



Tuesday, September 26, 2023
8:00 a.m.

CAPITALIZE ALBANY
CORPORATION

Capitalize Albany Corporation
Board of Directors Meeting

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 June 27, 2023
2. Report of Executive Staff – Corporation Update
 - a. Communications Update
3. Report of the Finance & Investment Committee
 - a. Quarterly Financial and Investment Update
4. Other Business
 - a. Clinton Market Update
 - i. CMC Procurement *Resolution 9-2023*
 - b. Liberty Park Update
5. Board Only and/or Executive Session (if necessary)

MINUTES



CAPITALIZE ALBANY
CORPORATION

Date of Meeting: June 27, 2023

Meeting: Capitalize Albany Corporation Board Meeting

The meeting of the Capitalize Albany Corporation Board of Directors was held at 8:00 a.m., Tuesday, June 27, 2023, at 21 Lodge Street Albany, NY 12207.

The following were in attendance:

Board of Directors:

Michael Castellana	John Harris	Heather Mulligan	Matthew Peter
Anthony Gaddy	Michael Fancher	David Parente	Havidan Rodriguez

Staff: Sarah Reginelli, Thomas Conoscenti, Andy Corcione, Mike Bohne, Emma Fullem, Renee McFarlin, Amy Horwitz

Others: Tom Owens, Esq., Tom Libertucci, Tom Wilson

Excused Members: Anders Tomson, John Vero, Kaweeda Adams, Karen Torrejon, Sonya del Peral

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 April 25, 2023

The Board reviewed the minutes of the April 25, 2023 Regular Board meeting. A motion to approve the minutes was made by Matt Peter and seconded by Havidan Rodriguez. 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. Staff noted that the City of Albany IDA had been in the process of updating its Project Evaluation and Assistance Framework, the grants team has been assisting 6-10 external Consolidated Funding Applications that are being developed by local organization and that staff is working on completing a CFA for a stabilization project at Liberty Park under the HCR Main Street program. Staff also updated the Board on progress of the DOT effort to reimagine I-787 and announced an upcoming workshop.

The Board thanked and congratulated Andy Corcione on his 10-year anniversary with Capitalize Albany, commending him on his diverse and meaningful contributions to the Corporation throughout his tenure.

Building Improvement Grant (BIG) Program Update

Staff updated the Board on the BIG Program, noting that 37 applications were funded through the program in April, which utilized funding from the City of Albany made possible by the ARPA initiative. Staff noted that approximately \$635,000 in funding was awarded for 34 small businesses and three (3) not-for-profits throughout the city. Major Project Grant awards (Track #2), which ranged from \$5,000 to \$25,000 per business totaled roughly \$600,000 with the balance funded as Microgrants (Track #1) which ranged from \$1,500 to \$5,000 per the approved Program Guidelines. Staff reported that 88% of the funding recommended was in Qualified Census Tracts, with 81% of funding to DBE’s representing 85% of the awards; and that roughly 50% of the recommended funding would go towards businesses owned by City residents. Staff reported that awarded businesses included food service, recreation, manufacturing, and entertainment. Staff commended Ashley Mohl, Renee McFarlin and Emma Fullem for successfully developing and managing the Program. Michael Castellana

disclosed, consistent with his previously-filed conflict of interest disclosure form, that his son was employed by Redburn Development – a firm which he was aware had submitted an application. Mr. Castellana noted that he, himself, was not involved in any way with the external application or internal review process.

Report of the Finance & Investment Committee

Staff reported on the recent Finance & Investment Committee meeting.

Clinton Market Budget and Contract Modifications – Resolution 5-2023

Staff and construction manager, Thomas Wilson, described the ongoing development issues at Clinton Market including the discovery of unmarked underground utilities that had resulted in surpassing the approved project budget. The Finance Committee summarized its recent discussion and concurrence with staff’s recommendation to modify the project Budget and associated contracts to accommodate the unanticipated projected cost escalation. The Chair called for a motion to approve *Resolution 5-2023 – Clinton Market Budget and Contract Modifications* authorizing the Corporation to add \$310,000. Following discussion, a motion was made by Matthew Peter and seconded by Michael Fancher. A vote being taken, the motion passed with all members voting aye.

Tom Wilson left the meeting at 8:25 a.m.

Banking Services Update

Staff reported on the recommendation of the Finance and Investment Committee, regarding requesting updated terms reflecting current market conditions from the financial institutions with which the Corporation maintains service relationships.

Michael Fancher left the meeting at 8:27 a.m.

Other Business

Liberty Park Update

Staff provided a brief overview of activities related to the redevelopment of the Liberty Park District. The Chair called for a motion to enter Executive Session for the purposes of discussions regarding current litigation and the proposed acquisition of real property when publicity would substantially affect the value thereof. The motion was made by Matthew Peter and seconded by Havidan Rodriguez, and the Board entered Executive Session at 8:31 a.m. upon a unanimous vote. Tom Libertucci left the meeting. The Board exited Executive Session at 8:55 a.m. upon unanimous vote following a motion by Matthew Peter and second by Havidan Rodriguez. It was noted that no action was taken during Executive Session.

Small Business Program Grant Agreements – Resolution 6-2023 - Façade Improvement Program Agreement, Resolution 7-2023 – Amplify Albany Program Grant Agreement, Resolution 8-2023 – Downtown Retail Program Grant Agreement.

Staff provided an overview of the performance and status of the Corporation’s small business grant programs and recent funding proposals by the City of Albany Capital Resource Corporation. Following such overview and discussion, the Chair called for a motion to approve all three related resolutions: *Resolution 6-2023 - Façade Improvement Program Agreement, Resolution 7-2023 – Amplify Albany Program Grant Agreement, Resolution 8-2023 – Downtown Retail Program Grant Agreement*. A motion was made by Heather Mulligan and seconded by Matthew Peter. A vote being taken, the motion passed with all members voting aye.

Staff noted that Senior Vice President Thomas Conoscenti had submitted his letter of resignation and would be ending his employment with Capitalize Albany Corporation following the meeting to accept an economic development position in the Governor’s office.

The Board entered executive session at 8:59am to discuss the employment history of a particular person upon a unanimous vote moved by Heather Mulligan and seconded by Anthony Gaddy and staff left the room with the exception of President Sarah Reginelli. The Board exited executive session at 9:04 a.m. on a motion by Anthony Gaddy and a second by Heather Mulligan with all members voting aye. It was reported no actions were taken during executive session.

Board Only

No Board-only session was held.

Adjournment

There being no further business the Capitalize Albany Corporation Board meeting was adjourned at 9:04 a.m.

MEMORANDUM



CAPITALIZE ALBANY
CORPORATION

To: Capitalize Albany Finance Committee
From: Capitalize Albany Staff
Date: July 14, 2023
Re: Capitalize Albany 2nd Quarter 2023 Financial Reports

BUDGET PERFORMANCE

On a pre-audit basis, through June 30, 2023, Capitalize Albany Corporation had a net loss of \$127,357. The Corporation projected a year-to-date (YTD) budgeted net income of \$422,418. For comparison, the Corporation had a net loss of \$424,557 at June 30, 2023.

The comments below address those categories that deviate in excess of 5% and greater than \$5,000 from the YTD budget.

- **YTD 2023 revenue is \$1,479,958, which is \$215,033 (12.9%) below the 2023 budget.**
 - **Support income.** Support income is \$190,843 which is \$51,700 (21%) below budget. This is due to revenue not being received from Park South / College suites that was budgeted in Quarter 2.
 - **Investment & Interest Income.** Interest and Investment Income is a gain of \$163,241 which is \$121,783 over budget. This variance is primarily due to investment performance in the Corporation's investment portfolio.
 - **Project & Program Revenue.** Project and Program revenue is \$775,211. This revenue is from grant monies realized for the Amplify Albany and façade grant programs, the Liberty Park project as well Liberty Park operational income and estimated revenue for Clinton Markets. Most of these revenues have offsetting project and program expenses.
- **YTD 2023 expenses are \$1,607,315 which is \$335,017 (26%) above the 2023 budget.**
 - **Salary & Fringe Expense.** Salary and Fringe expense are \$585,188 which is \$91,560 (14%) under budget. This variance is attributable to the Corporation having lower staffing levels than what was budgeted during the first and second quarter of 2023.
 - **Administrative expenses.** Administrative expenses are \$56,642 which is \$9,640 over budget. This is due to paying a large dues invoice in Q2 that was budgeted for Q3.
 - **Occupancy Expenses.** Occupancy expenses are \$19,116 which is \$6,964 (27%) under budget. This is due to lower utility and maintenance expenses than budgeted.
 - **Project & Program Expense.** Project and Program Expenses are \$782,536. These expenses were for the grant disbursements for the Amplify Albany and Façade grant programs as well as expenses incurred for the Liberty Park and Clinton Market Collective projects.

BALANCE SHEET

- At June 30, 2023, compared to December 31, 2022, unrestricted cash has increased by \$21,227.
- Investments increased by \$143,257. This is primarily due to the investment performance in the Corporations LT equity portfolio.
- Restricted cash has increase by \$8,736 due to interest earned on the accounts
- Mortgage notes receivable has decrease by \$239,728. This is a result of scheduled loan payment activity.

	January 1, 2023 - December 31, 2023							
	YTD Actual	YTD Budget	Variance - \$	Variance - %	December Adjustment Forecast	2023 Projection	Original Budget	Projected Variance from Budget
REVENUE								
General Economic & Community Development Support Income	\$ 190,843	\$ 242,543	\$ (51,700)	-21%	\$ 247,575	\$ 438,418	\$ 490,118	\$ (51,700)
Real Estate Income	39,294	40,165	(871)	-2%	188,181	227,475	236,896	(9,421)
Professional Service Agreement Income	250,290	247,114	3,176	1%	282,114	532,404	529,228	3,176
Loan Interest Income	34,829	19,608	15,221	78%	19,608	54,437	39,216	15,221
Fee Income	-	7,250	(7,250)	-100%	-	-	7,250	(7,250)
Direct Finance Lease Income	-	-	-	0%	-	-	-	-
Investment & Interest Income	76,955	41,458	35,497	86%	39,874	116,829	82,916	33,913
FMV Adj on Fidelity Inv	(98,638)	-	(98,638)	100%	-	(98,638)	-	(98,638)
G/L on Sale/Redemption	184,924	-	184,924	100%	-	184,924	-	184,924
Membership & Event Support	26,250	27,000	(750)	-3%	4,750	31,000	33,500	(2,500)
TOTAL REVENUE	\$ 704,747	\$ 625,137	\$ 79,610	13%	\$ 782,103	\$ 1,486,850	\$ 1,419,124	\$ 67,726
EXPENSE								
Salaries & Fringe Expense	\$ 585,188	\$ 676,748	\$ (91,560)	-14%	\$ 676,754	\$ 1,261,942	\$ 1,353,502	\$ (91,560)
Professional Fees	162,968	159,330	3,639	2%	113,140	276,108	277,859	(1,752)
Administrative Expenses	56,642	66,282	(9,640)	-15%	41,729	98,371	137,610	(39,239)
Interest Expense	-	-	-	0%	1,285	1,285	1,285	-
Real Estate Expenses	-	165	(165)	100%	2,321	2,321	2,486	(165)
Occupancy Expense	19,116	26,080	(6,964)	-27%	24,295	43,411	50,375	(6,964)
Bad Debt Expense (recovery)	-	-	-	100%	-	-	-	-
Membership, Event & Marketing Expenses	865	-	865	#DIV/0!	27,500	28,365	27,500	865
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 824,779	\$ 928,605	\$ (103,826)	-11%	\$ 887,024	\$ 1,711,803	\$ 1,850,617	\$ (138,814)
NET INCOME BEFORE DEPRECIATION & PROGRAM ACTIVITY	\$ (120,032)	\$ (303,467)	\$ 183,436	-60%	\$ (104,921)	\$ (224,953)	\$ (431,493)	\$ 206,540
DEPRECIATION	\$ -	\$ -	\$ -	#DIV/0!	\$ 206,822	\$ 206,822	\$ 206,822	\$ -
NET INCOME (LOSS) AFTER DEPRECIATION	\$ (120,032)	\$ (303,467)	\$ 183,435	60%	\$ (311,743)	\$ (431,775)	\$ (638,315)	\$ 206,540
PROJECT & PROGRAM REVENUE								
Liberty Park	\$ 61,636	\$ 307,081	\$ (245,445)	-80%	438,845	500,481	\$ 614,162	\$ (113,681)
Capitalize Albany Grant Programs and Clinton Markets Collective	713,575	762,500	(48,925)	100%	2,287,500	3,001,075	3,050,000	(48,925)
PPP Loan Forgiveness	-	-	-	100%	-	-	-	-
Total Program Income	\$ 775,211	\$ 1,069,581	\$ (294,370)	-28%	\$ 2,726,345	\$ 3,501,556	\$ 3,664,162	\$ (162,606)
PROJECT & PROGRAM EXPENSE								
Liberty Park Expenses	\$ 208,672	\$ 218,696	\$ (10,024)	-5%	\$ 265,963	474,635	\$ 437,392	\$ 37,243
Capitalize Albany Grant Programs	-	125,000	(125,000)	-100%	\$ 171,820	171,819	250,000	(78,181)
Clinton Market Collective	573,864	-	573,864	100%	\$ -	573,864	100,000	473,864
Total Program Expense	\$ 782,536	\$ 343,696	\$ 438,840	128%	\$ 437,783	\$ 1,220,318	\$ 787,392	\$ 432,926
NET INCOME (LOSS) FROM PROGRAM ACTIVITY	\$ (7,325)	\$ 725,885	\$ (733,210)	101%	\$ 2,288,562	\$ 2,281,238	\$ 2,876,770	\$ (595,532)
NET INCOME (LOSS) AFTER DEPRECIATION & PROGRAM ACTIVITY	\$ (127,357)	\$ 422,418	\$ (549,775)	130%	\$ 1,976,819	\$ 1,849,463	\$ 2,238,455	\$ (388,992)

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.

**RESOLUTION 9-2023
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, the mission of the Capitalize Albany Corporation (“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; 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 was 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 Albany’s many assets as well as create a venue; and

WHEREAS, CAC, after successful application through the 2019 DRI process, was awarded \$1,160,240 (“DRI Funding”) 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 Project”); and

WHEREAS, in addition to the DRI Funding, CAC has also successfully obtained third party funding in the amount of \$3,560,240 for the CMC Project which is comprised of (i) \$1,160,240 of DRI Funding; (ii) \$1,100,000 from the City of Albany pursuant to an ARPA Grant; (iii) \$750,000 from NYS ESD pursuant to an NYSESD Capital Grant; (iv) \$200,000 from National Grid pursuant to a Urban Center/Commercial District Revitalization Grant; and (v) \$600,000 of CAC’s funds (pursuant to Resolution 16-2022); and

WHEREAS, the final site and operational plans for CMC propose to locate up to two (2) shipping container(s) retrofitted for small business vendor usage (“Vendor Container(s)”) in order to maximize site activation and programming as well as to maximize on-site revenue generation to off-set CMC operational expenses; and

WHEREAS, in accordance with the Corporation’s Procurement Policy, three written price proposals were requested/received for the acquisition of Vendor Container(s), which were evaluated by two CAC officers; and

WHEREAS, based on such review/evaluation of the proposals, staff has determined that sufficient resources are available within the already approved project

budget and recommends the Corporation acquire **X (X)** Vendor Container(s) from **X**, the best value proposal; and

NOW THEREFORE BE IT RESOLVED that the Board of Directors authorizes the Executive Staff to procure **X (X)** Vendor Container(s) at a cost not to exceed **\$X** and authorizes the Executive Staff to execute any and all necessary and related documentation to achieve the purpose of this Resolution.

Signed: _____
 John Vero, Esq., Secretary

Date of Authorization: September 26, 2023
 Prepared by: Ashley Mohl

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	_____	Heather Mulligan	_____	John Vero	_____
Michael Castellana	_____	David Parente	_____		
Sonya del Peral	_____	Matthew Peter	_____		
Michael Fancher	_____	Havidan Rodriguez	_____		
Anthony Gaddy	_____	Anders Tomson	_____		
John Harris	_____	Karen Torrejon	_____		
				Aye: No:	
				Recused:	

Conflict of Interest Policy

A major strength of the Capitalize Albany Corporation (CAC) is the insight and knowledge provided by its Board of Directors. Due to their respective business/government positions, member of the CAC Board are active in the community and in business transactions within the City of Albany. Inevitably, perceived or real conflicts of interests and governance issues may arise. Conflict of interests (real and perceived) should not prevent an individual from serving as a director or staff member unless the extent of the interest is so significant that the potential for divided loyalty is present in a significant number of situations. CAC's **Conflict of Interest policy** requires that members of the Board of Directors and staff reveal any personal, family or business interests that they have, that, by creating a divided loyalty, could influence their judgment as it relates to CAC. **A conflict of interest exists** whenever an individual could benefit, directly or indirectly, from access to information or from a decision over which they might have influence, or, where someone might reasonably perceive there to be such a benefit and influence. Examples of possible conflict of interest situation with respect to CAC include, but are not limited to:

- A board or staff member has a personal or business relationship with the CAC as a supplier of goods or services or as a landlord or tenant
- A board or staff member has a direct or indirect interest financially in any contract entered into by CAC or accepts any gratuity, financial or otherwise, from any vendor of CAC
- A board or staff member has a personal or financial relationship with a client/borrower of CAC
- CAC is employing someone who is directly related to, or has a personal or financial relationship with, a board member or other staff member
- Conduct that is disloyal, disruptive, competitive, or damaging to CAC; for example, staff should not accept outside employment if that employment is to be conducted during the hours that the staff member is working for CAC, or if such employment conflicts with the effectiveness of the staff member's work for CAC
- A board or staff member is utilizing CAC information or services for their personal use
- A staff member is performing activities that are unrelated to CAC work during working hours
- A staff member of CAC shall not directly or indirectly, solicit any gift, or accept or receive any gift having a value of seventy-five dollars or more, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise, or any other form.

Procedure for Handling an Actual, Perceived or Possible Conflict of Interest

1. The Board shall annually complete a “Conflict of Interest Declaration” which shall be reviewed by the CAC Governance/Audit Committees to determine if the potential for a conflict of interest exists. Additionally, prior to election of any new member of the Board, such member will complete/submit the declaration to the CAC Governance/Audit Committees.
2. In addition to the declaration submitted in accordance with #1 above, members of the Board and staff have a duty to disclose (as soon as practicable) any personal, family, or business interests that may, in the eyes of another person, influence their judgment.
3. The Board as a whole has a duty to disclose specific conflicts or interests to the CAC Governance Committee when that interest may affect the reputation or credibility of the organization, and to disclose the Board’s procedure for operating in the presence of such conflicts.
4. Board members and staff have a duty to recuse themselves from participating in any discussion and voting on matters on which they have a conflict of interest. Such exemptions should be recorded in minutes of meetings if normally kept.
5. Any business relationship between an individual (or a company where the individual is an owner or in a position of authority) and CAC, outside of their relationship as a Board or staff member, must be formalized in writing and approved by the Audit/Governance Committee and the full Board of Directors.

Annual Completion of Conflict of Interest Declaration

To: Capitalize Albany Corporation Nominating/Governance Committee
21 Lodge Street
Albany, NY 12207

This Annual Statement is made pursuant to the Conflict of Interest Policy of the Capitalize Albany Corporation. The undersigned has received a copy of the CAC Conflict of Interest Policy, has read and understands such policy, and has complied and agrees to comply with such policy. In addition to specific disclosures by the undersigned of actual or possible conflicts of interest as matters have arisen at meetings attended by the undersigned, please be advised of the following (indicate any other affiliations, boards, etc. that may lead to discloseable conflicts of interest; if none, please so state):

- 1. Please list primary employer and address:

- 2. Please list any office, trusteeships, directorship, position, or relationship of ANY nature (e.g. lawyer, lobbyist, consultant, etc.), whether compensated or not, held by you with any person, firm, corporation or other organization who or which is known by you have any matter pending or financial relationship with Capitalize Albany Corporation.

<u>Agency</u>	<u>Nature of Affiliation/Relationship</u>
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Name: _____

Signature: _____

Date: _____