



Tuesday, August 23, 2022
Via Conference Call
8:00 a.m.

CAPITALIZE ALBANY
CORPORATION

Capitalize Albany Corporation
Board of Directors Meeting

Pursuant to Executive Order 11.9, the August meeting of the Capitalize Albany Corporation Board will be held remotely with the public provided the opportunity to join the proceedings via conference line by dialing 1-646-876-9923, meeting # 836 9353 9525

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

Agenda

1. Review of Minutes from the Regular Board Meeting of May 24, 2022
2. Featured Topic – CHIPS and Science Act: Michael Fancher, Director NYS Center for Advanced Technology in Nanoelectronics · SUNY Polytechnic Institute
3. Report of Executive Staff – Corporation Update
 - a. New Capitalize Albany Grant Program Update
 - b. State Funding Competitions Update
 - c. Clinton Market Construction Update
4. Report of the Finance & Investment Committee
 - a. Quarterly Financial and Investment Update
5. Other Business
 - a. Liberty Park Update
6. Board Only and/or Executive Session (if necessary)

MINUTES



CAPITALIZE ALBANY
CORPORATION

Date of Meeting: May 24, 2022

Meeting: Capitalize Albany Corporation Board Meeting

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, May 24, 2022, via conference call. Instructions for the public to attend the meeting via conference call were published in the public notice of the meeting. A record of the meeting via the minutes is transcribed below and has been posted to the Corporation's website.

The following were in attendance:

Board of Directors:

Michael Castellana	John Vero	Michael Fancher
Anders Tomson	Heather Briccetti	Anthony Gaddy
John Harris	Sonya del Peral	Matthew Peter
Karen Torrejon	Kaweeda Adams	David Parente

Staff: Sarah Reginelli, Thomas Conoscenti, Ashley Mohl, Andy Corcione, Mike Bohne, Emma Fullem, Renee McFarlin, and Erin Grace

Others: Michael DeMasi and Tom Owens, Esq.

Excused Members: Havidan Rodriguez

Chairman Michael Castellana called the regular meeting of the Capitalize Albany Corporation ("Corporation") Board to order at 8:03 a.m.

Review of the minutes from the Regular Meeting of April 26, 2022

The Board reviewed the minutes of the April 26, 2022, Regular Board meeting. A motion to approve the minutes was made by Michael Fancher and seconded by Anders Tomson. A vote being taken, the motion passed with all members voting aye.

Report of Executive Staff – Corporation Update

Staff presented an update on ongoing projects and various economic development activities, with a focus on the Corporation's role as the regional point of contact for Governor Hochul's Regional Economic Development Council Round XII Consolidated Funding Application (CFA) process. Additional detailed reports were provided on the following:

Façade Grant Update

Staff reported to the Board on 17 Façade Grants awarded totaling \$115,294. Staff reported that the average award was in the amount of \$6,800, 59% were Disadvantaged Business Enterprises (DBE), 68% were in Neighborhood Strategy Areas, and 71% were in Qualified Census Tracts. Staff reported that a number of the awards went to improving or developing outdoor space.

City of Albany ARPA Update

Staff updated the Board on the Corporation's application to the City of Albany for ARPA funds to expand the Neighborhood Retail Grant Program, along with a second application to close the funding gap for the Clinton Market Collective Project. Staff reported that both applications had moved forward to the interview stage, which was held on May 18.

Clinton Market Collective Update

Staff reported on the application process for City of Albany ARPA funds, as well as an application to ESD for CFA funds. Staff has been responding to questions from ESD regarding the funding application, and an answer regarding the award is expected by the end of the year.

Report of the Finance & Investment Committee

Investment Update

Finance & Investment Committee Chair Anders Tomson reported that at the prior Finance Committee meeting, Bob Hennes of Graypoint, LLC (formerly Hugh Johnson Advisors), gave a detailed presentation on the Q1 2022 performance of the investment portfolio as well as the overall market. In addition, after Graypoint's market update, the Finance Committee reviewed the Corporation's Investment Guidelines, which were approved with no changes.

255 Orange Mortgage Payoff Request – Resolution 7-2022

Staff reported that as part of an overall redevelopment plan being undertaken by Home Leasing and the Albany Center for Economic Success (ACES) at 255 Orange Street and 236 Clinton Avenue, ACES has requested that the Corporation waive approximately \$190,000 in accrued interest and accept full outstanding principal payment of \$220,000 to satisfy the mortgage provided by the Corporation in 1993. It was reported that to date, no payments have been received for the 255 Orange St. property. The item had been discussed at length at the Finance Committee and given the benefits of the redevelopment project as well as the successful work of ACES, the request received a positive recommendation from the Finance Committee to the Board. The Board discussed the merits of the project and the benefit of supporting its advancement through the action in question. A motion to accept *Resolution 7-2022, 255 Orange Mortgage Payoff Request* was made by Anders Tomson and was seconded by Anthony Gaddy. A vote being taken, the motion passed with all members voting aye.

Other Business

Liberty Park Update

Chairman Michael Castellana asked for a motion to enter executive session to discuss the proposed acquisition, sale, or lease of a property within Liberty Park, as the public discussion would substantially affect the value thereof. The motion was made by John Vero, seconded by Michael Fancher, and the Board entered executive session at 8:30 a.m.

Upon a motion made by John Vero and seconded by David Parente, the Board voted unanimously to exit executive session at 8:43 a.m. It was reported that no action was taken during executive session.

Adjournment

There being no further business, a motion to adjourn was made by Anders Tomson and seconded by Michael Castellana. By unanimous vote, the Capitalize Albany Corporation Board meeting was adjourned at 8:45 a.m.

	January 1, 2022 - December 31, 2022							
	YTD Actual	YTD Budget	Variance - \$	Variance - %	July - December Adjustment Forecast	2022 Projection	Original Budget	Projected Variance from Budget
REVENUE								
General Economic & Community Development Support Income	\$ 242,543	\$ 242,543	\$ -	0%	\$ 254,900	\$ 497,443	\$ 497,443	\$ -
Real Estate Income	44,146	46,590	(2,444)	-5%	186,855	231,001	249,747	(18,746)
Professional Service Agreement Income	247,114	247,114	0	0%	247,114	494,228	494,228	0
Loan Interest Income	35,546	36,441	(895)	-2%	36,441	71,987	72,882	(895)
Fee Income	500	7,802	(7,302)	-94%	827	1,327	8,353	(7,026)
Direct Finance Lease Income	-	-	-	0%	-	-	-	-
Investment & Interest Income	30,282	41,426	(11,144)	-27%	30,179	60,462	82,852	(22,390)
FMV Adj on Fidelity Inv	(263,855)	-	(263,855)	100%	-	(263,855)	-	(263,855)
G/L on Sale/Redemption	683	-	683	100%	-	683	-	683
Membership & Event Support	30,500	27,000	3,500	13%	-	30,500	33,500	(3,000)
TOTAL REVENUE	\$ 367,459	\$ 648,915	\$ (281,456)	-43%	\$ 756,316	\$ 1,123,775	\$ 1,439,005	\$ (315,230)
EXPENSE								
Salaries & Fringe Expense	\$ 566,965	\$ 632,440	\$ (65,475)	-10%	\$ 528,134	\$ 1,095,099	\$ 1,264,879	\$ (169,780)
Professional Fees	212,131	183,972	28,159	15%	192,930	405,061	296,760	108,301
Administrative Expenses	36,084	56,825	(20,741)	-36%	41,280	77,364	103,834	(26,470)
Interest Expense	-	-	-	0%	1,568	1,568	1,568	-
Real Estate Expenses	-	165	(165)	-100%	4,486	4,486	4,486	-
Occupancy Expense	33,026	26,772	6,254	23%	25,122	58,148	51,894	6,254
Bad Debt Expense (recovery)	-	-	-	100%	-	-	-	-
Membership, Event & Marketing Expenses	-	-	-	0%	27,500	27,500	27,500	-
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 848,206	\$ 900,173	\$ (51,968)	-6%	\$ 821,020	\$ 1,669,226	\$ 1,750,921	\$ (81,695)
NET INCOME BEFORE DEPRECIATION & PROGRAM ACTIVITY	\$ (480,747)	\$ (251,258)	\$ (229,488)	91%	\$ (64,704)	\$ (545,451)	\$ (311,916)	\$ (233,535)
DEPRECIATION	\$ -	\$ -	\$ -	0%	\$ 199,694	\$ 199,694	\$ 199,694	\$ -
NET INCOME (LOSS) AFTER DEPRECIATION	\$ (480,747)	\$ (251,258)	\$ (229,489)	-91%	\$ (264,398)	\$ (745,145)	\$ (511,610)	\$ (233,535)
PROJECT & PROGRAM REVENUE								
Liberty Park	\$ 196,274	\$ 232,954	\$ (36,680)	-16%	232,954	429,228	\$ 465,908	\$ (36,680)
Capitalize Albany Grant Programs	127,596	-	127,596	100%	1,025,306	1,152,902	1,075,000	77,902
PPP Loan Forgiveness	-	-	-	100%	-	-	-	-
Total Program Income	\$ 323,871	\$ 232,954	\$ 90,917	39%	\$ 1,258,260	\$ 1,582,131	\$ 1,540,908	\$ 41,223
PROJECT & PROGRAM EXPENSE								
Liberty Park Expenses	\$ 167,386	\$ 212,852	\$ (45,467)	-21%	\$ 212,853	380,238	\$ 425,705	\$ (45,467)
Capitalize Albany Grant Programs	100,265	62,500	37,765	60%	\$ 112,806	213,070	125,000	88,070
Clinton Market Collective	-	-	-	100%	\$ -	-	100,000	(100,000)
Total Program Expense	\$ 267,651	\$ 275,352	\$ (7,702)	-3%	\$ 325,659	\$ 593,308	\$ 650,705	\$ (57,397)
NET INCOME (LOSS) FROM PROGRAM ACTIVITY	\$ 56,220	\$ (42,399)	\$ 98,618	233%	\$ 932,602	\$ 988,822	\$ 890,203	\$ 98,619
NET INCOME (LOSS) AFTER DEPRECIATION & PROGRAM ACTIVITY	\$ (424,527)	\$ (293,657)	\$ (130,871)	-45%	\$ 668,203	\$ 243,677	\$ 378,593	\$ (134,916)

These financial statements omit substantially all disclosures required by US GAAP. They have not been subjected to an audit, review or compilation agreement, and therefore no assurance is provided on them.

CAPITALIZE ALBANY CORPORATION
Comparative Balance Sheets
Pre-Audited Draft

	June 30, 2022	Projected December 31, 2022	December 31, 2021
Assets			
Current Assets:			
Cash and cash equivalents	\$ 2,572,260	\$ 2,952,671	\$ 2,783,119
Investments	6,058,951	6,132,295	6,303,026
Restricted cash	6,144,843	5,583,415	6,237,551
Mortgage notes receivable, net	1,152,959	1,401,452	1,306,842
Net investment in direct financing leases	-	-	-
Accrued interest receivable	33,137	33,137	23,149
Grants receivable	65,330	65,330	252,304
Receivables from the City of Albany and City agencies	-	-	-
Other receivables, net	214,892	149,049	113,254
Property held for investment and lease, net	5,595,233	5,420,243	5,579,927
Property and equipment, net	324,507	299,803	324,507
Other assets	35,631	32,677	44,808
Total assets	\$ 22,197,743	\$ 22,070,072	\$ 22,968,487
Deferred Outflows of Resources	\$ -	\$ -	\$ -
Liabilities			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 39,074	\$ 29,626	\$ 174,701
Due to the City of Albany	59,521	59,521	59,521
Unearned grant and other income	6,251,192	5,689,763	6,462,313
Bonds payable	720,000	495,000	720,000
Revolving loan fund liability	716,304	716,304	715,773
Unearned program support	7,119	7,120	7,119
Total liabilities	\$ 7,793,210	\$ 6,997,333	\$ 8,139,427
Deferred Inflows of Resources	\$ -	\$ -	\$ -
Net Position			
Net invested in capital assets	\$ 5,959,335	\$ 5,959,335	\$ 5,184,434
Restricted for:			
Debt service	-	-	-
CDBG eligible activities	115,067	115,067	115,067
Other program specific activities	79	79	79
Impact Downtown Albany	-	-	-
Unrestricted	8,330,051	8,998,257	9,529,480
Total net position	\$ 14,404,532	\$ 15,072,738	\$ 14,829,060

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Capitalize Albany Corporation

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

Pre Audited Draft

	Year to Date 2022	Projected December 31, 2022	Year Ended December 31, 2021
Revenues			
Grant income and Contribution Income	\$ 566,414	\$ 2,079,574	\$ 1,174,118
Rental income	44,146	231,001	296,069
Other interest and investment income	(232,890)	(202,710)	81,137
Interest income on mortgage notes	35,546	71,987	55,938
Gain on sale of properties	-	-	-
Fees and other income	278,114	526,055	530,589
Forgiveness of PPP Loan	-	-	129,100
	<u>691,330</u>	<u>2,705,907</u>	<u>2,266,951</u>
Total revenues			
Expenses			
Salaries and fringe benefits	566,965	1,095,099	1,129,828
Program and project costs	267,651	779,286	833,965
Interest expense	-	1,568	1,286
Bad debt expenses (recovery)	-	-	(2,358)
Administrative Expenses	281,241	586,276	481,238
	<u>1,115,857</u>	<u>2,462,229</u>	<u>2,443,959</u>
Total expenses			
Excess of (expenses over revenues) revenues over expenses	(424,527)	243,678	(177,008)
Net Position, Beginning of Year	14,829,060	14,829,060	15,006,068
Net Position, End of Month	\$ 14,404,532	\$ 15,072,738	\$ 14,829,060

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CAPITALIZE ALBANY CORPORATION
STATEMENTS OF CASH FLOWS
Pre-Audited Draft

	June 30, 2022	Projected December 31, 2022	December 31, 2021
Cash Flows From Operating Activities			
Cash received from customers	\$ (35,167)	\$ 253,352	\$ 362,777
Cash received from grantors	542,798	1,506,660	693,844
Other operating cash receipts	278,114	526,055	530,589
Cash payments to suppliers and grantees	(699,825)	(1,326,249)	(1,125,952)
Cash payments to employees	(566,965)	(1,095,099)	(1,129,828)
Net cash provided by operating activities	<u>(481,045)</u>	<u>(135,281)</u>	<u>(668,570)</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	-	-	-
Purchase of property and equipment	-	-	-
Purchase of other assets including purchase options	-	-	-
Proceeds from Paychex Protection Program	-	-	-
Principal payments on bonds payable	-	(225,000)	(220,000)
Interest paid on bonds payable	-	(1,568)	(1,286)
Net cash used in capital and related financing activities	<u>-</u>	<u>(226,568)</u>	<u>(221,286)</u>
Cash Flows From Investing Activities			
Interest on cash and cash equivalents and investments	36,862	58,488	74,203
Proceeds from sales and maturities of investments	485,802	412,460	5,361,144
Purchase of investments	(499,068)	(499,072)	(5,398,864)
Issuance of mortgage notes receivable	-	-	(500,000)
Repayments received on mortgage notes receivable	153,883	(94,607)	358,158
Principal payments received under direct financing leases	-	-	-
Net cash used in investing activities	<u>177,478</u>	<u>(122,732)</u>	<u>(105,359)</u>
Change in cash and cash equivalents	<u>(303,567)</u>	<u>(484,581)</u>	<u>(995,215)</u>
Cash and cash equivalents and restricted cash:			
Beginning of year	<u>9,020,670</u>	<u>9,020,670</u>	<u>10,015,885</u>
End of year	<u>\$ 8,717,103</u>	<u>\$ 8,536,089</u>	<u>\$ 9,020,670</u> \$
	<u>June 30, 2022</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
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	\$ (424,527)	\$ 243,678	\$ (792,580)
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:			
Depreciation and amortization	(15,306)	187,332	193,253
Adjustment for losses on mortgage notes and other receivables	-	(2,944)	(2,358)
Gain on sale of property	-	-	-
Net realized and unrealized losses (gains) on investments	257,344	257,347	(34,084)
Interest income on cash and cash equivalents and investments	(36,862)	(58,492)	(69,957)
Interest expense on bonds payable	-	1,568	1,286
Changes in:			
Grants receivable and other receivables	186,974	199,105	3,192
Other receivables, accrued interest receivable and other assets	(102,450)	(45,783)	21,473
Accounts payable and accrued expenses	(135,628)	(145,075)	(4,002)
Due to the City of Albany	-	-	-
Unearned grant, program support and other income	(211,121)	(772,550)	13,921
Revolving loan fund liability	531	531	1,286
Net cash provided by operating activities	<u>\$ (481,045)</u>	<u>\$ (135,282)</u>	<u>\$ (668,570)</u>

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