

Albany Industrial Development Agency

21 Lodge Street
Albany, New York 12207
Telephone: (518) 434-2532
Fax: (518) 434-9846

Anthony J. Ferrara, *Chairman*
John R. Vero, *Vice Chairman*
Kathy Sheehan, *Treasurer*
Susan Pedo, *Secretary*
Martin Daley
C. Anthony Owens
Tracy Metzger

Michael Yevoli, *Chief Executive Officer*
Erik J. Smith, *Chief Financial Officer*
John Reilly, *Agency Counsel*

To: Anthony J. Ferrara
John R. Vero
Kathy Sheehan
Susan Pedo
Martin Daley
C. Anthony Owens
Tracy Metzger

Michael Yevoli
Erik Smith
John Reilly
Joseph Scott
Sarah Reginelli
Bradley Chevalier

Date: March 21, 2013

AGENDA

The regular meeting of the City of Albany Industrial Development Agency will be held on **March 25, 2013 at 12:15PM** at the 21 Lodge Street, Albany, NY 12207 (Conference Room).

Roll Call

Reading of Minutes of the Annual & Regular Meeting of January 17, 2013

Approval of Minutes of the Annual & Regular Meeting of January 17, 2013

Reports of Committees

Report of Chief Executive Officer

Report of Chief Financial Officer

- Financial Report

Communications

Unfinished Business

New Business

- City of Albany Industrial Development Agency / Capitalize Albany Corporation Professional Services Agreement Resolution - 2013
- City of Albany Industrial Development Agency / Capitalize Albany Corporation Grant Agreement Approval Resolution - 2013
- Review of Draft 2012 Audited Financial Statements
- Review of Draft 2012 Annual Report
- Review of Draft 2012 Procurement Report
- Review of Draft 2012 Investment Report
- The Hampton Plaza Project Resolution Conveying Deed Back

Other Business

Adjournment

* The next regularly scheduled meeting is Thursday, April 18, 2013 at 21 Lodge Street, Albany, NY 12207

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Erik J. Smith, *Chief Financial Officer*
John Reilly, *Agency Council*

MINUTES OF IDA ANNUAL MEETING Thursday, January 17, 2013

Attending: Anthony Ferrara, John Vero, Kathy Sheehan, Susan Pedo, Martin Daley,
C. Anthony Owens and Tracy Metzger

Absent:

Also Present: Joe Scott, John Reilly, Mike Yevoli, Erik Smith, Sarah Reginelli, Brad Chevalier
Amanda Vitullo & Amy Gardner

Chairman Ferrara called the Annual Meeting of the IDA to order at 12:15 p.m.

Election of Officers

The following Board members were nominated to serve as the 2013 Officers of the Albany Industrial Development Agency.

Chairman – Anthony J. Ferrara
Vice Chairman – John Vero
Treasurer – Kathy Sheehan
Secretary – Susan Pedo

Chairman Ferrara presented the Board with a Resolution electing the nominated members to serve as 2013 Officers for the Albany Industrial Development Agency. A motion to accept the Resolution as presented was made by Tracy Metzger and seconded by C. Anthony Owens. A vote being taken, the Officers were elected unanimously.

Other Business

None

There being no further business. Mr. Ferrara adjourned the annual meeting at 12:20 P.M..

Respectfully submitted,

Susan Pedo, Secretary

Draft not approved

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Tracy Metzger

Michael Yevoli, *Chief Executive Officer*
Erik J. Smith, *Chief Financial Officer*
John Reilly, *Agency Council*

IDA MINUTES OF REGULAR MEETING Thursday, January 17, 2013

Attending: Anthony J. Ferrara, John Vero, Kathy Sheehan, Susan Pedo, Martin Daley, Tracy Metzger & C. Anthony Owens

Absent:

Also Present: Michael Yevoli, Erik Smith, John Reilly, Joseph Scott, Sarah Reginelli, Bradley Chevalier, Amanda Vitullo & Amy Gardner

Chairman Anthony J. Ferrara called the regular meeting of the IDA to order at 12:15 PM.

Roll Call

Chairman Ferrara reported that all Board members were present.

Reading of Minutes of the Regular Meeting of December 20, 2012

Since the minutes of the previous meeting had been distributed to Board members in advance for review, Chairman Ferrara made a proposal to dispense with the reading of the minutes.

Approval of Minutes of the Regular Meeting of December 20, 2012

Chairman Ferrara made a proposal to approve the minutes of the regular Board meeting of December, 2012 as presented. A motion to accept the minutes, as presented, was made by Kathy Sheehan and seconded by Anthony Owens. A vote being taken, the minutes were accepted unanimously.

Reports of Committees

None

Report of Chief Executive Officer

None

Draft not approved

Report of Chief Financial Officer

Erik Smith reviewed the monthly financial report with the Board. Mr. Smith reviewed year-to-date and projected cash inflows and outlays. Mr. Smith advised the Board that the expenditure activity through December 31st is consistent with the IDA's budget. At this time the IDA's projected year-end cash balance is \$743,791.

Unfinished Business

Albany Medical Science Research, LLC Project Synopsis

Staff noted that although it is not typical for the Board to consider approving resolutions directly following a public hearing the Board was asked to take action so that the applicant could work to close before the taxable status date in March and avoid a change in the property's tax-exempt status. Counsel reviewed the synopsis with the Board outlining actions to be taken regarding the project and actions already taken. Counsel advised the Board that the new agreement would be a straight lease. Counsel advised the Board that the PILOT deviation letter had been mailed to the appropriate taxing jurisdictions. The Board requested that Counsel ensure that the calculation of the PILOT payments be clearly stated in the agreement. Counsel assured the Board that would be the case. David Dubrow, counsel for the applicant, was present to answer questions.

Albany Medical Science Research, LLC Project Type II Action SEQR Resolution

Counsel reviewed the Resolution with the Board explaining that the findings determined that this project would not have a significant effect on the environment.

Chairman Ferrara presented the Albany Medical Science Research, LLC Project Type II Action SEQR Resolution to the Board. A motion to adopt the Resolution was made by Kathy Sheehan and seconded by John Vero. A vote being taken, the Resolution passed unanimously.

Albany Medical Science Research, LLC PILOT Deviation Approval Resolution

Counsel reviewed the resolution with the Board.

Chairman Ferrara presented the Albany Medical Science Research, LLC PILOT Deviation Approval Resolution to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by John Vero. A vote being taken, the Resolution passed unanimously.

Albany Medical Science Research, LLC Project Approving Resolution

Counsel reviewed the resolution with the Board.

Chairman Ferrara presented the Albany Medical Science Research, LLC Approving Resolution to the Board. A motion to adopt the Resolution was made by Tracy Metzger and seconded by Susan Pedo. A vote being taken, the Resolution passed unanimously.

New Business

39 Sheridan Realty, LLC Project Resolution Authorizing Additional Financing

Counsel reviewed the request of the applicant with the Board. The applicant is borrowing additional funds from their lender for the project. The Agency is being asked to enter into a mortgage, an assignment of leases and rents, a security agreement and any related documents. Counsel advised the Board that the Agency had provided assistance for this project in 2011 and that all documents would be similar to those executed in 2011. Counsel advised the Board that the applicant is not seeking financial assistance from the Agency.

Draft not approved

Chairman Ferrara presented the 39 Sheridan Realty, LLC Project Resolution Authorizing Additional Financing to the Board. A motion to adopt the Resolution was made by Martin Daley and seconded by Tracy Metzger. A vote being taken, the Resolution passed unanimously.

City of Albany Industrial Development Agency Annual Housekeeping Resolution 2013
Staff reviewed the resolution with the Board. Staff advised the Board to examine “Schedule A” of the Resolution and reviewed the committee appointments. After discussion of the committee appointments Tracy Metzger and Anthony Owens were appointed to the Finance Committee. Martin Daley was appointed as the Chairman of the Finance Committee. Tracy Metzger was also appointed to the Audit Committee.

Chairman Ferrara presented the City of Albany Industrial Development Agency Annual Housekeeping Resolution 2013 to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by John Vero. A vote being taken, the Resolution passed unanimously.

Communications

Staff advised the Board that there was pending litigation that needed to be discussed. A motion to enter into executive session was made by John Vero, seconded by Kathy Sheehan and passed unanimously. The Board entered into executive session at 12:45pm. The Board recommended that staff remain in the room. The following Board members were present: Tony Ferrara, John Vero, Kathy Sheehan, Susan Pedo, Martin Daley, Anthony Owens and Tracy Metzger. The Board left executive session at 1:15pm. No actions were taken during executive session.

Other Business

There being no further business, Chairman Ferrara adjourned the meeting at 1:30PM.

Respectfully submitted,

Susan Pedo, Secretary

City of Albany IDA
2013 Monthly Cash Position
February 2013

	ACTUAL		PROJECTED										
	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
Beginning Balance	\$ 743,791	\$ 733,351	\$ 827,405	\$ 1,085,432	\$ 1,059,989	\$ 1,071,395	\$ 983,002	\$ 958,401	\$ 933,798	\$ 846,693	\$ 822,081	\$ 797,467	\$ 743,791
Revenue													
Fee Revenue													
Application Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency Fee	-	92,478	389,444	-	36,000	-	-	-	-	-	-	-	517,922
Administrative Fee	-	4,000	-	-	-	-	-	-	-	-	-	-	4,000
Modification Fee	500	500	-	-	-	-	-	-	-	-	-	-	1,000
Subtotal - Fee Revenue	\$ 500	\$ 96,978	\$ 389,444	\$ -	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 522,922
Other Revenue													
Project Benefit Agreement	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Interest Income	66	61	69	90	88	89	82	80	78	71	69	66	909
CRC	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc	-	18,086	-	-	-	-	-	-	-	-	-	-	18,086
Subtotal - Other Revenue	\$ 66	\$ 118,147	\$ 69	\$ 90	\$ 88	\$ 89	\$ 82	\$ 80	\$ 78	\$ 71	\$ 69	\$ 66	\$ 118,994
Total - Revenue	\$ 566	\$ 215,125	\$ 389,513	\$ 90	\$ 36,088	\$ 89	\$ 82	\$ 80	\$ 78	\$ 71	\$ 69	\$ 66	\$ 641,917
Expenditures													
Management Contract	\$ -	\$ -	\$ 62,500	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 20,833	\$ 250,000
APA Contract	-	-	-	-	-	-	-	-	-	-	-	-	-
Audits	2,500	-	-	4,500	-	-	-	-	-	-	-	-	7,000
Agency Counsel	-	42,000	-	-	-	-	-	-	-	-	-	42,000	84,000
ED Support	-	62,500	62,500	-	-	62,500	-	-	62,500	-	-	62,500	312,500
Sub-lease AHCC	8,506	-	6,371	-	3,649	3,649	3,649	3,649	3,649	3,649	3,649	3,649	44,072
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
D & O Insurance	-	-	-	-	-	1,300	-	-	-	-	-	-	1,300
Misc.	-	160	115	200	200	200	200	200	200	200	200	200	2,075
Other Expenses	-	16,411	-	-	-	-	-	-	-	-	-	-	16,411
Total - Expenditures	\$ 11,006	\$ 121,071	\$ 131,486	\$ 25,533	\$ 24,683	\$ 88,483	\$ 24,683	\$ 24,683	\$ 87,183	\$ 24,683	\$ 24,683	\$ 129,183	\$ 717,357
Ending Balance	\$ 733,351	\$ 827,405	\$ 1,085,432	\$ 1,059,989	\$ 1,071,395	\$ 983,002	\$ 958,401	\$ 933,798	\$ 846,693	\$ 822,081	\$ 797,467	\$ 668,350	\$ 668,350

City of Albany IDA

Fee Detail by Month

February 2013

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>January</i>	Columbia 16 NS II, LLC	\$ -	\$ -	\$ -	\$ 500	\$ 500
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ 500	\$ 500
<i>February</i>	39 Sheridan Realty, LLC	\$ -	\$ -	\$ 4,000	\$ 500	\$ 4,500
	Columbia Harriman 455, LLC	-	92,478	-	-	92,478
	TOTAL	\$ -	\$ 92,478	\$ 4,000	\$ 500	\$ 96,978
<i>March</i>	Dilek, LLC	\$ -	\$ 19,444	\$ -	\$ -	\$ 19,444
	Albany Medical Science Research, LLC	-	370,000	-	-	370,000
	TOTAL	\$ -	\$ 389,444	\$ -	\$ -	\$ 389,444
<i>April</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -
<i>May</i>	581 Livingston Avenue, LLC	\$ -	\$ 36,000	\$ -	\$ -	\$ 36,000
		-	-	-	-	-
	TOTAL	\$ -	\$ 36,000	\$ -	\$ -	\$ 36,000
<i>June</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -

City of Albany IDA

Fee Detail by Month

February 2013

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>July</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>August</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>September</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>October</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>November</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>December</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
	2012 TOTAL	\$ -	\$ 517,922	\$ 4,000	\$ 1,000	\$ 522,922
		<i>Application Fee</i>	<i>Agency Fee</i>	<i>Administration Fee</i>	<i>Modification Fee</i>	<i>TOTAL FEE</i>

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
PROFESSIONAL SERVICES AGREEMENT RESOLUTION - 2013
CAPITALIZE ALBANY CORPORATION**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Department of Development and Planning at 21 Lodge Street in the City of Albany, Albany County, New York on February 21, 2013 at 12:15 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Anthony J. Ferrara	Chairman
John R. Vero	Vice Chairman
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Tracy Metzger	Member
C. Anthony Owens	Member

ABSENT:

THE FOLLOWING PERSONS WERE ALSO PRESENT:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Bond Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. _____

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY CITY OF
ALBANY INDUSTRIAL DEVELOPMENT AGENCY OF A PROFESSIONAL
SERVICES AGREEMENT WITH CAPITALIZE ALBANY CORPORATION**

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring,

constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act (A) to make by-laws for the management and regulation of its affairs, (B) to appoint officers, agents and employees, to prescribe their qualifications and to fix their compensation and to pay the same as provided by the Agency, and (C) to enter into contracts and agreements; and

WHEREAS, the by-laws of the Agency adopted on December 16, 2010 (the "By-Laws") provide that the Agency may enter into contracts so authorized by the Agency; and

WHEREAS, the Agency desires to retain the services of Capitalize Albany Corporation ("CAC") pursuant to a professional services agreement dated as of February 21, 2013 (the "Agreement"), which Agreement is attached hereto as Exhibit A; and

WHEREAS, pursuant to the Agreement, (A) CAC will provide professional economic development management and administrative support services to the Agency and (B) the Agency will pay CAC the amount described in the Agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to proceed with the Agreement; and

WHEREAS, pursuant to SEQRA, the Agency has examined the Agreement in order to make a determination as to whether the Agreement is subject to SEQRA, and it appears that the Agreement constitutes a Type II action under SEQRA;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. Based upon an examination of the Agreement, the Agency hereby determines that the Agreement constitutes a "Type II action" pursuant to 6 NYCRR 617.5(c)(20), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Agreement.

Section 2. Subject to review of the Agreement by the Chairman of the Agency and approval of the Agreement by counsel to the Agency, the Agency hereby determines to (A) approve the Agreement, (B) enter into the Agreement and (C) authorize the execution by the Agency of the Agreement.

Section 3. All action taken by the Chief Executive Officer of the Agency with respect to the Agreement is hereby ratified and confirmed.

Section 4. Subject to satisfaction of the conditions contained in Section 2 above, the Chairman (or Vice Chairman) of the Agency is hereby authorized to execute and deliver the Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agreement binding upon the Agency.

Section 6. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Anthony J. Ferrara	VOTING	_____
John R. Vero	VOTING	_____
Susan Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ALBANY)

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on February 21, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 21st day of February, 2013.

(Assistant) Secretary

(SEAL)

EXHIBIT A
AGREEMENT

PROFESSIONAL SERVICES AGREEMENT
Between
CAPITALIZE ALBANY CORPORATION (CAC)

and

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY (AIDA)

and

CITY OF ALBANY CAPITAL RESOURCE CORPORATION (ACRC)

This agreement, made this XXth day of February, in the year Two Thousand and Thirteen between the City of Albany Industrial Development Agency (hereinafter referred to as the ("AIDA"), the City of Albany Capital Resource Corporation (hereinafter referred to as the ("ACRC"), and the Capitalize Albany Corporation, a not for profit corporation having its principal place of business at 21 Lodge Street, Albany, New York 12207 (hereinafter referred to as the "CAC"):

WITNESSETH:

WHEREAS, the CAC has offered to provide professional economic development management and administrative support services to the AIDA and the ACRC, and,

WHEREAS, the AIDA and the ACRC has accepted the offer of the CAC for such professional services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY COVENANT AND AGREE AS FOLLOWS:

ARTICLE 1 -SERVICES TO BE PERFORMED

The CAC shall perform the professional and administrative support services set forth under Article 2 entitled "SCOPE OF PROFESSIONAL SERVICES" during the period commencing on January 1, 2013 and continuing

until December 31, 2013. In the performance and acceptance of the services herein, the parties understand, acknowledge and agree that the CAC is assuming no managerial role, nor undertaking any oversight responsibilities with regard to the powers and duties of the AIDA or the ACRC or the actions or non-actions of its Board of Directors. Nothing in this agreement should be construed to transfer governance, oversight or fiduciary responsibilities from the AIDA or the ACRC to CAC.

ARTICLE 2 - SCOPE OF PROFESSIONAL SERVICES

During the period of this agreement, the CAC agrees to provide staffing, office equipment, utilities, phone and computer networking to perform the administrative, managerial, marketing, and project development functions of the AIDA and the ACRC. Additionally, CAC will provide support to assist the Chief Executive Officer and Chief Financial Officer of the AIDA and the ACRC in the execution of their AIDA and ACRC duties. CAC shall be responsible for the services described on Schedule A attached.

ARTICLE 3 - PROFESSIONAL SERVICES FEE

In consideration of the terms and conditions of this agreement, the AIDA agrees to pay and the CAC agrees to accept, as full compensation for all services rendered under this agreement an amount not to exceed \$250,000. The CAC shall provide professional staff time towards fulfillment of this agreement, including all administrative clerical, secretarial, accounting, compliance, and information technology support as required.

ARTICLE 4 - METHOD OF PAYMENT

The AIDA will pay CAC its professional services fee referenced under Article 3 of this agreement in twelve (12) monthly installments due and payable on the fifteenth day of each month.

ARTICLE 5 - TERMINATION

This agreement may be terminated at any time by any party for cause upon thirty (30) days written notice. In the event of termination, CAC shall be entitled to compensation for all work performed pursuant to this agreement to the date of termination.

ARTICLE 6 – MUTUAL INDEMNIFICATION

a. CAC shall defend, indemnify and hold harmless AIDA and ACRC and their agents and employees from and against claims, damages, losses and expenses, including, but not limited to reasonable attorneys' fees, arising out of or resulting from the negligence or willful misconduct of CAC in CAC's performance of the tasks detailed in this Grant Agreement, except if such claims, damages, losses or expenses are caused by AIDA's and/or ACRC's negligence or willful misconduct.

b. AIDA shall defend, indemnify and hold harmless CAC and ACRC and their agents and employees from and against claims, damages, losses and expenses, including, but not limited to reasonable attorneys' fees, arising out of or resulting from the negligence or willful misconduct of AIDA in AIDA's performance of the tasks detailed in this Grant Agreement, except if such claims, damages, losses or expenses are caused by CAC's and/or ACRC's negligence or willful misconduct.

c. ACRC shall defend, indemnify and hold harmless AIDA and CAC and their agents and employees from and against claims, damages, losses and expenses, including, but not limited to reasonable attorneys' fees, arising out of or resulting from the negligence or willful misconduct of ACRC in ACRC's performance of the tasks detailed in this Grant Agreement, except if such claims, damages, losses or expenses are caused by AIDA's and/or CAC's negligence or willful misconduct.

ARTICLE 7 - EQUAL EMPLOYMENT OPPORTUNITY

CAC shall comply with all Federal, State, and Local equal employment opportunity laws, rules, and regulations relating, to all matters contained in this agreement.

ARTICLE 8 - ACCOUNTING RECORDS

Proper and full accounting records, including time sheets, shall be maintained by CAC for all services provided pursuant to this agreement. All applicable records shall be available for inspection or audit by the AIDA if required.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed the day and year first above written.

City of Albany Industrial Development Agency

By: _____
Chairman

City of Albany Capital Resource Corporation

By: _____
Chairman

Capitalize Albany Corporation

By: _____
Chairman

DRAFT

SCHEDULE A

DESCRIPTION OF SERVICES

A. City of Albany Industrial Development Agency:

1. Implementation, execution and compliance with the AIDA Policy Manual that was adopted at the November 2002 AIDA Meeting.
2. Provide for the deposit and investment of the funds of AIDA in accordance with Part 4 of the AIDA Policy Manual.
3. Provide for the preparation of reports of the deposit and investment of the funds of AIDA in accordance with Part 4 of the AIDA Policy Manual.
4. Ensure that procurement of goods or services by AIDA complies with Part 5 of the AIDA Policy Manual.
5. Prepare an annual budget of AIDA and the filing of such budget in accordance with Part 6 of the AIDA Policy Manual.
6. Monitor the activities of Bond Counsel to AIDA to ensure compliance with Part 7 of the AIDA Policy Manual.
7. Provide for the preparation of financial statements and reports of AIDA and the filing of such materials with appropriate State offices in accordance with Part 8 of the AIDA Policy Manual.
8. Provide for compliance with the provisions of Part 9 of the AIDA Policy Manual.
9. Report on questions involving potential conflicts of interest under Part 10 of the AIDA Policy Manual.
10. Provide for distribution of materials in accordance with Part 11 of the AIDA Policy Manual.
11. Consult with AIDA agency counsel regarding membership and proper appointment of members of AIDA pursuant to Part 12 of the AIDA Policy Manual.
12. Act as Records Access Officer with regard to any requests for information under the Freedom of Information Act in accordance with Part 13 of the AIDA Policy Manual.
13. Consult with agency counsel to AIDA regarding proper notice of AIDA meetings under Part 14 of the AIDA Policy Manual.

14. Prepare, organize, and distribute minutes of each AIDA meeting in accordance with Part 14 of the AIDA Policy Manual.
15. Coordinate the scheduling and noticing of public hearings and the delivery of notification letters in accordance with Part 15 of the AIDA Policy Manual.
16. Organize and maintain files relating to SEQRA compliance in accordance with Part 16 of the AIDA Policy Manual.
17. Monitor and maintain files regarding the Uniform Tax Exemption Policy of AIDA, including ensuring that any filings required under Part 17 of the AIDA Policy Manual are made.
18. Provide for the preparation and distribution of Applications by applicants in accordance with Part 18 of the AIDA Policy Manual.
19. Monitor and provide for the volume cap of AIDA in accordance with Part 19 of the AIDA Policy Manual.
20. Monitor and maintain files regarding the collection of administrative fees of AIDA under Part 20 of the AIDA Policy Manual.
21. Review, organize, monitor and maintain policies and files relating to the requirements imposed on the AIDA relating to the Public Authorities Accountability Act, including, but not limited to, working with AIDA agency counsel and AIDA bond counsel with respect to such policies.

B. City of Albany Capital Resource Corporation:

CAC will provide services similar to those described in Section A. above to ACRC.

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
GRANT AREEMENT APPROVAL RESOLUTION - 2013
CAPITALIZE ALBANY CORPORATION**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Department of Development and Planning at 21 Lodge Street in the City of Albany, Albany County, New York on February 21, 2013 at 12:15 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Anthony J. Ferrara	Chairman
John R. Vero	Vice Chairman
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Tracy Metzger	Member
C. Anthony Owens	Member

ABSENT:

THE FOLLOWING PERSONS WERE ALSO PRESENT:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Bond Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. _____

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A GRANT
AREEMENT WITH CAPITALIZE ALBANY CORPORATION IN CONNECTION
WITH THE UNDERTAKING OF THE ECONOMIC DEVELOPMENT PROGRAM.**

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring,

constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act (A) to make by-laws for the management and regulation of its affairs, (B) to appoint officers, agents and employees, to prescribe their qualifications and to fix their compensation and to pay the same as provided by the Agency, and (C) to enter into contracts and agreements; and

WHEREAS, pursuant to a professional services agreement dated February 21, 2013 (the "Agreement") by and between the Agency, the City of Albany Capital Resource Corporation and Capitalize Albany Corporation ("CAC"), the Agency has contracted with CAC for professional economic development management and administrative support services of the Agency; and

WHEREAS, CAC develops and implements the economic development strategy of the City of Albany and, in connection with the development and implementation of such strategy, CAC undertakes various economic development programs and projects (collectively, the "Economic Development Program"); and

WHEREAS, in order to assist CAC in undertaking the Economic Development Program, the Agency proposes to enter into a Grant Agreement dated as of February 21, 2013 (the "Grant Agreement"), which Grant Agreement is attached hereto as Exhibit A, under which the Agency will provide funds to CAC to pay a portion of the costs associated with the Economic Development Program; and

WHEREAS, the Agency will provide funds to CAC as a grant in multiple disbursements during the term of the Grant Agreement, each such disbursement to constitute a grant and the grants provided for under the Grant Agreement to be hereinafter collectively referred to as the "Grant" (the Grant and the Grant Agreement being collectively referred to as the "Transaction"); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to proceed with the Transaction; and

WHEREAS, pursuant to SEQRA, the Agency has examined the Transaction in order to make a determination as to whether the Transaction is subject to SEQRA, and it appears that the Transaction constitutes a Type II action under SEQRA;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. Based upon an examination of the Transaction, the Agency hereby determines that the Transaction in effect constitutes the financing of information collection of the type described in 6 NYCRR 617.5(c)(18) and/or preliminary planning of the type described in 6 NYCRR 617.5(c)(21) and, accordingly, constitutes a "Type II action" pursuant to 6 NYCRR 617.5(a), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Transaction.

Section 2. Based upon an examination of the Transaction, the Agency hereby determines that no “financial assistance” (as defined in the Act) is being requested from the Agency in connection with the Transaction, and accordingly that the Agency is not required by Section 859-a of the Act to hold a public hearing with respect to the Transaction.

Section 3. The Agency hereby further finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) As described in the Grant Agreement, the Grant will be used for the express purpose of funding a portion of the costs, both capital and operating costs, of the Economic Development Program of CAC, including, but not limited to the following: (i) implementation of the Capitalize Albany strategy, (ii) general business development, including Empire Zone administration, (iii) lending programs (including loan origination, funding and servicing), (iv) Downtown Residential Program, and (v) coordination and fiscal support of neighborhood and riverfront re-development; and

(C) The Transaction constitutes a “project,” as such term is defined in the Act; and

(D) The undertaking of the Transaction and the entering into by the Agency of the Grant Agreement will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of the City of Albany, New York and the State of New York and improve their standard of living; and

(E) It is desirable and in the public interest for the Agency to enter into the Grant Agreement.

Section 4. In consequence of the foregoing, the Agency hereby determines to grant to CAC an amount equal to the amount described in the Grant Agreement to pay the costs of undertaking the Transaction pursuant to the terms and conditions of the Grant Agreement.

Section 5. The Agency is hereby authorized to do all things necessary or appropriate for the accomplishment of the provisions of the Grant Agreement, and all acts heretofore taken by the Agency with respect to such Grant Agreement are hereby ratified, confirmed and approved.

Section 6. The form and substance of the Grant Agreement are hereby approved.

Section 7. The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Grant Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions thereto as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 8. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Grant Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and

proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Grant Agreement binding upon the Agency.

Section 9. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Anthony J. Ferrara	VOTING	_____
John R. Vero	VOTING	_____
Susan Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ALBANY)

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on February 21, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 21st day of February, 2013.

(Assistant) Secretary

(SEAL)

EXHIBIT A
GRANT AGREEMENT

GRANT AGREEMENT

THIS GRANT AGREEMENT dated as of February xx, 2013 (the “Grant Agreement”) between **CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY** (the “Agency”), a public benefit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 21 Lodge Street, Albany, New York, and **CAPITALIZE ALBANY CORPORATION** (the “CAC”), a not-for-profit-corporation organized and existing under the laws of the State of New York, having an office for the transaction of business located at 21 Lodge Street, Albany, New York;

WITNESSETH:

WHEREAS, City of Albany Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 325 of the Laws of 1974 of the State of New York, as amended, codified as Section 903-a of the General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial or industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to promote, develop, and encourage one or more “projects” (as defined in the Act) and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Albany and to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, pursuant to a management agreement dated February XX, 2013 (the “Management Agreement”) by and between the Agency and the CAC, the Agency has contracted with the CAC for the management of the operations of the Agency; and

WHEREAS, the CAC develops and implements economic development strategies within the City of Albany and, in connection with the development and implementation of such strategies, the CAC undertakes various economic development programs and projects (the “Economic Development Program”); and

WHEREAS, in order to assist the CAC in undertaking the Economic Development Program, the Agency proposes to enter into this Grant Agreement under which the Agency will provide funds to the CAC to pay a portion of the costs associated with the Economic Development Program; and

WHEREAS, the Agency will provide funds to the CAC as a grant in multiple disbursements during the term of this Grant Agreement, each such disbursement to constitute a grant and the grants provided for under this Grant Agreement to be hereinafter collectively referred to as the “Grant”; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Agency and the CAC agree as follows:

1. **Grant and Program.** The Agency and the CAC agree as follows:
 - (a) That the Agency will make available to the CAC the Grant in an aggregate amount equal to \$250,000.
 - (b) That the Grant will be used for the express purpose of funding a portion of the costs, both capital and operating costs, of the Economic Development Program of the CAC, including, but not limited to the following: (i) implementation of the Capitalize Albany strategy, (ii) general business development, including Empire Zone administration, (iii) lending programs (including loan origination, funding and servicing), (iv) Downtown Residential Program, and (v) coordination and fiscal support of neighborhood and riverfront re-development.
2. **Disbursement.** The Grant shall be paid quarterly by the Agency to the CAC in an amount equal to \$62,500 on or about the last day of the quarter, commencing on March 31, 2013 and ending on December 31, 2013. Disbursement of grant proceeds is based upon available cash.
3. **Compliance with Law.** The CAC covenants that it will use the moneys disbursed under this Grant Agreement only in the manner authorized by this Grant Agreement.
4. **Repayment.** Nothing herein shall be construed to require the CAC to reimburse the Agency for the Grant.
5. **Information.** The CAC agrees to furnish to the Agency, the following: (a) progress reports regarding the Economic Development Program, (b) a financial report indicating how the Grant is being spent; and (c) such other information as the Agency may request. In addition, the CAC shall provide the Agency with an annual report regarding the Economic Development Program no later than June 30, 2014.
6. **Indemnification.** T
 - a. To the fullest extent permitted by law, the CAC shall defend, indemnify and hold harmless the Agency and its agents and employees from and against claims, damages, losses and expenses, including, but not limited to reasonable attorneys' fees, arising out of or resulting from the negligence or willful misconduct of CAC in CAC's performance of the tasks detailed in this Grant Agreement , except if such claims, damages, losses or expenses are caused by the Agency's negligence or willful misconduct.
 - b. To the fullest extent permitted by law, the Agency shall defend, indemnify and hold harmless the CAC and its agents and employees from and against claims, damages, losses and expenses, including, but not limited to reasonable attorneys' fees, arising out of or resulting from the negligence or willful misconduct of Agency related to Agency's obligations in this Grant Agreement, except if such claims, damages, losses or expenses are caused by the CAC's negligence or willful misconduct.
7. **Notices.** (a) All notices and other communications hereunder shall be in writing and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

- (1) To the Agency: at **the address** set forth in the initial paragraph of this Grant Agreement, with a copy to:

City of Albany
City Hall
Albany, New York 12207
Attention: Corporation Counsel

- (2) To the CAC: at the address set forth in the initial paragraph of this Grant Agreement.

(b) The Agency and the CAC may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

DRAFT

IN WITNESS WHEREOF, the parties hereto have entered into this Grant Agreement as of the day and date first written above.

CITY OF ALBANY INDUSTRIAL
DEVELOPMENT AGENCY

BY: _____
Authorized Officer

CAPITALIZE ALBANY CORPORATION

BY: _____
Authorized Officer

DRAFT

***CITY OF ALBANY INDUSTRIAL
DEVELOPMENT AGENCY,
A COMPONENT UNIT OF THE
CITY OF ALBANY***

FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

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The Chairman and Board of Directors
City of Albany Industrial Development Agency,
a Component Unit of the City of Albany
Albany, New York

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the City of Albany Industrial Development Agency, a Component Unit of the City of Albany (the Agency), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PRELIMINARY AND TENTATIVE DRAFT FOR DISCUSSION PURPOSES ONLY

City of Albany Industrial Development Agency,
a Component Unit of the City of Albany
Page Two

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the City of Albany Industrial Development Agency, a Component Unit of the City of Albany, as of December 31, 2012 and 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages __ through __ and Schedule I be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March __, 2013, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Albany, New York
March __, 2013

**City of Albany Industrial Development Agency,
a Component Unit of the City of Albany**

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) of the City of Albany Industrial Development Agency's (CAIDA or Agency) activities and financial performance is offered as an introduction and overview of the financial statements of CAIDA for the fiscal years ended December 31, 2012 and 2011. Following this MD&A are the basic financial statements of CAIDA together with the notes which are essential to a full understanding of the data contained in the financial statements. In addition to the notes, this section also presents certain supplementary information to assist with the understanding of CAIDA's financial operations.

OPERATIONS SUMMARY

The City of Albany Industrial Development Agency's mission is to encourage investment and job creation and retention within the City of Albany. To do this, the Agency offers conduit tax-exempt and taxable bond issuance and extends mortgage recording, sales, and real-property tax abatements to offset or finance construction, rehabilitation, and equipping costs for eligible projects. The CAIDA does not provide credit enhancement and issues bonds on a non-recourse basis.

Through a professional services agreement, the Capitalize Albany Corporation (CAC), an independent, not-for-profit economic development corporation, provides staffing and administrative support to CAIDA. Staff meets with prospective developers to discuss the specifics of a particular project or development and makes recommendations about appropriate economic development programs as well as other planning, zoning, or project related issues. If CAIDA is an appropriate route, the applicant will complete and submit an application that outlines certain information and data, including anticipated level of job creation and retention that the project will generate. The application is reviewed by staff and counsel to determine project qualification and address other due diligence issues.

The seven-member CAIDA Board meets monthly or as necessary to consider project applications focusing on the anticipated employment impact, the "public benefits" related to the proposed project, and other economic impacts and benefits on the local economy. As part of the review process, the CAIDA members also consider estimated costs to the project's local community, including the loss of potential tax revenue. Each project is also required to provide an inducement resolution that specifically states how the project meets the statutory definitions of eligibility. The Agency convenes a public hearing for all projects that request financial incentives greater than \$100,000 in value.

**City of Albany Industrial Development Agency,
a Component Unit of the City of Albany**

Management's Discussion and Analysis

FINANCIAL OPERATIONS HIGHLIGHTS

The chart below provides a condensed summary of revenues and expenses for the years December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Total revenues, gains, and other support	\$787,655	\$633,954
Total expenses	<u>610,396</u>	<u>228,960</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$177,259</u>	<u>\$404,994</u>

Agency revenues are predominantly derived from a 1% fee paid by applicants for projects that close within a given year. As a result, revenues will fluctuate from year to year based on the level of project activity. The following Straight Lease projects closed in 2012:

FC 178WAE, LLC

This project consists of the construction of a new single story medical and general office building of approximately 24,000 square feet on Washington Avenue Extension. Total project cost is approximately \$4.5 million and this project is estimated to create 18 new jobs and 30 construction jobs.

Honest Weight Food Cooperative, Inc.

Construction of a new 30,700 square foot natural foods grocery store on approximately 2.7 acres. Total project cost is approximately \$8.9 million. Approximately 70 jobs will be retained with 30 new jobs created within the first two years. An estimated 200 construction jobs will be created.

Scanell Properties #145, LLC

Demolition of a vacant former dairy facility and construction of a new 125,000 square foot distribution facility. Total project cost is \$7.75 million and the project anticipates the creation of 25 new jobs and 40 construction jobs.

Sixty State Place, LLC

Rehabilitation of a four story, 25,000 square foot commercial building at 60 State Street into a mixed-use structure with 14 market rate apartments and restaurant space on the first floor. Total project cost is estimated to be \$6.5 million. An estimated 40 construction jobs will be created.

**City of Albany Industrial Development Agency,
a Component Unit of the City of Albany**

Management's Discussion and Analysis

Penta on Broadway, LLC

Acquisition and conversion of approximately 18,000 square feet of vacant commercial space at 522-524 Broadway into 14 residential rental units and approximately 3,000 square feet commercial space. Total project cost is estimated to be approximately \$1.5 million and the project anticipates creating nine construction jobs.

4-6 Sheridan, LLC

Rehabilitation of a five-story, 21,000 square foot commercial building at 4-6 Sheridan Avenue into a mixed-use structure housing 13 market-rate apartments and 3,000 square feet of restaurant space. Total project cost is estimated to be \$1.75 million. The project will create or retain an estimated 50 permanent jobs and create an estimated 40 construction jobs.

A condensed summary of CAIDA's net position at December 31, 2012 and 2011 is shown below:

	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$740,057	\$655,512
Accounts Receivable	108,040	-
Mortgage Notes Receivable	<u>131,970</u>	<u>131,970</u>
TOTAL ASSETS	<u>\$980,067</u>	<u>\$787,482</u>
<u>Liabilities and Net Position</u>		
Accounts Payable	\$124,428	\$109,102
Mortgage Notes Payable	<u>131,970</u>	<u>131,970</u>
Total Liabilities	256,398	241,072
Net Position - unrestricted	<u>723,669</u>	<u>546,410</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$980,067</u>	<u>\$787,482</u>

FUTURE OPERATIONS

As of December 31, 2012 the following projects have been approved by the CAIDA Board and are expected to close by March 31, 2013:

Columbia Harriman 455, LLC

This project consists of the acquisition of land at 455 Patroon Creek Boulevard and construction of an approximately 42,000 square foot office building on the site. This approximately \$9.2 million project will create or retain an estimated 80 permanent jobs.

**City of Albany Industrial Development Agency,
a Component Unit of the City of Albany**

Management's Discussion and Analysis

FINANCIAL STATEMENTS

CAIDA's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America promulgated by the Government Accounting Standards Board (GASB). CAIDA is a public benefit corporation created by State legislation and is a component unit of the City of Albany. CAIDA follows enterprise fund accounting; accordingly, the financial statements are presented using the economic resources management focus. These financial statements are presented in a manner similar to a private business.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of CAIDA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to:

City of Albany Industrial Development Agency
Attention: Chief Financial Officer & Assistant Treasurer
21 Lodge Street
Albany, New York 12207

PRELIMINARY AND TENTATIVE DRAFT FOR DISCUSSION PURPOSES ONLY
CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF THE CITY OF ALBANY

Statements Of Net Position

December 31

	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 740,057	\$ 655,512
Accounts receivable	<u>108,040</u>	<u>-</u>
Total current assets	848,097	655,512
Mortgage notes receivable (Note 2)	<u>131,970</u>	<u>131,970</u>
Total Assets	<u>\$ 980,067</u>	<u>\$ 787,482</u>
<u>Liabilities And Net Position</u>		
Current liabilities:		
Accounts payable	\$ 124,428	\$ 109,102
Total current liabilities	124,428	109,102
Mortgage notes payable (Note 4)	<u>131,970</u>	<u>131,970</u>
Total liabilities	256,398	241,072
Net position - unrestricted	<u>723,669</u>	<u>546,410</u>
Total Liabilities And Net Position	<u>\$ 980,067</u>	<u>\$ 787,482</u>

The accompanying notes are an integral part of these financial statements

PRELIMINARY AND TENTATIVE DRAFT FOR DISCUSSION PURPOSES ONLY
CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF THE CITY OF ALBANY

Statements Of Revenues, Expenses, And Changes In Fund Net Position

For The Years Ended December 31

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Fees	\$ 684,552	\$ 633,492
Total operating revenues	<u>684,552</u>	<u>633,492</u>
Operating expenses:		
Contractual expenses	318,466	102,876
Grant expenses	<u>291,930</u>	<u>126,085</u>
Total operating expenses	<u>610,396</u>	<u>228,961</u>
Operating income	<u>74,156</u>	<u>404,531</u>
Other revenues:		
Grant revenues (Note 3)	102,500	-
Interest income	<u>603</u>	<u>463</u>
Total other revenues	<u>103,103</u>	<u>463</u>
Net income	177,259	404,994
Net position - beginning	<u>546,410</u>	<u>141,416</u>
Net Position - Ending	<u>\$ 723,669</u>	<u>\$ 546,410</u>

The accompanying notes are an integral part of these financial statements

PRELIMINARY AND TENTATIVE DRAFT FOR DISCUSSION PURPOSES ONLY
CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF THE CITY OF ALBANY

Statements Of Cash Flows

For The Years Ended December 31

	<u>2012</u>	<u>2011</u>
Cash flows from (for) operating activities:		
Receipts from fees	\$ 587,211	\$ 633,492
Payments for grants	(313,312)	(110,155)
Payments for contractual expenses	<u>(292,457)</u>	<u>(119,124)</u>
Net cash provided by (used by) operating activities	<u>(18,558)</u>	<u>404,213</u>
 Cash flows from investing activities:		
Interest	<u>603</u>	<u>463</u>
Net cash provided by investing activities	<u>603</u>	<u>463</u>
 Cash flows from financing activities:		
Grant revenue	<u>102,500</u>	<u>-</u>
Net cash provided by financing activities	<u>102,500</u>	<u>-</u>
 Net increase in cash and cash equivalents	 84,545	 404,676
 Balances - beginning of year	 <u>655,512</u>	 <u>250,836</u>
 Balances - End Of Year	 <u>\$ 740,057</u>	 <u>\$ 655,512</u>
 Reconciliation of operating income to net cash provided by (used by) operating activities:		
Operating income	\$ 74,156	\$ 404,531
Adjustments to reconcile operating income to net cash provided by (used by) operating activities:		
Changes in assets and liabilities:		
Accounts receivable	(108,040)	-
Accounts payable	<u>15,326</u>	<u>(318)</u>
 Net Cash Provided By (Used By) Operating Activities	 <u>\$ (18,558)</u>	 <u>\$ 404,213</u>

The accompanying notes are an integral part of these financial statements

PRELIMINARY AND TENTATIVE DRAFT FOR DISCUSSION PURPOSES ONLY
CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF THE CITY OF ALBANY

Notes To Financial Statements

Note 1: Organization And Summary Of Significant Accounting Policies

Organization

The City of Albany Industrial Development Agency (the Agency), a public benefit corporation created by State legislation, is a component unit of the City of Albany, New York, and commenced operations on May 13, 1974. The Agency's purpose is to promote the advancement of job opportunities, health, general prosperity, and economic welfare of the people of the State of New York, to attract commerce and industry, and to retain areas adaptable for commercial and/or industrial purposes. Additionally, the Agency's purpose is to promote, develop, encourage, and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, and research facilities. The Agency also has the power to acquire, construct, reconstruct, lease, sell, improve, maintain, equip, or furnish certain properties and facilities. The members of the Agency are appointed by the City of Albany's Common Council. Agency members have complete responsibility for management of the Agency and accountability for fiscal matters.

Summary of significant accounting policies

(a) Basis of presentation

The Agency utilizes the accrual basis of accounting wherein revenue is recognized when earned and expenses are recognized when incurred. The accompanying financial statements of the Agency have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the *Government Accounting Standards Board (GASB)*, which is the primary standard setting body for establishing governmental accounting and financial principles.

(b) Cash and cash equivalents

The Agency's investment policies are governed by State statutes. The Agency's funds must be deposited in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

PRELIMINARY AND TENTATIVE DRAFT FOR DISCUSSION PURPOSES ONLY

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF THE CITY OF ALBANY

Notes To Financial Statements

Note 1: Organization And Summary Of Significant Accounting Policies (Continued)

At December 31, 2012, the carrying amount of the Agency's deposits, including cash and a money market account, is \$740,057. The insured and collateral status of the year end bank balances are as follows:

Status of bank balances:

Collateralized with securities held by a third party for the benefit of the Agency pursuant to a third party custodian agreement.	\$ 493,791
Covered by federal deposit insurance	<u>250,000</u>
Total Bank Balances	<u>\$ 743,791</u>

(c) Statement of cash flows and cash equivalents

The Agency follows accounting principles generally accepted in the United States of America, which requires the reporting of cash flows under the direct method of cash flow reporting. The Agency elected to report cash flows under the direct method. For purposes of the statements of cash flows, the Agency considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents in accordance with accounting principles generally accepted in the United States of America.

(d) Mortgage notes receivable

Substantially all of the mortgage notes receivable are considered collectible. Accordingly, no allowance for doubtful accounts is required. If it is probable accounts are uncollectible, they are charged to operations and an allowance is established when that determination is made.

(e) Property and equipment

The Agency capitalizes all expenditures for property and equipment in excess of \$1,000. There were no additions of property and equipment during the year.

(f) Industrial Development Revenue Bonds

The Agency may issue Industrial Development Revenue Bonds. The Bonds are special obligations of the Agency payable solely from revenue derived from the leasing, sale, or other disposition of a project. As explained more fully in Note 5, there is no liability to the Agency; therefore, the obligations are not accounted for in the accounts of the Agency.

PRELIMINARY AND TENTATIVE DRAFT FOR DISCUSSION PURPOSES ONLY
CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF THE CITY OF ALBANY

Notes To Financial Statements

Note 1: Organization And Summary Of Significant Accounting Policies (Continued)

(g) Income taxes

The Agency is exempt from federal, state, and local income taxes.

(h) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The application of these accounting principles involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. The Agency periodically evaluates estimates and assumptions used in the preparation of the financial statements and makes changes on a prospective basis when adjustments are necessary.

(i) Presentation

Certain reclassifications, when applicable, are made to the prior year financial statement presentation to correspond to the current year's format. Reclassifications, when made, have no effect on net position or net income (loss).

Note 2: Mortgage Notes Receivable

The Agency's mortgage notes receivable comprise loans which are recorded at cost. Repayment terms and interest vary with each borrower.

Note 3: Related Party

The Agency shares a common board of directors with the City of Albany Capital Resource Corporation, a Component Unit of the City of Albany. The Agency received a one-time grant from the City of Albany Capital Resource Corporation in the amount of \$102,500 during the current year.

PRELIMINARY AND TENTATIVE DRAFT FOR DISCUSSION PURPOSES ONLY
CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF THE CITY OF ALBANY

Notes To Financial Statements

Note 4: Mortgage Payable

The Agency has entered into a loan agreement with the City of Albany. The proceeds are loaned, in turn, to the eligible mortgagor. Loan repayment maturities vary by loan and are collateralized by mortgage notes receivable.

At December 31, 2012 and 2011, long-term debt was \$131,970 each year, and matures on December 23, 2022.

Note 5: Industrial Development Revenue Bond Transactions

Industrial Development Revenue Bonds issued by the Agency are secured by property which is leased to private companies. The debt is retired by the lease payments. The bonds are not obligations of the Agency or New York State, and the Agency does not record related activity in its accounts. The Agency acts merely as a financing conduit. For providing this service, the Agency receives an administrative fee. Such administrative fee income is recognized immediately upon issuance of bonds. Industrial Development Revenue Bonds outstanding as of December 31, 2012 total \$ _____.

Note 6: Commitments

The Agency had an agreement with the Albany Parking Authority to pay 25% of the generally offered parking rate to provide up to 50 parking spaces associated with the Hampton Plaza. The generally offered parking rate at December 31, 2012 and 2011 was \$140 per space per month. This agreement was terminated during the current year.

Included in contractual expenses for December 31, 2012 and 2011 were expenses totaling \$10,500 and \$21,000, respectively, related to the agreement.

The Agency had an agreement with the New Covenant Charter School to lease a portion of the New Covenant Charter School (the Charter School) building as a community center. The Agency paid the Community Center's share of all operating and maintenance expenses, fees, and charges. The annual costs of this lease were approximately \$41,930 and \$76,486 for the years ended December 31, 2012 and 2011, respectively. The original agreement was effective through November 30, 2009. In June 2010, the New Covenant Charter School closed and ownership rights have reverted back to the bondholders. The Agency's obligation under the lease continues despite the closing of the Charter School. The Agency will continue to be required to pay a portion of all operating and maintenance expenses, fees, and charges until the Charter School building is purchased. The Agency's obligation for the year ended December 31, 2011 included usage charges that were incurred from August 9, 2010 through January 5, 2012.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY,
 A COMPONENT UNIT OF THE CITY OF ALBANY**

Required Supplementary Information
 Schedule Of Revenues And Expenses - Budget
 (Non-GAAP Basis) And Actual

For The Year Ended December 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Agency fees	\$ 470,000	\$ 684,552	\$ 214,552
Grant revenue	155,000	102,500	(52,500)
Interest income	<u>500</u>	<u>603</u>	<u>103</u>
 Total revenues	 <u>625,500</u>	 <u>787,655</u>	 <u>162,155</u>
Expenses:			
ED support	250,000	250,000	-
Management contracts	250,000	250,000	-
Agency counsel	42,000	45,189	(3,189)
Sub-lease AHCC	50,000	41,930	8,070
APA Contract	23,100	10,500	12,600
Audits/accounting	7,000	9,500	(2,500)
Other miscellaneous	2,200	2,009	191
Insurance	<u>1,200</u>	<u>1,268</u>	<u>(68)</u>
 Total expenses	 <u>625,500</u>	 <u>610,396</u>	 <u>15,104</u>
 Excess Of Revenue Over Expenses	 <u>\$ -</u>	 <u>\$ 177,259</u>	 <u>\$ 177,259</u>

**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of
Financial Statements Performed In Accordance With
*Government Auditing Standards***

The Chairman and Board of Directors
City of Albany Industrial Development Agency,
a Component Unit of the City of Albany

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the business-type activities of the City of Albany Industrial Development Agency, a Component Unit of the City of Albany (the Agency) as of and for the year ended December 31, 2012, and the related notes to the financial statements which collectively comprise the Agency's, financial statements and have issued our report thereon dated March __, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness as the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PRELIMINARY AND TENTATIVE DRAFT FOR DISCUSSION PURPOSES ONLY

City of Albany Industrial Development Agency,
a Component Unit of the City of Albany
Page Two

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Albany, New York
March __, 2013

Procurement-Information:

Question	Response	URL (if applicable)
1. Does the Authority have procurement guidelines?	Yes	www.albanyida.com
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	Yes	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	No	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents or specifications for procurement contracts?.	No	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	No	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	No	

Procurement Transactions Listing:

<p>1. Vendor Name: Capitalize Albany Corporation</p> <p>Type of Procurement: Other Professional Services</p> <p>Award Process: Authority Contract - Non-Competitive Bid</p> <p>Award Date: 03/27/2012</p> <p>End Date: 12/31/2012</p> <p>Amount: \$250,000</p> <p>Amount Expended for Fiscal Year: \$250,000</p> <p>Fair market value: \$250,000</p> <p>Explain why the fair market value is less than the amount:</p> <p>Address Line1: 21 Lodge Street</p> <p>Address Line2:</p> <p>City: ALBANY</p> <p>State: NY</p> <p>Postal Code: 12207</p> <p>Plus 4:</p> <p>Province Region:</p> <p>Country: USA</p> <p>Procurement Description: Professional Services</p>	<p>2. Vendor Name: City of Albany</p> <p>Type of Procurement: Legal Services</p> <p>Award Process: Non Contract Procurement/Purchase Order</p> <p>Award Date:</p> <p>End Date:</p> <p>Amount: \$42,000</p> <p>Amount Expended for Fiscal Year:</p> <p>Fair market value:</p> <p>Explain why the fair market value is less than the amount:</p> <p>Address Line1: 24 Eagle Street</p> <p>Address Line2:</p> <p>City: ALBANY</p> <p>State: NY</p> <p>Postal Code: 12207</p> <p>Plus 4:</p> <p>Province Region:</p> <p>Country: USA</p> <p>Procurement Description: Legal Services</p>
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Procurement Transactions Listing:

3. Vendor Name: Teal, Becker, and Chiaramonte CPAs, PC

Type of Procurement: Financial Services
Award Process: Authority Contract - Non-Competitive Bid
Award Date: 11/15/2012
End Date: 03/31/2013
Amount: \$7,000
Amount Expended for Fiscal Year: \$1,500
Fair market value: \$7,000

Explain why the fair market value is less than the amount:

Address Line1: 7 Washington Square
Address Line2:
City: ALBANY
State: NY
Postal Code: 12205
Plus 4:
Province Region:
Country: USA
Procurement Description: Auditing Services

Procurement Report for Albany City Industrial Development Agency

Run Date: 03/20/2013

Fiscal Year Ending: 12/31/2012

Status: UNSUBMITTED

Procurement Transactions Listing:

Additional Comments:

Investment Information:

Question	Response	URL (if applicable)
1. Has the Authority prepared an Annual Investment Report for the reporting period as required by Section 2925(6) of PAL?	Yes	www.albanyida.com
2. Are the Authority's investment guidelines reviewed and approved annually?	Yes	
3. Did the Authority have an independent audit of investments as required by Section 2925(3)(f) of PAL?	No	
4. Has the Authority's independent auditor issued a management letter to the Authority in connection with its annual audit of investments?	No	

Additional Comments:

**RESOLUTION CONVEYING DEED BACK
THE HAMPTON PLAZA PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Department of Development and Planning at 21 Lodge Street in the City of Albany, Albany County, New York on February 21, 2013 at 12:15 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Anthony J. Ferrara	Chairman
John R. Vero	Vice Chairman
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Tracy Metzger	Member
C. Anthony Owens	Member

ABSENT:

THE FOLLOWING PERSONS WERE ALSO PRESENT:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Erik Smith	CFO - Capitalize Albany Corporation
Sarah Reginelli	Director of Economic Development
Bradley Chevalier	Senior Economic Developer, Capitalize Albany Corporation
Amanda Vitullo	Communications and Marketing Assistant
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
John J. Reilly, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Bond Counsel

The following resolution was offered by _____, seconded by _____, to wit:

RESOLUTION CONSENTING TO THE CONVEYANCE OF A CERTAIN PROJECT
BY THE CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY TO THE
PEOPLE OF THE STATE OF NEW YORK ACTING BY AND THROUGH THE
COMMISSIONER OF GENERAL SERVICES AND AUTHORIZING THE
EXECUTION OF RELATED DOCUMENTS.

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities,

among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, the Agency has previously assisted THE PEOPLE OF THE STATE OF NEW YORK acting by and through the Commissioner of General Services (the “State”) in undertaking a commercial project (the “Project”) and in connection with undertaking the Project the Agency has taken title to certain land, improvements and equipment owned by the State (the “Project Facility”); and

WHEREAS, the documents entered into by the Agency in connection with the Project provide for the reconveyance of the Project Facility back to the State; and

WHEREAS, the State has requested the Agency to execute and deliver a Deed to State and Bill of Sale to State conveying the Project Facility from the Agency to the State (the “Reconveyance”); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations” and collectively with the SEQR Act, “SEQRA”), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination on the above described Reconveyance; and

WHEREAS, pursuant to SEQRA, the Agency has examined the Reconveyance in order to make a determination as to whether the Reconveyance is subject to SEQRA, and it appears that the Reconveyance constitutes a Type II action under SEQRA;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Based upon an examination of the Reconveyance, the Agency hereby determines that the Reconveyance constitutes a “Type II action” pursuant to 6 NYCRR 617.5(c)(26), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Reconveyance.

Section 2. Subject to (A) approval of the form of the Deed to State, the TP-584, the RP-5217, the Bill of Sale to State and any other documents to be executed by the Agency in connection with the Reconveyance(collectively, the “Reconveyance Documents”) by Agency counsel, (B) evidence satisfactory to the Agency that all payments in lieu of taxes and other local fees and assessments relating to the Project Facility have been paid by the State, (C) receipt by the Chairperson of the Agency's administrative fee and counsel fees relating to the Reconveyance, if any, and (D) the consent of the lender, if necessary, that financed the Project, the Agency hereby consents to the sale of the Project Facility, the conveyance of the Project Facility to the State and authorizes the execution by the Agency of the Reconveyance Documents.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairperson (or Vice Chairperson) of the Agency is hereby authorized to execute and deliver the Reconveyance Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairperson (or Vice Chairperson) shall approve, the execution thereof by the Chairperson (or Vice Chairperson) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Reconveyance Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Reconveyance Documents binding upon the Agency.

Section 5. The Chairperson of the Agency is hereby authorized and directed to distribute copies of this Resolution to the State and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 6. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Anthony J. Ferrara	VOTING	_____
John R. Vero	VOTING	_____
Susan Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	VOTING	_____
Tracy Metzger	VOTING	_____
C. Anthony Owens	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ALBANY)

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on February 21, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 21st day of February, 2013.

(Assistant) Secretary

(SEAL)