



Tuesday, April 22, 2025
21 Lodge Street, Board Room
8:00 a.m.

CAPITALIZE ALBANY
CORPORATION

Capitalize Albany Corporation
Board of Directors Meeting

Agenda

1. Review of Minutes from the Regular Board Meeting of March 25, 2025
2. Report of Executive Staff – Corporation Update
3. Report of the Finance & Investment Committee
 - a. Quarterly Review of Budget and Investment Results
4. Report of the Governance Committee
 - a. Board Appointments – *Resolution 5-2025*
5. Report of the Liberty Park Committee
6. Other Business
 - a. Financial Disclosure Forms
7. Board Only and/or Executive Session (if necessary)

Next Meeting: May 20, 2025, 8:00 a.m.

MINUTES



Date of Meeting: March 25, 2025

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 25, 2025 at 21 Lodge Street, Albany, New York 12207.

The following were in attendance:

Board of Directors:

Michael Castellana	John Harris	Richard Sleasman
Michael Fancher	Heather Mulligan	Dr. Toyin Tofade
Anthony Gaddy	David Parente	

Staff: Ashley Mohl, Andrew Biggane, Mike Bohne, Andrew Corcione, Maria Lynch, Olivia Sewak and Cassidy Roberts

Others: Brian Kearns, UHY, LLP; Eric Simonds, CBRE Upstate NY; Mark Bezold, CBRE Upstate NY (attended via Zoom); and Tom Owens, Esq.

Attended Via Zoom:

Excused Directors: Kaweeda Adams, Anders Tomson (attended via Zoom; he was not counted for quorum purposes and did not vote), Karen Torrejon, and John Vero

Excused Staff: None.

With a quorum of the Members present, Board Vice Chair Heather Mulligan called the Regular Meeting of the Capitalize Albany Corporation ("Corporation") Board to order at 8:14 a.m.

Review of the minutes from the Regular Board Meeting of January 28, 2025

The Board reviewed the minutes of January 28, 2025 Regular Board meeting. A motion to approve the minutes was made by Michael Castellana and seconded by John Harris. A vote being taken, the motion passed with seven members voting aye and one abstaining, due to a previously disclosed and excused absence from the January 28th Regular Board Meeting.

Report of Executive Staff-Corporation Update

At the suggestion of Counsel, a motion to move into Executive Session for the discussion of matters regarding the potential disposition of real property, the publicity of which would substantially affect the value thereof, was made by Michael Castellana and seconded by Michael Fancher. The meeting moved to Executive Session at 8:15 a.m. upon a unanimous vote. Counsel advised the Board that Richard Sleasman could stay because no action was to be taken, and the session was for discussion purposes only. Eric Simonds of CBRE Upstate and Mark Bezold of CBRE, who were present at the request of the Board, were also asked to remain.

Michael Fancher made a motion to exit Executive Session, which was seconded by Richard Sleasman. Following a unanimous vote, the meeting exited Executive Session at 8:59 a.m.

Chair Anders Tomson, as well as Eric Simonds of CBRE Upstate and Mark Bezold of CBRE departed the meeting at 8:59 a.m.

Counsel stated for the record that no action was taken during Executive Session.

Vice Chair Heather Mulligan made a motion to accept and approve the 2024 Audit, the 2024 Audited Financial Statements, the Management Assessment of Internal Controls Report and the Audit Committee Annual Report, and to approve and authorize staff to enter into the Public Authorities Reporting Information System (PARIS)) the 2024 Annual, Procurement, and Investment Reports. The motion was seconded by Michael Fancher. Counsel reiterated and clarified for the record that a motion was on the table and had been seconded for the Corporation to accept and approve the 2024 Audit, the 2024 Audited Financial Statements, the Management Assessment of Internal Controls Report, the Audit Committee Annual Report, and to approve and authorize staff to enter into the Public Authorities Reporting Information System (PARIS) the 2024 Annual, Procurement, and Investment Reports.

Staff reaffirmed for the record that no action was taken in Executive Session, and that Richard Sleasman has made a prior disclosure regarding his employment with CBRE Upstate but was allowed to remain for the Executive Session because it was for discussion purposes only and that no action was to be taken.

Brian Kearns, Partner at UHY LLP, the Corporation's independent audit firm, joined the meeting at 9:00 a.m. and was present to address any questions from the Board.

Report of the Audit Committee

Review and Approval of Reports

Audit Committee Chair Michael Fancher followed up with a formal review of the Fiscal Year 2024 Audit Reports with the Board. It was noted that the Audit Committee met on March 20, with representatives of UHY LLP to conduct a thorough review of the draft Audited Financial Statements for Fiscal Year 2024. Brian Kearns of UHY added that the Corporation received an unmodified (clean) audit opinion—the highest level of assurance issued by independent auditors. The audit identified no material weaknesses or deficiencies in internal controls, no disagreements with management, and no material misstatements resulting from the audit procedures. The Audit Committee Chair then noted that the Audit Committee approved the reports and issued a positive recommendation to the Board for their consideration and approval.

Vice Chair Mulligan and Counsel noted that the motion on the table includes acceptance and approval of the 2024 PARIS reports for the Corporation. The Audit Committee Chair asked the Board to review the draft PARIS reports with particular attention to the Board section. Staff added that any changes to the information would be needed as soon as possible, so that the PARIS reports can be successfully filed by the March 31st deadline.

Staff called attention to the 2024 Management Assessment of Internal Controls Report and 2024 Audit Committee Annual Report contained within the packet.

At the recommendation of Counsel, Vice Chair Mulligan called for a vote on the Corporation to accept and approve the 2024 Audit, the 2024 Audited Financial Statements, the Management Assessment of Internal Controls Report, the Audit Committee Annual Report, and to approve and authorize staff to enter into the Public Authorities Reporting Information System (PARIS) the 2024 Annual, Procurement, and Investment Reports pending any necessary revisions. A vote being taken, the motion passed unanimously.

Report of the Finance & Investment Committee

Resolution 4-2025 – Loan Write-Off and 2024 PARIS Reporting

Staff reported that as a part of the Corporation's ongoing administrative and financial oversight, Corporation Staff, in conjunction with the Finance and Investment Committee, regularly conducts due diligence on the Corporation's loan portfolio. This includes comprehensive periodic reviews to assess the status of each loan, particularly with respect to collectability. Per the recommendation of General Counsel and in preparation for

the Corporation's independent audit for the fiscal year ending December 31, 2024, the Capitalize Albany staff engaged Hacker Murphy, LLP in 2024 to conduct a comprehensive review of its loan portfolio. The review included eight (8) borrowers and their outstanding debt obligations, some dating back to the 1980s. Hacker Murphy's assessment determined that five (5) of these loans were deemed uncollectible due to factors such as debtor bankruptcy, lack of security interest, prolonged delinquency, or insolvency. While historically maintained for statutory and compliance reporting, these affordable housing and urban development loans have been fully reserved from an accounting perspective. Based on the review by Special Counsel, Capitalize Albany staff recommends that the Board approve the write-off of all but three of these legacy loans, two of which have repayment schedules deferred for at least ten years unless the property is subject to an interim sale. Counsel has advised staff to monitor these properties for potential future recovery.

Further, in February 2025, CAC staff sought guidance from the New York State Authorities Budget Office (ABO) regarding the appropriate reporting of these loan write-offs in the Public Authorities Reporting Information System (PARIS). The ABO confirmed that loans deemed uncollectible by a public authority should be reported as such on an individual basis in the PARIS filing and should be excluded from reporting in future fiscal years. Staff noted that the proposed write-off and reporting approach received a positive recommendation from the Finance and Investment Committee at its March meeting. The full Board reviewed the report on the loan portfolio and discussed details of each loan included in the recommendation.

Following a discussion, the Board approved *Resolution 4-2025 – Loan Write-Off and 2024 PARIS Reporting*, authorizing staff to proceed in accordance with the guidance provided by the New York State Authorities Budget Office and to take all necessary actions to implement the resolution. John Harris made a motion and Richard Sleasman seconded. A vote being taken, the motion passed unanimously with all members voting aye.

Other Business & Executive Session

Annual Report and Update regarding Small Business Grant Programs

Staff presented the Annual Report and Update on the Corporation's Small Business Grant Programs, in accordance with Section 6 of each Master Grant Agreement between Capitalize Albany Corporation and the City of Albany Capital Resource Corporation (CRC). As required, an annual report outlining program outcomes and performance is provided to the Board no later than April 15th of each year. Staff noted that CRC approvals for 2025 budgeted funding for the Façade and Amplify Albany Programs were received the prior week, and highlighted the continued success of the current small business grant program activity and its impact on local businesses and revitalization efforts.

Board Member Michael Fancher exited the meeting at 9:10 a.m., followed by Board Member David Parente at 9:11 a.m.

Clinton Market Update

Staff continues to manage the Clinton Market Collective site, responding to inquiries and coordinating with groups for upcoming use. A contract for services with Relentless Awareness, LLC is being negotiated, and a memorandum of understanding (MOU) is being finalized with the City and Albany Parking Authority for site access and maintenance at Clinton Market, Quackenbush Square and the Skyway. Programming is expected to begin in Q2. The final reimbursement request has been submitted to the NYS Department of State and executed a Grant Disbursement Agreement with Empire State Development for the remaining \$750,000 in grant funding.

Adjournment

There being no further business, the Capitalize Albany Corporation Board meeting was adjourned at 9:16 a.m.



Capitalize Albany Corporation Board Meetings for 2025

January 28
March 25
April 22
May 20
June 24
July 29
September 25
October 21
December 16

****Please Note****

All Capitalize Albany Corporation **Board of Directors** meetings will be held at 21 Lodge Street at **8:00 A.M.**
(unless otherwise scheduled)

	January 1, 2025 to March 31, 2025						
	YTD Actual	YTD Budget	Variance - \$	Variance - %	2025 Projection	Original Budget	Projected Variance from Budget
REVENUE							
General Economic & Community Development Support Income	\$ 62,500	\$ 62,500	\$ -	0%	\$ 490,118	\$ 490,118	\$ -
Real Estate Income	24,233	10,588	13,645	129%	219,848	214,235	5,613
Professional Service Agreement Income	163,395	173,054	(9,659)	-6%	647,231	692,228	(44,997)
Loan Interest Income	8,295	8,298	(3)	0%	33,030	33,030	-
Fee Income	500	-	500	100%	500	-	500
Direct Finance Lease Income	-	-	-	0%	-	-	-
Investment & Interest Income	71,162	72,870	(1,708)	-2%	291,317	291,480	(163)
FMV Adj on Fidelity Inv	(15,479)	-	(15,479)	100%	(15,479)	-	(15,479)
G/L on Sale/Redemption	37,781	-	37,781	0%	37,781	-	37,781
Membership & Event Support	1,000	5,000	(4,000)	-80%	45,162	35,500	9,662
TOTAL REVENUE	<u>\$ 353,387</u>	<u>\$ 332,310</u>	<u>\$ 21,077</u>	6%	<u>\$ 1,749,508</u>	<u>\$ 1,756,591</u>	<u>\$ (7,083)</u>
EXPENSE							
Salaries & Fringe Expense	\$ 257,724	\$ 334,308	\$ (76,584)	-23%	\$ 1,260,646	\$ 1,337,230	\$ (76,584)
Approved At Risk Compensation Pool	-	-	-	0%	-	-	-
Professional Fees	72,987	118,705	(45,718)	-39%	351,320	351,320	-
Administrative Expenses	24,569	29,428	(4,859)	-17%	137,903	149,903	(12,000)
Interest Expense	-	-	-	0%	-	-	-
Real Estate Expenses	-	-	-	0%	3,000	3,000	-
Occupancy Expense	10,446	15,590	(5,144)	-33%	71,060	71,060	-
Bad Debt Expense (recovery)	-	-	-	0%	-	-	-
Membership, Event & Marketing Expenses	8,481	2,450	6,031	246%	38,879	30,900	7,979
TOTAL EXPENSES BEFORE DEPRECIATION	<u>\$ 374,207</u>	<u>\$ 500,481</u>	<u>\$ (126,274)</u>	-25%	<u>\$ 1,862,808</u>	<u>\$ 1,943,413</u>	<u>\$ (80,605)</u>
NET INCOME BEFORE DEPRECIATION & PROGRAM ACTIVITY	<u>\$ (20,820)</u>	<u>\$ (168,171)</u>	<u>\$ 147,351</u>	88%	<u>\$ (113,300)</u>	<u>\$ (186,822)</u>	<u>\$ 73,522</u>
DEPRECIATION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0%	<u>\$ 264,216</u>	<u>\$ 264,216</u>	<u>\$ -</u>
NET INCOME (LOSS) AFTER DEPRECIATION	<u>\$ (20,820)</u>	<u>\$ (168,171)</u>	<u>\$ 147,351</u>	88%	<u>\$ (377,516)</u>	<u>\$ (451,038)</u>	<u>\$ 73,522</u>
PROJECT & PROGRAM REVENUE							
Liberty Park and 34 Hamilton	\$ 45,356	\$ 42,000	\$ 3,356	8%	168,000	\$ 168,000	\$ -
Capitalize Albany Grant Programs including BIG	104,715	-	104,715	100%	156,386	75,000	81,386
Gain (Loss) on sale of Property	-	-	-	100%	-	-	-
Clinton Market Collective	9	1,003,000	(1,002,991)	0%	1,012,000	1,012,000	-
Total Program Income	<u>\$ 150,080</u>	<u>\$ 1,045,000</u>	<u>\$ (894,920)</u>	-86%	<u>\$ 1,336,386</u>	<u>\$ 1,255,000</u>	<u>\$ 81,386</u>
PROJECT & PROGRAM EXPENSE							
Liberty Park and 34 Hamilton	\$ 58,274	\$ 79,272	\$ (20,998)	-26%	110,400	\$ 110,400	\$ -
Capitalize Albany Grant Programs	104,715	-	104,715	100%	75,000	75,000	-
Clinton Market Collective	7,646	10,000	(2,354)	0%	40,000	40,000	-
Total Program Expense	<u>\$ 170,635</u>	<u>\$ 89,272</u>	<u>\$ 81,363</u>	91%	<u>\$ 225,400</u>	<u>\$ 225,400</u>	<u>\$ -</u>
NET INCOME (LOSS) FROM PROGRAM ACTIVITY	<u>\$ (20,555)</u>	<u>\$ 955,728</u>	<u>\$ (976,283)</u>	102%	<u>\$ 1,110,986</u>	<u>\$ 1,029,600</u>	<u>\$ 81,386</u>
NET INCOME (LOSS) AFTER DEPRECIATON & PROGRAM ACTIVITY	<u>\$ (41,375)</u>	<u>\$ 787,557</u>	<u>\$ (828,932)</u>	-105%	<u>\$ 733,470</u>	<u>\$ 578,562</u>	<u>\$ 154,908</u>

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**

	3/31/2025	3/31/2024
Assets		
Current Assets:		
Cash and cash equivalents	\$ 2,305,261	\$ 2,177,654
Investments	6,028,195	6,467,893
Restricted cash	1,859,921	3,085,739
Mortgage notes receivable, net	474,758	481,844
Net investment in direct financing leases	51,559	348,677
Accrued interest receivable	42,882	32,962
Grants receivable	-	-
Lease receivables	-	-
Other receivables, net	295,618	552,823
Property held for investment and lease, net	13,513,000	11,155,540
Property and equipment, net	293,240	308,934
Other assets	49,836	60,618
Total assets	\$ 24,914,270	\$ 24,672,684
Deferred Outflows of Resources	\$ -	\$ -
Liabilities		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 117,051	\$ 115,274
Due to the City of Albany	59,521	59,521
Unearned grant and other income	2,393,848	2,997,587
Bonds payable	-	255,000
Revolving loan fund liability	7,119	747,498
Unearned program support	-	-
Total liabilities	\$ 2,577,539	\$ 4,174,880
Deferred Inflows of Resources	\$ 1,144,008	\$ 1,336,587
Net Position		
Net invested in capital assets	\$ 13,164,861	\$ 10,768,045
Restricted for:		
CDBG eligible activities	116,659	115,320
Unrestricted	7,911,198	8,277,847
Total net position	\$ 21,192,718	\$ 19,161,212

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Capitalize Albany Corporation

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

Pre Audited Draft

	Year to Date March 31, 2025	Year to Date March 31, 2024
Revenues		
Grant income and Contribution Income, including capital grant income	\$ 212,580	\$ 139,284
Rental income	24,233	23,603
Other interest and investment income	93,464	105,334
Interest income on mortgage notes	8,295	6,692
Gain on sale of properties	-	143,379
Fees and other income	164,895	174,308
	<u>-</u>	<u>-</u>
Total revenues	<u>503,467</u>	<u>592,600</u>
Expenses		
Salaries and fringe benefits	257,724	208,997
Program and project costs	171,137	99,397
Interest expense	-	-
Bad debt expenses (recovery)	-	-
Administrative Expenses	115,981	117,804
	<u>544,842</u>	<u>426,198</u>
Total expenses	<u>544,842</u>	<u>426,198</u>
Excess of (expenses over revenues) revenues over expenses	(41,375)	166,402
Net Position, Beginning of Year	<u>21,234,098</u>	<u>18,994,808</u>
Net Position, End of Month	<u>\$ 21,192,723</u>	<u>\$ 19,161,210</u>

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CAPITALIZE ALBANY CORPORATION
STATEMENTS OF CASH FLOWS
Pre-Audited Draft

	March 31, 2025	December 31, 2024
Cash Flows From Operating Activities		
Cash received from customers	\$ (76,788)	\$ 598,620
Cash received from grantors	570,629	776,303
Other operating cash receipts	164,895	673,882
Cash payments to suppliers and grantees	(327,732)	(1,121,470)
Cash payments to employees	(257,724)	(946,417)
Net cash provided by operating activities	73,280	(19,082)
Cash Flows From Capital and Related Financing Activities		
Proceeds from sale of property held for sale	-	283,294
Cash received from capital grant funding	-	902,744
Purchase of property held for investment and lease	(12,950)	(2,472,210)
Purchase of property and equipment	-	-
Capitalized costs related to Liberty Park	-	(142,665)
Principal payments on bonds payable	-	(255,000)
Interest paid on bonds payable	-	-
Net cash used in capital and related financing activities	(12,950)	(1,683,837)
Cash Flows From Investing Activities		
Interest on cash and cash equivalents and investments	-	360,195
Proceeds from sales and maturities of investments	-	11,297,808
Purchase of investments	(3,266)	(10,767,605)
Issuance of mortgage notes receivable	-	-
Repayments received on mortgage notes receivable	1,559	14,661
Principal payments received under direct financing leases	-	-
Net cash used in investing activities	(1,707)	905,059
Change in cash and cash equivalents	58,623	(797,860)
Cash and cash equivalents and restricted cash:		
Beginning of year	4,106,559	4,904,419
End of year	\$ 4,165,182	\$ 4,106,559
	March 31, 2025	December 31, 2024
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	\$ (41,375)	\$ 1,213,836
Adjustments to reconcile excess of (expenses over revenues) revenues over expenses to net cash provided by operating activities:		
Depreciation and amortization	-	190,693
Adjustment for losses on mortgage notes and other receivables	-	-
Gain on sale of property	-	(143,379)
Net realized and unrealized losses (gains) on investments	(22,303)	(91,669)
Interest income on cash and cash equivalents and investments	(56,479)	(367,554)
Interest expense on bonds payable	-	-
Changes in:		
Grants receivable and other receivables	387,765	75,610
Lease receivables	-	297,118
Other receivables, accrued interest receivable and other assets	(123,997)	5,402
Accounts payable and accrued expenses	(40,615)	(280,130)
Due to the City of Albany	-	-
Unearned grant, program support and other income	(36,833)	9,021
Revolving loan fund liability	7,117	(735,451)
Deferred inflow of resources	-	(192,579)
Net cash provided by operating activities	\$ 73,280	\$ (19,082)

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**RESOLUTION 5-2025
OF THE
CAPITALIZE ALBANY CORPORATION**

WHEREAS, Article III (section 2) of the bylaws of the Capitalize Albany Corporation (“CAC”) provides that “[t]he number of Directors shall not exceed sixteen (16)”; and

WHEREAS, pursuant to Resolution 6-2024 adopted on May 21, 2024, the number of Directors was fixed at fourteen (14); and

WHEREAS, Article III (section 5) of the CAC bylaws provides that the Board of Directors may fill any vacancy(ies) on the Board, and Directors appointed to fill such vacancies shall hold office until the following annual election during the Annual Meeting of Members; and

WHEREAS, the Governance Committee has identified and reviewed a slate of qualified candidates for two (2) open Board positions; and

NOW THEREFORE BE IT RESOLVED, that the Board of Directors hereby nominates and appoints the following individuals as a member of the Board of Directors until the next annual meeting of the CAC membership:

Sheila C. Seery
Alfred V. Testa

Signed: _____
John Vero, Esq., Secretary

Date of Authorization: April 22, 2025
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		Heather Mulligan		Karen Torrejon	
Michael Castellana		David Parente		John Vero	
Michael Fancher		Richard Sleasman			
Anthony Gaddy		Toyin Tofade		Aye:	No:
John Harris		Anders Tomson		Recused:	