly Review of Budget Results
5. Board Only and/or Executive Session (if necessary)

MINUTES



**CAPITALIZE ALBANY
CORPORATION**

Date of Meeting: March 23, 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, March 23, 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 202.96 issued, the Capitalize Albany Corporation (the “Corporation”) Board Meeting scheduled for Tuesday, March 23, 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 Vero	Michael Fancher	Jeff Sperry
Anders Tomson	Heather Briccetti	Susan Pedo	Michele Vennard
John Harris	Sonya del Peral	Matthew Peter	
Robert Curly	Havidan Rodriguez	David Parente	

Staff: Sarah Reginelli, Thomas Conoscenti, Ashley Mohl, Mark Opalka, Andy Corcione, Virginia Rawlins, Nora Culhane-Friedel and Erin Grace

Others: Tom Owens, Esq. and Joe Castiglione, Esq.

Excused Members: Kaweeda Adams and Karen Torrejon

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation (“Corporation”) Board to order at 8:01 a.m.

Review of the minutes from the Regular Meeting of January 26, 2021

The Board reviewed the minutes of the January 26, 2021 Regular Board meeting. Robert Curly made a motion for approval, John Harris seconded. A vote being taken, the motion passed with all members voting aye, minutes were accepted.

Report of Executive Staff – Corporation Update

Staff updated the Board on the status of major regional economic development initiatives and ongoing project activity. Staff also briefed the Board on the ongoing implementation of the Skyway project and Downtown Revitalization Initiative (DRI).

Staff provided an update on the status of the Downtown Revitalization Initiative (“DRI”)-funded Clinton Market Collective project. Staff reported that Capitalize Albany’s DRI contract with NYS Department of State has been executed, and a copy of the executed contract has been received. Staff stated that the first reimbursement request for project costs incurred by the Corporation had been prepared and submitted. Staff also informed the Board that they are working with the selected design firm to complete final design, cost estimates, and a bid package for the project, and that a comprehensive update would be presented to the Board at the April meeting. The Board discussed the Clinton Market Collective project’s potential impact and future opportunities.

The Board also discussed the importance of the major regional initiatives and held a robust discussion of the City's positive momentum and the importance of the associated investment and job-opportunities.

Report of the Audit Committee

Audit Committee Chair Michael Fancher informed the Board that the Audit Committee met with UHY and reviewed the draft 2020 Audited Financial Statements in detail and noted the Corporation received a clean or "unqualified" opinion, with no deficiencies identified in internal controls, and that there were no disagreements with the Corporation's management during the audit and no material misstatements were detected as a result of their audit procedures. Chair of the Audit Committee Michael Fancher reviewed the *Draft 2020 Audit and 2020 Audited Financial Statements, Draft 2020 Management Assessment of Internal Controls Report, and Draft 2020 Audit Committee Annual Report* with the Board.

Staff advised the Board that the PARIS reports would be filed by the original March 31st deadline, and asked the Board to review the draft PARIS reports, and specifically the Board section, to make sure the information is correct and to reach out to staff if there are any proposed changes or questions. Committee Chair Michael Fancher presented the recommended *Draft 2020 Annual, Procurement & Investment Reports, and Draft 2020 Public Authorities Performance Measurements Report* to the Board for approval.

Based on the recommendation of staff to accept the *Draft 2020 Annual, Procurement & Investment Reports* after any necessary revisions are made to the draft, a motion was made by Robert Curly and seconded by John Harris. A vote being taken, the motion passed unanimously.

Based on the recommendation of staff to accept the *Draft 2020 Public Authorities Performance Measurements Report*, after any necessary revisions are made to the draft, a motion was made by Susan Pedo and seconded by Robert Curly. A vote being taken, the motion passed unanimously.

Report of the Finance & Investment Committee

Montgomery Street/705 Broadway Easements – Resolution 3-2021.

Finance & Investment Committee Chair Anders Tomson introduced the *Montgomery Street/705 Broadway Easements* project to the Board for consideration. Member Robert Curly recused himself from the discussion and left the meeting at 8:28 due to a possible conflict of interest due to his employer being involved in the project financing.

Staff stated that a request had been made 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. The Finance Committee had accepted staff's recommendation to dispose of the property easements for \$110,700, a value that was based on the average of two appraisals, one requested by Capitalize Albany Corporation and the other by Pioneer Companies.

A motion to pass Resolution 3-2021 was made by John Harris and seconded by Michele Vennard. Heather Briccetti having abstained from the vote disclosing that Pioneer Companies is a member of her employer, the motion passed with all other members voting aye.

Robert Curley rejoined the meeting at 8:34.

Liberty Park

A motion was made by Havidan Rodriguez for the Board to go into Executive Session to discuss current litigation and potential real estate acquisition the publicity of which would substantially affect the value thereof and to receive the advice of counsel and was seconded by John Vero. Susan Pedo recused herself from participating in

Executive Session due to her previously-disclosed role on the IDA Board. The Board entered executive session at 8:35.

The Board returned from Executive Session at 8:54 a.m. after a unanimous vote following a motion from Robert Curley and seconded by John Vero. No action was taken during Executive Session. Susan Pedo returned to the meeting at 8:54.

Adjournment

There being no further business the Capitalize Albany Corporation Board meeting was adjourned at 8:55 a.m.

**RESOLUTION 4-2021
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the mission of the Capitalize Albany Corporation (“CAC”) is to facilitate strategic economic development and stimulate transformative investment throughout the City of Albany, making New York’s Capital a vibrant place to thrive; and

WHEREAS, in support of its mission, CAC participates in a multitude of initiatives designed to contribute to the economic growth of the City including but not limited to programs funded by other entities which supports the CAC mission; and

WHEREAS, the area known as Clinton Square has been awarded designation by the City of Albany’s New York State Downtown Revitalization Initiative (“DRI”) as an essential hub capable of connecting and leveraging growth within downtown, the Warehouse District, the Arbor Hill and Sheridan Hollow neighborhoods, and the Hudson Riverfront; and

WHEREAS, CAC’s property at 11 Clinton Avenue (“Federal Park”) has been identified as the heart of the Clinton Square zone and an important component of the Albany Skyway as both an opportunity to physically connect and drive users to the zone’s assets as well as create a venue; and

WHEREAS, CAC, after successful application through the 2019 DRI process, was awarded \$1,160,239 in financial assistance for the redesign, engineering and renovation of Federal Park to allow for the creation of diverse pop up retail, installments by local artists, signature events and enhanced pedestrian connections, and to anchor Clinton Square’s role as both an engaging destination and an introduction to unique and vibrant local arts and commercial venues (“Clinton Market Collective” or “CMC”); and

WHEREAS, CAC applied for and was awarded an additional \$250,000 from National Grid in 2020 through their Urban Center/Commercial District Revitalization Program for the Clinton Market Collective

WHEREAS, in accordance with CAC’s procurement policy and pursuant to Board Resolution 7-2020, CAC issued an open/public competitive RFP, and through such RFP process, CAC retained PLACE Alliance to provide design, planning and engineering consulting services related to the CMC (“Services”); and

WHEREAS, during the performance of the Services – which has included the development of multiple conceptual drawings, hosting several stakeholder design charrettes, producing advanced final construction drawings and a market study and preliminary – CAC has determined that (i) certain amenities are critical to increase the likelihood that CMC will be successful in supporting economic development in Albany (the “Essential Build Out”), and (ii) it would be in CAC’s best interests to retain a Construction Manager to assist CAC in finding potential cost savings, manage the bidding process with PLACE Alliance for the contractors required for the development of CMC, serve as Owner’s Representative throughout the development and overseeing the day-to-day construction activities; and

WHEREAS, CAC staff and Finance Committee: (i) have reviewed the Essential Build Out with an estimated cost of approximately \$158,000 and reviewed CAC’s available funds/budget priorities and now recommend that CAC provide the funding for the Essential Build Out (with such funding to be

re-allocated from approximately \$200,000 in funds originally budgeted (but not spent or planned to be spent for other activities, and (ii) and recommend that staff develop and issue an open/competitive RFP to retain a Construction Manager using available DRI funding; and

NOW THEREFORE BE IT RESOLVED, that the Board of Directors (i) approves the reallocation of up to \$200,000 from previously budgeted, but unspent, funding to support the Essential Build Out at CMC; and (ii) directs staff to develop and issue an RFP to retain a Construction Manager for the build-out of CMC using available DRI funding.

Signed: _____
 John Vero, Esq., Secretary

Date of Authorization: April 27, 2021

Prepared by: Thomas M. Owens

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: ; No:	
Michael Fancher	_____	Jeffrey Sperry	_____	Recused:	

	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	(362,438)	(829,589)	(43,734)
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	-	(228,910)	(225,286)
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	44,972	(371,546)	194,404
Change in cash and cash equivalents	(317,466)	(1,430,046)	(74,616)
Cash and cash equivalents and restricted cash:			
Beginning of year	10,015,885	10,015,885	10,090,501
End of year	\$ 9,698,419	\$ 8,585,839	\$ 10,015,885

\$ (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	\$ (362,438)	\$ (829,589)	\$ (43,734)