



**Tuesday, August 27, 2024**  
21 Lodge Street, Board Room  
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 25, 2024
2. Report of Executive Staff – Corporation Update
3. Report of the Finance & Investment Committee
  - a. Quarterly Financial Report and Investment Update
  - b. Property Agreement – 21 Lodge Street – Downtown Albany Business Improvement District
  - c. Clinton Market Collective Update
4. Report of the Liberty Park Committee
5. Board Only and/or Executive Session (if necessary)

# MINUTES

**Date of Meeting:** June 25, 2024

**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 25, 2024, at 21 Lodge Street, Albany, NY 12207.

The following were in attendance:

*Board of Directors:*

Michael Castellana	Dr. Havidán Rodríguez	Anders Tomson
Anthony Gaddy	Richard Sleasman	Karen Torrejon
John Harris	Dr. Toyin Tofade	John Vero

*Staff:* Ashley Mohl, Andrew Biggane, Mike Bohne, Andrew Corcione, Emma Fullem, Maria Lynch, Renee McFarlin and Cassidy Roberts

*Others:* Tom Owens, Esq.; Tom Libertucci, BST; and Joseph F. Castiglione, Esq., Young / Sommer LLC (by phone)

*Excused Members:* Kaweeda Adams, Heather Mulligan, Sonya del Peral and David Parente

Chair Anders Tomson called the regular meeting of the Capitalize Albany Corporation (“Corporation”) Board to order at 8:10 a.m.

## **Review of the minutes from the Regular Board Meeting of May 21, 2024**

The Board reviewed the minutes of the May 21, 2024 Regular Board meeting. A motion to approve the minutes was made by John Harris and seconded by John Vero. A vote being taken, the motion passed with all present members voting aye.

Chair Tomson asked for consensus to re-order the agenda to allow for items requiring action by the Board to be taken first. The Board, by verbal consent, agreed, and as such the Reports of the Liberty Park Committee and Finance and Investment Committee were moved to the end of the agenda.

## **Report of Executive Staff – Corporation Update**

Staff provided a comprehensive update on the current activities of the organization and staff.

### Operations

The Corporation has welcomed two new team members: Maria Lynch, who started as Executive Assistant on May 28, 2024 and Olivia Sewak, who will join as a Program Assistant on June 28, 2024. Mohl concluded the staffing announcement by noting that Emma Fullem will be departing in July to pursue her MBA at Yale. Chair Tomson recognized and thanked Emma for her dedication and congratulated her on her acceptance into Yale.

Karen Torrejon arrived at 8:16 a.m.

### Business Development

Launched last year and funded through the City of Albany’s ARPA process, the City of Albany Small Business Grant Building Improvement Grant (BIG) Program has demonstrated a notable success rate, with 60% of the grants being fully reimbursed within a year. Most recently, Capitalize Albany awarded a Downtown Retail Grant to new

downtown restaurant Viva Empanadas and three Amplify Albany awards totaling over \$11,000 for two Juneteenth celebrations as well as a gala for the Cultural Center.

### Strategic Development

Staff informed the Board that Round XIV of New York State’s Consolidated Funding Application (CFA) was announced in May, with the Corporation serving as the City’s liaison to assist applicants, provide technical support and secure necessary approvals. Staff will lead a CFA workshop on June 24<sup>th</sup> with the Albany Black Chamber of Commerce and has briefed the Common Council on the process, with further updates planned for the July Caucus meeting. Staff also reported on leading a recent walking tour of the Clinton Square Downtown Revitalization Initiative (DRI) zone for NYS Department of State employees. The tour highlighted completed DRI projects, as well as more than \$100 million of nearby catalyzed investment. Staff shared an update regarding participation in a NYS Department of State professional development event hosted by the Port of Albany, alongside local leaders.

### **Other Business**

#### Neighborhood Retail Grant Program (NRGP)

Staff provided a brief overview and history of the Neighborhood Retail Grant Program (NRGP), introduced in 2019 and launched in 2022, having been held as a result of the COVID-19 pandemic. This matching grant program is designed to support new and existing small businesses in specific neighborhood corridors within the City of Albany. Eligible projects must be located within designated commercial corridors in West Hill, Arbor Hill, North Albany, and the South End—four of the City's Neighborhood Strategy Areas (NSAs). Despite extensive efforts from the staff to promote and market the Program, it has received no completed applications to date.

#### Expansion of Program Boundaries and Amendment of Program Guidelines – Resolution 9-2024

Staff presented in detail the *Expansion of Program Boundaries and Amendment of Program Guidelines – Resolution 9-2024*. Staff recommended to expand the geographic boundaries of each of the four commercial corridors identified as eligible for grant funding through the NRGP, as well as permit case-by-case reviews for boundary determinations, in order to expand the eligible applicant pool. Staff noted the City of Albany Capital Resource Corporation (CRC) approved the expanded boundaries as presented at their June 20, 2024 Board meeting.

Anthony Gaddy recused himself from the discussion of this matter and the vote, noting for the record that he holds concurrent roles as a member of the Capitalize Albany Board as well as member of the City of Albany Capital Resource Corporation Board of Directors.

Chair Tomson called for a motion to approve *Resolution 9-2024 – Expansion of Program Boundaries and Amendment of Program Guidelines*. A motion to approve the Resolution was made by Richard Sleasman and seconded by John Harris. A vote being taken, the motion passed with all present members voting aye, with the exception of Anthony Gaddy’s recusal.

Staff noted that the next resolution regarding the Master Grant Agreement to govern the NRGP includes a requirement that future modifications to the guidelines must be reviewed by the Finance Committee and approved by the Board.

#### Master Grant Agreement – Resolution 8-2024

Staff presented in detail the *Master Grant Agreement – Resolution 8-2024*, noting that approval of the resolution would enable efficiency of program administration and alignment with the Downtown Retail, Small Business Façade, and Amplify Albany Grant Programs’ Master Grant Agreements.

Chair Tomson called for a motion to approve *Resolution 8-2024 - Master Grant Agreement*. A motion was made by Michael Castellana and seconded by John Harris to approve the Resolution. A vote being taken, the motion passed with all present members voting aye.

On the recommendation of Counsel, Chair Tomson called for a motion to enter Executive Session for the purposes of discussion concerning current litigation, the financial history of a specific corporation, the proposed acquisition of real property where the value could be significantly affected by public disclosure and matters pertaining to the appointment of a particular corporation.

Anthony Gaddy motioned to enter Executive Session and was seconded by John Harris. A vote being taken, the motion passed with all present members voting aye. The Board entered Executive Session at 8:40 a.m., after members of the public had left the room.

Tom Libertucci exited the meeting at 8:40 a.m.

Dr. Havidán Rodríguez motioned to exit Executive Session and was seconded by Michael Castellana. With all present members voting aye, the meeting exited Executive Session at 10:07 a.m.

Chair Tomson noted that no action was taken in the Executive Session, and the members of the public re-entered the room.

Chair Tomson called for a motion to amend *Resolution 7-2024 - Acquisition of 34 Hamilton*, which was previously approved by the Capitalize Albany Board on May 24, 2024. For the purposes of facilitating the acquisition of 34 Hamilton, the amendment as proposed would remove the requirement of the President to negotiate and enter into an agreement with Empire State Development (ESD) and obtain written documentation from ESD related to certain funding prior to the acquisition. It would replace this text with the condition that the President continue to negotiate and seek funding from ESD for the purposes of acquisition of 34 Hamilton.

John Harris made a motion to amend *Resolution 7-2024 - Acquisition of 34 Hamilton* as discussed by the Board, and the motion was seconded by John Vero. A vote being taken, the motion passed with all present members voting aye.

Dr. Havidán Rodríguez exited the meeting at 10:10 a.m.

### **Report of the Finance and Investment Committee**

#### *Clinton Market Collective*

Staff noted the Clinton Market Collective project is on track to completion, with 97% of sitework completed by May 31<sup>st</sup>, and the official opening planned for later this summer. Capitalize Albany has been reimbursed for approximately 61% of eligible expenditures pursuant to various grants awarded for the construction of Clinton Market, including full reimbursement of the \$1.1 million City of Albany American Rescue Plan award and \$895,000 (77%) of the \$1.16 million New York State Downtown Revitalization Initiative award. Staff anticipates seeking reimbursement from both Empire State Development and National Grid by the end of Q3 2024. A market operator request for proposals is under development.

### **Adjournment**

There being no further business, the Capitalize Albany Corporation Board meeting was adjourned at 10:13 a.m.

	January 1, 2024 - June 30, 2024						
	YTD Actual	YTD Budget	Variance - \$	Variance - %	2024 Projection	Original Budget	Projected Variance from Budget
<b>REVENUE</b>							
General Economic & Community Development Support Income	\$ 266,999	\$ 190,843	\$ 76,156	40%	\$ 491,999	\$ 490,118	\$ 1,881
Real Estate Income	183,296	39,922	143,374	359%	372,497	229,123	143,374
Professional Service Agreement Income	350,169	316,112	34,057	11%	686,092	662,228	23,864
Loan Interest Income	13,875	15,315	(1,440)	-9%	28,925	30,365	(1,440)
Fee Income	500	7,415	(6,915)	100%	500	7,415	(6,915)
Direct Finance Lease Income	-	-	-	0%	-	-	-
Investment & Interest Income	187,882	149,460	38,422	26%	268,318	298,920	(30,602)
FMV Adj on Fidelity Inv	22,212	-	22,212	100%	22,212	-	22,212
G/L on Sale/Redemption	-	-	-	0%	-	-	-
Membership & Event Support	18,750	26,250	(7,500)	100%	30,000	33,500	(3,500)
<b>TOTAL REVENUE</b>	<b>\$ 1,043,683</b>	<b>\$ 745,317</b>	<b>\$ 298,366</b>	<b>40%</b>	<b>\$ 1,900,543</b>	<b>\$ 1,751,669</b>	<b>\$ 148,874</b>
<b>EXPENSE</b>							
Salaries & Fringe Expense	\$ 439,602	\$ 689,143	\$ (249,541)	-36%	\$ 1,128,750	\$ 1,378,291	\$ (249,541)
Professional Fees	205,755	159,872	45,883	29%	340,278	304,748	35,530
Administrative Expenses	87,720	56,993	30,727	54%	155,695	112,843	42,852
Interest Expense	-	-	-	0%	1,600	1,600	-
Real Estate Expenses	-	-	-	0%	3,500	3,500	-
Occupancy Expense	23,115	26,880	(3,765)	-14%	58,983	60,860	(1,877)
Bad Debt Expense (recovery)	-	-	-	0%	-	-	-
Membership, Event & Marketing Expenses	328	5,600	(5,272)	-94%	29,178	30,900	(1,722)
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ 756,520</b>	<b>\$ 938,488</b>	<b>\$ (181,968)</b>	<b>-19%</b>	<b>\$ 1,717,984</b>	<b>\$ 1,892,742</b>	<b>\$ (174,758)</b>
<b>NET INCOME BEFORE DEPRECIATION &amp; PROGRAM ACTIVITY</b>	<b>\$ 287,163</b>	<b>\$ (193,171)</b>	<b>\$ 480,334</b>	<b>249%</b>	<b>\$ 182,559</b>	<b>\$ (141,073)</b>	<b>\$ 323,632</b>
<b>DEPRECIATION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ 264,216</b>	<b>\$ 264,216</b>	<b>\$ -</b>
<b>NET INCOME (LOSS) AFTER DEPRECIATION</b>	<b>\$ 287,163</b>	<b>\$ (193,171)</b>	<b>\$ 480,334</b>	<b>249%</b>	<b>\$ (81,657)</b>	<b>\$ (405,289)</b>	<b>\$ 323,632</b>
<b>PROJECT &amp; PROGRAM REVENUE</b>							
Liberty Park	\$ 89,079	\$ 177,265	\$ (88,186)	-50%	754,535	\$ 754,535	\$ -
Capitalize Albany Grant Programs including BIG	72,358	-	72,358	100%	299,999	70,000	229,999
Clinton Market Collective	105,803	16,928	88,875	0%	1,139,667	1,050,792	88,875
<b>Total Program Income</b>	<b>\$ 267,240</b>	<b>\$ 194,193</b>	<b>\$ 73,047</b>	<b>38%</b>	<b>\$ 2,194,201</b>	<b>\$ 1,875,327</b>	<b>\$ 318,874</b>
<b>PROJECT &amp; PROGRAM EXPENSE</b>							
Liberty Park Expenses	\$ 64,595	\$ 147,302	\$ (82,707)	-56%	278,517	\$ 278,517	\$ -
Capitalize Albany Grant Programs	72,358	-	72,358	100%	299,999	70,000	229,999
Clinton Market Collective	-	43,575	(43,575)	0%	87,150	130,725	(43,575)
<b>Total Program Expense</b>	<b>\$ 136,953</b>	<b>\$ 190,877</b>	<b>\$ (53,924)</b>	<b>-28%</b>	<b>\$ 665,666</b>	<b>\$ 479,242</b>	<b>\$ 186,424</b>
<b>NET INCOME (LOSS) FROM PROGRAM ACTIVITY</b>	<b>\$ 130,287</b>	<b>\$ 3,316</b>	<b>\$ 126,971</b>	<b>-3829%</b>	<b>\$ 1,528,535</b>	<b>\$ 1,396,085</b>	<b>\$ 132,450</b>
<b>NET INCOME (LOSS) AFTER DEPRECIATION &amp; PROGRAM ACTIVITY</b>	<b>\$ 417,450</b>	<b>\$ (189,855)</b>	<b>\$ 607,305</b>	<b>320%</b>	<b>\$ 1,446,878</b>	<b>\$ 990,796</b>	<b>\$ 456,082</b>

\*\*\*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**

	6/30/24	12/31/2023
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 667,576	\$ 1,719,486
Investments	6,530,289	6,384,679
Restricted cash	4,500,659	3,184,933
Mortgage notes receivable, net	478,779	490,977
Net investment in direct financing leases	348,677	348,677
Accrued interest receivable	43,795	39,996
Grants receivable	-	850,930
Lease receivables	-	-
Other receivables, net	326,828	158,588
Property held for investment and lease, net	11,679,306	11,200,090
Property and equipment, net	308,934	308,932
Other assets	61,139	63,800
<b>Total assets</b>	<b>\$ 24,945,982</b>	<b>\$ 24,751,088</b>
<b>Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 164,235	\$ 437,796
Due to the City of Albany	59,521	59,521
Unearned grant and other income	2,967,589	2,931,925
Bonds payable	255,000	255,000
Revolving loan fund liability	750,784	735,451
Unearned program support	-	-
<b>Total liabilities</b>	<b>\$ 4,197,129</b>	<b>\$ 4,419,693</b>
<b>Deferred Inflows of Resources</b>	<b>\$ 1,336,587</b>	<b>\$ 1,336,587</b>
<b>Net Position</b>		
Net invested in capital assets	\$ 10,768,045	\$ 11,254,022
Restricted for:		
Debt service	-	-
CDBG eligible activities	115,320	115,320
Other program specific activities	-	-
Impact Downtown Albany	-	-
Unrestricted	8,528,896	7,625,466
<b>Total net position</b>	<b>\$ 19,412,261</b>	<b>\$ 18,994,808</b>

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# **Capitalize Albany Corporation**

## **STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS**

### **Pre Audited Draft**

	Year to Date 6/30/2024	Year Ended December 31, 2023
Revenues		
Grant income and Contribution Income, including capital grant income	\$ 534,239	\$ 2,385,753
Rental income	39,917	412,440
Other interest and investment income	210,094	438,634
Interest income on mortgage notes	13,875	34,913
Gain on sale of properties	143,379	-
Fees and other income	369,419	747,068
	-	-
Total revenues	1,310,923	4,018,808
Expenses		
Salaries and fringe benefits	439,602	1,123,632
Program and project costs	137,221	562,370
Interest expense	-	11,881
Bad debt expenses (recovery)	-	45,321
Administrative Expenses	316,650	469,006
Total expenses	893,473	2,212,210
Excess of (expenses over revenues) revenues over expenses	417,450	1,806,598
Net Position, Beginning of Year	18,994,808	17,188,210
Net Position, End of Month	\$ 19,412,258	\$ 18,994,808

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**CAPITALIZE ALBANY CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**Pre-Audited Draft**

	June 30, 2024	December 31, 2023
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	\$ 920,564	\$ 595,624
Cash received from grantors	585,236	1,200,056
Other operating cash receipts	369,419	664,731
Cash payments to suppliers and grantees	(724,770)	(482,469)
Cash payments to employees	(439,602)	(1,123,632)
Net cash provided by operating activities	710,847	854,310
<b>Cash Flows From Capital and Related Financing Activities</b>		
Proceeds from sale of property held for sale	-	-
Cash received from capital grant funding	-	1,069,532
Purchase of property held for investment and lease	(335,837)	(2,708,770)
Purchase of property and equipment	-	(6,336)
Purchase of other assets including purchase options	-	(539,056)
Proceeds from Paychex Protection Program	-	-
Principal payments on bonds payable	-	(240,000)
Interest paid on bonds payable	-	(11,881)
Net cash used in capital and related financing activities	(335,837)	(2,436,511)
<b>Cash Flows From Investing Activities</b>		
Interest on cash and cash equivalents and investments	127,197	226,986
Proceeds from sales and maturities of investments	-	5,384,034
Purchase of investments	(250,589)	(5,529,221)
Issuance of mortgage notes receivable	-	-
Repayments received on mortgage notes receivable	12,198	597,946
Principal payments received under direct financing leases	-	-
Net cash used in investing activities	(111,194)	679,745
<b>Change in cash and cash equivalents</b>	263,816	(902,456)
<b>Cash and cash equivalents and restricted cash:</b>		
Beginning of year	4,904,419	5,806,875
End of year	\$ 5,168,235	\$ 4,904,419
<b>Reconciliation of Excess of (Expenses Over Revenues)</b>		
<b>Revenues Over Expenses to Net Cash Provided by Operating Activities</b>		
Excess of (expenses over revenues) revenues over expenses	\$ 417,450	\$ 175,037
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	-	191,558
Adjustment for losses on mortgage notes and other receivables	-	45,322
Gain on sale of property	(143,379)	-
Net realized and unrealized losses (gains) on investments	(22,212)	(191,499)
Interest income on cash and cash equivalents and investments	-	(233,204)
Interest expense on bonds payable	-	11,881
Changes in:		
Grants receivable and other receivables	-	14,315
Lease receivables	-	299,432
Other receivables, accrued interest receivable and other assets	678,891	(52,608)
Accounts payable and accrued expenses	(270,900)	374,344
Due to the City of Albany	-	-
Unearned grant, program support and other income	35,664	414,285
Revolving loan fund liability	15,333	17,264
Deferred inflow of resources	-	(211,817)
Net cash provided by operating activities	\$ 710,847	\$ 854,310

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