



## 2017 Year in Review

City of Albany  
Industrial Development Agency (CAIDA) &  
Capital Resource Corporation (CACRC)

Presented August 22, 2018

Albany 2030

Comprehensive Plan for the City of Albany

### VISION

Albany in 2030 has built on its history and diverse natural, cultural, institutional, and human resources to become a global model for sustainable revitalization and urban livability. The City promotes a balanced approach to economic opportunity, social equity, and environmental quality that is locally driven, encourages citizen involvement and investment and benefits all residents.

# Mission, Purpose & Powers

City of Albany Industrial Development Agency (CAIDA)



## MISSION

The mission of the City of Albany Industrial Development Agency (CAIDA) is to assist in the enhancement and diversity of the economy of the City of Albany by acting in support of projects within the City that create and/or retain jobs and/or promote private sector investment utilizing the statutory powers of the Agency as set forth under the provisions of the laws of the State of New York.

## PURPOSE

The City of Albany established CAIDA in 1974 to support various types of projects that advance the job opportunities, health, general prosperity and/or the economic welfare of the people of the City of Albany.

## POWERS

CAIDA is authorized and empowered by the provisions of the laws of New York State to, among other things: acquire, own, lease and dispose of property as well as provide certain financial assistance to qualifying projects. CAIDA can provide conduit bond financing, real property tax exemptions, mortgage recording tax exemptions and sales and use tax exemptions to qualifying projects for the purpose of promoting, developing, encouraging and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping and/or furnishing of commercial facilities - among others.

## OVERSIGHT & BOARD OF DIRECTORS

CAIDA reports on an annual basis to the Office of the New York State Comptroller and the New York State Authorities Budget Office. CAIDA is governed by a board of seven members—all City of Albany residents with diverse backgrounds—appointed by the City of Albany Common Council. The current\* Board of Directors is as follows:

### *Tracy Metzger, Chairperson (2012)*

A respected entrepreneur involved in many of the Capital Region's successful economic and business development initiatives. As TL Metzger's founder and Principal Broker, Tracy has a well-deserved reputation for excellence as a commercial real estate broker with over 25 years' experience. She has received multiple civic and business awards and is an active contributor to many not-for-profit organizations and economic development efforts in the Capital Region. Tracy graduated with a Bachelors Degree from the University at Albany. Tracy and her husband have continued to invest in downtown Albany as the owner of commercial properties and businesses. In addition, as downtown residents they are committed to the continued revitalization of their neighborhood.

### *Susan Pedo, Vice Chair (2007)*

Susan Pedo is a communications and public affairs consultant specializing in health, safety and economic development issues. She has worked for state and municipal governments, and is an adjunct instructor at the University at Albany's School of Business. She is active on many boards and committees, including the New York Partnership for Teen Safe Driving, Capitalize Albany Corporation and Senior Services of Albany, and has served as president of the Women's Press Club of New York State and eba Dance Theater, and as legislation chair for the New York State PTA. Susan received her masters degree in political science from the Flinders University of South Australia and completed a graduate program in women and public policy at Rockefeller College. She has a bachelor of arts in English literature from Marquette University.



## OVERSIGHT & BOARD OF DIRECTORS (CONTINUED)

### *Darius Shahinfar, Treasurer (2013)*

Darius Shahinfar is the Treasurer and CFO of the City of Albany. He has broad experience as an attorney in both the public and private sectors and in all three branches of local, state and federal government. He earned his Juris Doctor at Albany Law School where he served as Editor-in-Chief of the Law Review and President of the Student Bar, and his Bachelor of Arts in American History at Bates College. Darius has also served, or currently serves, our community on the boards of: Albany Law School, St. Anne Institute, Families Together NYS, Upper Hudson Planned Parenthood, National Little League, and the Business Improvement Districts (BIDs) of Central Ave., Lark St. and Downtown Albany. A 20+ year resident of Albany, Darius and his wife, attorney and former Albany County Legislator Noelle Kinsch are the proud parents of 2 New Scotland Ave. Elementary School children.

### *Lee Eck, Secretary (2013, appointed Secretary January 2018)*

Lee Eck is a Business Representative for the International Union of Painters and Allied Trades, District Council 9, Local 201. Lee has been active on other boards and committees, including serving as Treasurer of the Albany County Central Federation of Labor, as well as serving as part of Mayor Sheehan's Transition Team. Lee lives in the Delaware Avenue neighborhood with his wife and two children - both of whom attend Albany Public Schools. He graduated from Bethlehem High School and attended the University of Evansville.

### *Dominick Calsolaro (2014)*

Dominick Calsolaro is a life-long Albany resident. He is a former member of the Albany Common Council (2002 - 2013) and retired from the New York State Legislative Bill Drafting Commission after 33 years of public service. Dominick also worked in the family-owned business, Calsolaro's Restaurant, a long-time Albany commercial establishment (1936 - 1992). In addition to serving on the City of Albany's IDA/CRC Boards, Dominick serves on the Board of the New York Civil Liberties Union - Capital District Chapter; the Board of Citizen Action of New York - Capital District Chapter; the Board of Citizens for Public Transportation; is a member of the Albany Community Police Advisory Committee; and many other neighborhood and civic associations. Dominick is a graduate of Siena College (BA - Political Science, 1977). He is married and has two adult children.

### *Jahkeen Hoke (2018)*

Jahkeen is the co-founder of 4th Family Inc., a not-for-profit. 4th Family empowers the community by engaging at risk youth and adults using mentoring and sports to inspire at-risk students in STEM subjects – science, technology, engineering, and math – and careers. His professional career includes positions working for private and public entities which include GE, Key Corp, AT&T, the City of Albany and a start-up company. Jahkeen is the 2018 recipient of the City of Albany's Henry Johnson Award for Distinguished Community Service. He holds a Bachelor of Arts degree in Business Management & Finance/Banking, Organizational Leadership from Morehouse College.

### *Robert Schofield (2014)*

Robert Schofield is a partner in the Albany-based law firm of Whiteman Osterman & Hanna LLP where he practices in the areas labor and employment law, education law, and civil litigation. He holds Juris Doctor and Master of Public Administration degrees from Syracuse University as well as a Bachelor of Arts degree from Plattsburgh State University. He is a former President of the Albany County Bar Association and a current member of the Board of Directors of the Capital Region Chamber. He has served as Chairman and President of Capital District Habitat for Humanity and Co-chair of the Albany-Colonie Regional Chamber of Commerce's Leadership Tech Valley Program. Mr. Schofield has lived in the City of Albany for twenty years and has a home in Pine Hills with his wife and two children.

\*C. Anthony Owens served from November 2011 through October 2017. Jahkeen Hoke was appointed to the vacant seat in May of 2018.

# Albany Tax Structure & Budgetary Impacts

## City of Albany Industrial Development Agency (CAIDA)

### TAX STRUCTURE

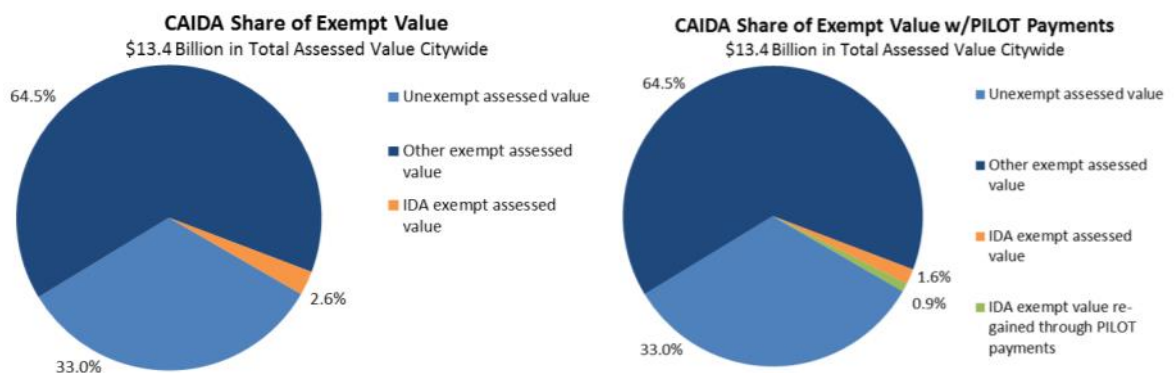
The tax structure within the City of Albany poses a challenge for attracting and retaining investment and businesses. One reason is that more than 60% of assessed property in the City is tax-exempt, one of the highest proportions among cities within New York State (New York State Comptroller, 2014 Fiscal Profile). This imbalance places more pressure on the taxable properties to generate the City's real property tax revenues.

Another challenge is that the City of Albany and its School District use the homestead tax option, authorized by the New York State Real Property Tax Law. Under the homestead option, there are two separate real property tax rates, one rate for commercial properties (the non-homestead rate) and one rate for residential properties (the homestead rate). Of the 1,545 cities, towns and villages located in NYS, only 48 municipalities use this option. In 2017 the City of Albany's tax rate for non-homestead property was 30% higher than the homestead property tax rate and the City of Albany School District tax rate for non-homestead property was 32% higher than the homestead property tax rate. According to the Office of the New York State Comptroller's 2014 Fiscal Profile of the City of Albany, "the disparity between the homestead and non-homestead tax rates places pressure on local businesses that could impact local development." This structure places Albany at a competitive disadvantage, vying for a regional market with neighboring municipalities that offer significantly lower real property tax rates. Overall, Albany has the second highest commercial property tax rate in the Capital Region, comparable to Schenectady and considerably higher than its neighbors. The aim of CAIDA assistance is to mitigate these challenges and level the playing field.

### BUDGETARY IMPACTS

As a part of Impact Downtown Albany in 2014, the IDA retained Sarah Woodworth of W-ZHA, Inc. (a national development advisory firm established in 1975 specializing in redevelopment, financial feasibility and public financing) to analyze the fiscal impacts of the most-intensive possible levels of tax exemptions on local jurisdictions. W-ZHA analyzed maximum possible estimates for costs of new development to City of Albany municipal services, including police and fire, and assuming minimum revenues with a maximum tax abatement program in place. The review found that new, market-driven development would have neutral or positive direct fiscal impacts on City of Albany revenues, even when analyzing levels and lengths of tax abatement well beyond average CAIDA levels. The impact would also have a net positive gain on County and New York State revenues. This analysis does not include the additional, economic impact benefits resulting from new indirect spending in local businesses and induced consumer-spending.

Furthermore, in order to fully understand the budgetary impact of the Agency's decisions, it is important to place the effect of CAIDA tax exemptions in context of the broader taxation structure of the City of Albany. CAIDA-assisted projects make up approximately 2.56% of assessed property value in the City of Albany compared to approximately 64% of assessed property value in the City Albany exempted from taxes for other reasons not associated with CAIDA (i.e. NYS, city, non-profit owned property among other reasons). Furthermore, CAIDA assisted projects make payments in lieu of taxes, and when you take into account these PILOT payments, the value exempted is further reduced from 2.56% to less than 1.6% of the city-wide assessed property value. These trends hold for 2015, 2016 and 2017.



## Performance Measures

### City of Albany Industrial Development Agency (CAIDA)

#### EFFECTIVENESS

Assistance by CAIDA catalyzed over \$168 million in estimated capital investments from 2015-2017. CAIDA, among other things, has assisted with the transformation of vacant, underutilized and/or tax-exempt properties into income producing properties. For example, out of the 11 projects assisted by the CAIDA from 2015-2017, all were previously either vacant, underutilized and/or tax-exempt. This investment increases the value of the real property, and as such, taxing jurisdictions will receive significantly more revenues over the life of the PILOTs than if the properties had remained as-is.

Furthermore, from 2015-2017, CAIDA assisted projects are expected to generate an estimated 651 construction jobs and 498 new or retained permanent jobs. The effect of \$168 million in investment has both one time and ongoing annual economic benefits that flow through the local economy in the form of indirect and induced benefits. In order to further benefit the local economy, CAIDA shapes private sector decisions through administrative policies such as including job creation as a criteria in the project review and encouraging the private sector to hire local workers through CAIDA's Local Labor Policy.

While job creation may be the most easily-measurable indicator of IDA effectiveness, statute provides that IDAs should also advance the "health, general prosperity and/or economic welfare" of its jurisdiction. These additional community benefit goals are critical to the revitalization of the City of Albany and, as such, have been incorporated into the Board's analysis in order to evaluate a more complete depiction of each project. For instance, CAIDA-approved projects are predominantly on previously vacant and/or tax-exempt sites; they typically directly implement the City's local revitalization strategies; they may include affordable housing; and many adaptively reuse historic structures. These community benefit metrics have also been clearly reflected in the recently-adopted Project Evaluation and Assistance Framework adopted by the CAIDA Board for projects beginning in 2017 (as discussed on page 7). Several of these indicators are incorporated into the chart below.

Effectiveness:	2017	2016	2015
# of New Projects Assisted (Closed) <sup>(1)</sup>	3	1	7
Units of Affordable Housing Assisted (Closed)	137	-	-
Projects located in a Distressed Census Tract	2	-	2
Projects located in a High Vacancy Census Tract	1	1	5
Projects located in a Previously Tax Exempt/Vacant Parcel	1	-	6
Historic Preservation Projects	-	1	1
Projects Resulting from Neighborhood Plan Implementation	-	1	5
Downtown Residential Units	-	25	37
Estimated Capital Investment Assisted	> \$58,000,000	> \$6,700,000	> \$103,700,000
Projected Construction Jobs	196	15	445
Projected New Jobs/Retained Jobs	11	-	487
Estimated Net Revenues to Taxing Jurisdictions (Over Life of PILOT) <sup>(2)</sup>	> \$10,000,000	-	> \$15,200,000

#### Notes:

1) Not all projects close in the year approvals received.

2) 2016 Project did not receive real property tax exemption through CAIDA.

## EFFICIENCY

CAIDA does not receive city, county, state, federal or any other public funds to support its operations. Rather, CAIDA funds its own operations by charging fees to project applicants. While CAIDA does not have a staff of its own, CAIDA operations are supported through a professional services agreement (staff, office space, supplies, etc.) with Capitalize Albany Corporation, the City of Albany's economic development organization. As is detailed below, CAIDA ranked favorably when comparing "expenses per job gained" and "expenses per project" to other IDA's statewide. In both "expenses per job gained" (\$150) and "expenses per project" (\$8,662), CAIDA reported lower expenses than the statewide average by over \$2,800 per job gained and \$38,000 per project respectively.

CAIDA's financial audit is performed annually by an independent certified public accountant (CPA) within 90 days of the close of its fiscal year. In 2017, CAIDA received an "unqualified opinion," the best opinion an auditor can give as it represents a clean audit.

Efficiency:	2017	2016	2015
Income <sup>(1)</sup>	\$714,073	\$187,538	\$1,186,999
Operating Expenses <sup>(2)</sup>	\$678,779	\$722,419	\$757,506
Excess of Fee over Operating Expenses	\$35,294	(\$534,881) <sup>(4)</sup>	\$429,493
Net Assets	\$1,828,175	\$1,792,881	\$2,327,762
Auditors Opinion	Unqualified <sup>(3)</sup>	Unqualified <sup>(3)</sup>	Unqualified <sup>(3)</sup>

### Notes:

1) Not all projects close in the year approvals received. Agency fee paid upon project closing.

2) For the reporting years shown Agency paid a total of \$196,151 in operating costs for Arbor Hill Community Center and over \$1,006,000 since 2003.

3) An "Unqualified Opinion" is the best opinion an auditor can give as it represents a clean audit.

4) City of Albany IDA approved 6 additional projects estimating \$810,116 in revenue that postponed closing beyond 2016.

## STATEWIDE COMPARISONS

For the reporting year 2016, CAIDA compares favorably amongst its statewide counterparts according to the most recent annual report issued by the Office of the New York State Office of the State Comptroller (OSC) which analyzes the activities of 109 New York State IDAs. The annual report was released in July of 2018.

- A strong investment in the City of Albany's economy is shown through the total value of projects that were catalyzed by assistance through the City of Albany IDA. Supported City projects in total were valued at over \$978 Million, which is more than 50% higher than the average total investment created by IDAs statewide.
- Regarding payments in lieu of taxes (PILOTs), the City of Albany IDA generated \$4.27 million, which is higher than its statewide counterparts.
- On a per project level, the City of Albany IDA's project exemptions are \$107,566 less per project compared to the statewide average. That is 61% lower than the average exemption per project on a statewide level.
- In relation to job creation, the City of Albany IDA's net tax exemptions per job gained were also 86% lower than the average for IDAs statewide, and this is without negatively impacting job creation numbers. Estimated net job changes from Albany IDA supported projects were shown to be much greater, with 2,691 jobs created – 90% higher than the average for IDAs statewide.
- The City of Albany IDA also ranked favorably when measuring efficiency. In both expenses per job gained (\$150) and expenses per project (\$8,662) the IDA performed more efficiently, with lower expenses than the statewide averages by nearly \$2,866 per job and \$38,447 per project respectively.

A similar favorable comparison was evident as part of the 2013, 2014 and 2015 OSC annual reports. The OSC annual IDA performance report lags behind the reporting year as the OSC collects data and performs the necessary analyses. Thus the OSC annual IDA performance report for 2017 will be released in the Spring of 2019. The City of Albany IDA has consistently implemented OSC recommended best practices, improving processes, procedures and project evaluation methods further.

# Accountability, Integrity & Transparency

## City of Albany Industrial Development Agency (CAIDA)

### GOVERNANCE

CAIDA is governed by a seven member board who executes direct oversight of the Agency.

### REPORTING

CAIDA reports on an annual basis to the Office of the New York State Office of the State Comptroller (OSC) and the New York State Authorities Budget Office (ABO). CAIDA is required to complete an annual report for the OSC and ABO known as the PARIS report (Public Authority Reporting Information System) along with a financial audit prepared by an independent, certified public accountant by March 31st for the previous fiscal year. CAIDA also provides an annual update on the Agency's activities to the City of Albany Common Council.

### PROJECT REVIEW

CAIDA project review involves a rigorous process with a typical timeframe of 3-6 months between application submittal, analysis and discussion and approval consideration. During the process, a project will be discussed at a number of open, public meetings (including Finance Committee and Board) and a public hearing. The number of meetings varies depending on the complexity of the project. The robust process can be summarized into three stages: Application & Presentation, Analysis & Public Comment, and Review & Decision.

#### *Stage One: Application and Presentation*

This stage begins with the receipt of an application. Staff reviews the application for completeness, requests any missing documentation and provides initial observations to the applicant. Once an application is complete, the applicants make a preliminary presentation to the Finance Committee and Board. At this time, the Finance Committee and Board are able to provide their initial observations, request specific pieces of supplemental information and provide initial direction to staff for analysis.

Presented to the Board & distributed in Board packet:

*Complete Application*

*Applicant project overview presentation to Finance Committee/Board*

*Community Benefits Letter*

#### *Stage Two: Analysis and Public Comment*

During this stage, staff conducts an analysis of the requested assistance. In addition to the standard analysis, staff also solicits and analyzes supplemental requests made by the Finance Committee and Board. A public hearing is also held at this time, so that the public response can be weighed into the analysis. Staff provides a detailed memorandum outlining the analysis. The Finance Committee continues its dialogue related to the proposal in light of staff analysis and works with the applicant through staff to address deficiencies or concerns, which may include additional analysis. This stage results in a final request.

Presented to the Board & distributed in Board packet:

*Analysis from staff (Project Summary; PILOT Analysis, Project Evaluation & Assistance Framework Analysis)*

*Supplemental information in response to all previous requests*

#### *Stage Three: Review and Decision*

Once the Finance Committee has deemed the analysis sufficient and the applicant finalizes the request, staff provides a memorandum detailing the final request and results of the analysis. Upon review of this memo, the Finance Committee forwards a recommendation for approval, denial, or approval with conditions to the full Board



for its consideration. At this time, the applicant may be invited back to make a final presentation to the Board. The full Board reviews the Finance Committee's recommendation, engages in final deliberation and takes action.

Presented to the Board & distributed in Board packet:

*Final request and presentation of analysis from staff*

*Recommendation from Finance Committee*

*Final resolution*

## PROJECT SUMMARY MEMO

A summary of the project, including costs and benefits, is provided to the Finance Committee and Board and is distributed to the City of Albany Common Council before the Finance Committee meeting. The Project Summary Memo is also available to the general public on the City of Albany IDA website. The Project Summary Memo is updated and reposted to the website throughout the review process.

## ONGOING ADMINISTRATIVE & POLICY ENHANCEMENTS

The CAIDA Board of Directors prides itself on consistently improving by immediately implementing any and all new statewide requirements. In addition, CAIDA strives to not only implement any published best practices, but frequently sets best practices by taking innovative and intensive new approaches to transparency, project evaluation and impact monitoring.

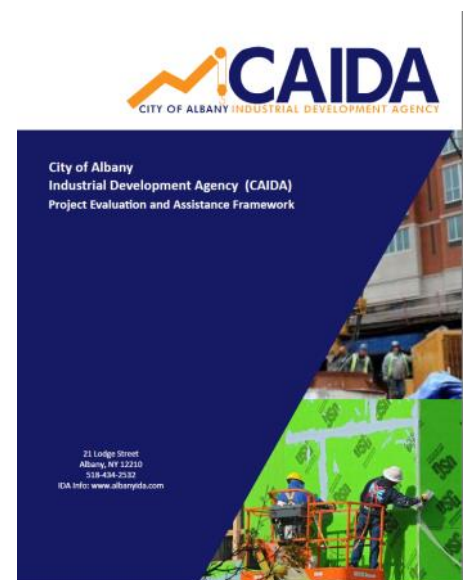
This standard improvement was augmented in 2015 by at Board-driven Strategic Transition Plan that tackled more than a dozen policy and administrative enhancements based on a self-audit of Agency practices and procedures. Many of the actions taken during this initiative brought Agency policies, forms and applications up-to-date with process improvements already implemented in practice. From implementing an Agency-wide policy respecting recapture of project benefits (ahead of the Statewide requirement to do so), to developing a media relations policy, to sweeping updates to the policy manual, to enacting new protocol for measuring and verifying project outcomes, the Board completed an overhaul of the Agency's procedures by 2016.

## PROJECT EVALUATION & ASSISTANCE FRAMEWORK

In 2017, the CAIDA Board implemented a Project Evaluation and Assistance Framework to enhance transparency, accountability and predictability of CAIDA's PILOT process. The Board directed its Governance Committee and staff to standardize and formalize the structure by which CAIDA supports responsible planning and management of future tax dollars while growing the City's tax base by attracting and retaining investment. The requested structure was also intended to prioritize and highlight the analysis of community benefits delivered by proposed projects.

The Framework was developed throughout 2016 by engaging a third-party specialist who evaluated CAIDA's existing process and previously-approved projects; analyzed Albany market conditions; researched industry standards; and tested realistic capital, operating and financial assumptions for each prospective land use. This data was used to construct a standardized PILOT schedule framework, which was tested against sensitivity analyses controlling for a variety of project conditions that would meet local development economics needs while ensuring maximum returns for the taxing jurisdictions.

The Board coupled this standardized assistance framework with a new standardized scoring mechanism to evaluate projects. The process established a matrix of Community Benefit Metrics to ensure that projects must meet a





minimum standard based on defined measures of revitalization, investment and employment to be considered for assistance through the program. This scoring mechanism was tested against previous CAIDA projects as well as sample prototype projects.

The CAIDA Board of Directors approved the Project Evaluation and Assistance Framework in 2016 to take effect for 2017 project applications seeking deviations from Uniform Tax Exemption Policy (UTEP) assistance. The project evaluation criteria ensure that projects that receive assistance will meet baseline requirements and have a significant impact on the local economy and positive community benefits for example, projects that generate substantial private investment, result in a large number of jobs and/or are located within distressed census tracts. The current evaluation framework is as follows:

Definitions of the Community Benefits Metrics listed above as well as the detailed standardized PILOT schedules can be found on the CAIDA website.

Baseline Requirements (Must Achieve All)		
<input type="checkbox"/> Complete Application	<input type="checkbox"/> Albany 2030 Aligned	<input type="checkbox"/> Meet Project Use Definition
<input type="checkbox"/> Meets NYS/CAIDA Requirements	<input type="checkbox"/> Planning Approval (if applicable)	<input type="checkbox"/> "But For" Requirement

Community Benefit Metrics (Must Achieve 10)		
<b>Revitalization</b> <b>Target Geography</b> <input type="checkbox"/> Distressed Census Tract <input type="checkbox"/> High Vacancy Census Tract <input type="checkbox"/> Downtown <input type="checkbox"/> BID <input type="checkbox"/> Neighborhood Plan  <b>Identified Priority</b> <input type="checkbox"/> Downtown Residential <input type="checkbox"/> Tax Exempt/Vacant <input type="checkbox"/> Identified Catalyst Site <input type="checkbox"/> Historic Preservation <input type="checkbox"/> Community Catalyst  <b>Identified Growth Area</b> <input type="checkbox"/> Manufacturing / Distribution <input type="checkbox"/> Technology <input type="checkbox"/> Hospitality <input type="checkbox"/> Existing Cluster <input type="checkbox"/> Conversion to Residential	<b>Investment</b> <b>Financial Commitment (cumulative)</b> <input type="checkbox"/> 2.5M - 10M <input type="checkbox"/> 10.1M-17.5M <input type="checkbox"/> 17.6M-25M  <b>Community Commitment</b> <input type="checkbox"/> MWBE/DBE Participation <input type="checkbox"/> EEO Workforce Utilization <input type="checkbox"/> Inclusionary Housing <input type="checkbox"/> Regional Labor <input type="checkbox"/> City of Albany Labor <input type="checkbox"/> Apprenticeship Program	<b>Employment</b> <b>Permanent Jobs (cumulative)</b> <input type="checkbox"/> 3 - 40 <input type="checkbox"/> 41-80 <input type="checkbox"/> 81 - 120 <input type="checkbox"/> 121-180 <input type="checkbox"/> >180  <b>Retained Jobs (cumulative)</b> <input type="checkbox"/> 3 - 40 <input type="checkbox"/> 41-80 <input type="checkbox"/> 81 - 120 <input type="checkbox"/> 121-180 <input type="checkbox"/> >180  <b>Construction Jobs (cumulative)</b> <input type="checkbox"/> 6 - 80 <input type="checkbox"/> 81 - 160 <input type="checkbox"/> 161 - 240 <input type="checkbox"/> > 240

The Board has committed to monitor this new standardized Project Evaluation and Assistance Framework to keep it updated and relevant to contemporary local community priorities. Eventually based on its performance, the Framework may be assessed for incorporation into the Agency's UTEP.

Assistance through CAIDA is still reserved for projects that would not be feasible in the absence of the assistance. Utilizing guidance set forth in the program guidelines and CAIDA Policy Manual, the Board of Directors will continue to make the final determination for assistance for each application. All projects, regardless of the assistance being sought, are subject to CAIDA Policy Manual.

## CAIDA WEBSITE

The CAIDA website is kept up-to-date with public meeting notices; required annual reporting documentation; meeting materials including agendas, project applications/analysis/summaries, and minutes; approved PILOT documentation; policies and procedures; the Common Council Annual Report; the Project Evaluation and Assistance Framework; and additional documents. Find more at [www.AlbanyIDA.com](http://www.AlbanyIDA.com)

The table below shows that from 2015-2017, CAIDA held a total of 106 meetings and public hearings, including regular monthly board meetings, special meetings, committee meetings and annual meetings. All meetings were open to the public and meeting notices, agendas, minutes and materials were posted on the CAIDA website at [www.albanyida.com](http://www.albanyida.com). Also, as required by the laws of the State of New York, CAIDA held public hearings in which the public was given the opportunity to comment on the proposed financial assistance before CAIDA Board approval consideration. Public hearing notices were published in advance in a local newspaper and posted at City Hall and on the CAIDA website. Furthermore, from 2015-2017 all required Public Authority Accountability Act (PAAA) reports were filed on time and posted on CAIDA's website.

Accountability, Integrity & Transparency	2017	2016	2015
Filing of Required PAAA Reports	All reports were filed on time	All reports were filed on time	All reports were filed on time
Annual Meeting	Annual meeting held in January	Annual meeting held in January	Annual meeting held in January
Board Meetings	Dates of the Board meetings were posted to the website in January	Dates of the Board meetings were posted to the website in January	Dates of the Board meetings were posted to the website in January
	12 Board meetings meeting held	11 Board meetings meeting held	14 Board meetings meeting held
	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings
	Meeting minutes posted to website	Meeting minutes posted to website	Meeting minutes posted to website
Committee Meetings	14 Committee meetings held	16 Committee meetings held	22 Committee meetings held
	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings
	Meeting minutes posted to website	Meeting minutes posted to website	Meeting minutes posted to website
Public Hearing Notices <sup>(1)</sup>	5 Public hearings held	3 Public hearings held	6 Public hearings held
	Notices published as required	Notices published as required	Notices published as required

**Notes:**

**1) Not all projects close in the calendar year the public hearing takes place.**

## Activity Highlights

### City of Albany Industrial Development Agency (CAIDA)

During 2017 the City of Albany Industrial Development Agency (CAIDA) continued to assist eligible projects with conduit taxable and tax-exempt debt financings and other financial assistance.

### Projects Closed

#### 1385 WASHINGTON AVE STUDENT HOUSING

This project will be a land acquisition, the demolition of an underutilized structure and construction of an approximately 142,000 SF, four story student housing complex. When completed this project will have 322 beds. Additionally there will be +/-146 parking spaces for residents. This approximately \$30.5 million project will retain and create a total of 7 permanent jobs and create an estimated 90 construction jobs.



#### VALUSPACE ALBANY NEW CONSTRUCTION

This project will abate and remove a vacant structure and construct a new +/- 90,000 SF, 3-story, temperature controlled self-storage facility containing a rental office and retail space for the sale of moving and packing supplies. The site will be landscaped, fenced, gated to control access in addition to an IP security camera system. The facility will include +/- 15 parking spaces. This approximately \$6.3 million project will create an estimated 2 permanent jobs and an estimated 31 construction jobs.



#### THURLLOW TERRACE AFFORDABLE HOUSING

This project will be an acquisition and renovation of the 136 units of affordable housing located at 2 Thurlow Terrace. The 9-story structure was built in 1979 and encompasses 85,000 square feet. Renovations will include: new kitchens and baths including new appliances, window replacement, improvements to common areas and upgrades to the elevators, roof repairs, improvements to sidewalks & parking areas, a new boiler system and exterior landscaping. The developer signed an agreement to maintain the property as affordable housing for 40 years. This +/- \$21.6 million project will retain 3 permanent jobs and create an estimated 75 construction jobs.





## Approved Projects Pending Closing

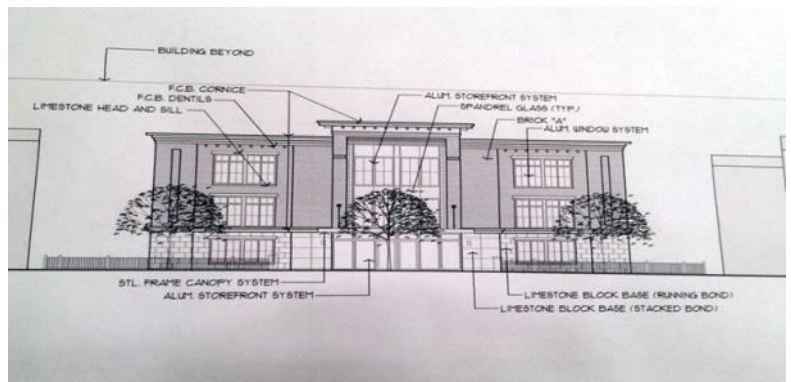
### 960 BROADWAY MIXED-USE RESIDENTIAL/RETAIL

Within the City's warehouse district, this project revitalizes a vacant property formerly home to the Rodgers Liquor Co. When completed, this mixed-use redevelopment will transform the four-story abandoned warehouse into 24 market-rate apartments on the upper floors and 3,000 SF of ground floor restaurant space. An existing addition will be renovated into 2,000 SF of commercial space. This approximately \$6 million project will create 15 permanent jobs and create an estimated 40 construction jobs.



### 760 BROADWAY APARTMENTS

Located at a key section of Broadway straddling Downtown and the Warehouse District, Fairbank Properties will construct a 5-story 130,000 SF market rate apartment building on a 1.4-acre parking lot at 766 Broadway. The building will be comprised of 100 rental units with up to 110 interior garage parking spaces on the ground floor. This approximately \$16.5 million project will create 2 permanent jobs and an estimated 100 construction jobs.



### NIPPER APARTMENTS MIXED-USE RESIDENTIAL/RETAIL

Located at 991 Broadway, the project will convert Albany's historic Nipper Building to apartments and is intended to be phase one of a four-phase, \$70 million development project to include more than 150 additional apartments in a set of newly constructed buildings with retail space and multiple levels of indoor parking. Phase one, assisted by the City of Albany IDA, consists of the redevelopment of two buildings. A four-story structure will be renovated to include 7,750 SF of commercial space and 75 apartment units. A single-story building on the south side will be demolished and a portion of the total parking will be included on the land. This +/- \$13.0 million project will create an estimated 2 permanent jobs and an estimated 100 construction jobs.



### RECKDE, LLC (85 DANA AVENUE) RESIDENTIAL

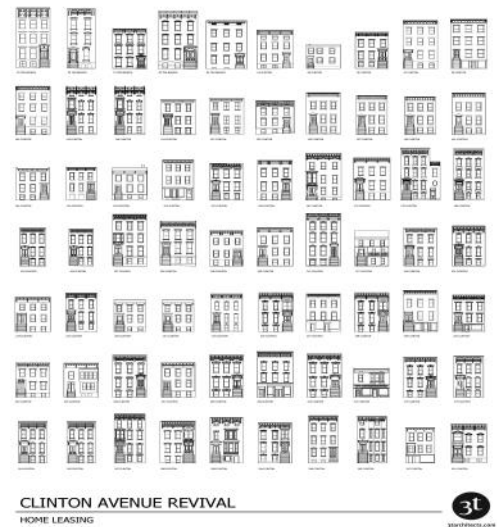
Located at 85 Dana Avenue, the project will convert four vacant parcels to approximately 30 market rate apartments, assisted by the City of Albany IDA. This four story, +/- \$5.0 million project will create an estimated 1 permanent job and an estimated 35 construction jobs.



### CLINTON AVENUE APARTMENTS AFFORDABLE HOUSING

The Developer will be undertaking comprehensive community revitalization by rehabilitating a portfolio of affordable rental units (currently facing foreclosure) in the Arbor Hill neighborhood. Approximately half of the units in the portfolio are currently vacant. The rehabilitation of the properties will be comprehensive and will be guided by the State Historic Preservation Office utilizing historic tax credits.

The project involves the revitalization of approximately 210 units in approximately 70 row houses and 2 vacant parcels. Eight buildings are condemned. This +/- \$48.0 million project will create/retain an estimated 7 permanent jobs and an estimated 65 construction jobs.



## Other Activity

### ARBOR HILL COMMUNITY CENTER

In 2002, CAIDA entered into a three party agreement with the City of Albany and, what was at the time, New Covenant Charter School, to construct an educational facility in Arbor Hill that would provide for a permanent, full-service Community Center for the neighborhood. CAIDA's annual payment on its lease of the property provides ongoing operating support for the Community Center. This agreement transferred to the City School District of Albany when it took ownership of the facility in 2013, and the three parties are working together to offer this needed and valued amenity to the community.

The School District undertook significant renovations to the building during the summer of 2017 which rendered the building unusable for both the students of the school district and residents/ children in the Arbor Hill community for use as the Arbor Hill Community Center for its summer programs. The City and School District worked together collaboratively to make alternate space available to the children and residents of the Arbor Hill community for the summer of 2017 to facilitate the continuation of such summer programs by the City. These programs included the Youth Pool Program and other important Community Programs.



## Mission, Purpose & Powers

### City of Albany Capital Resource Corporation (CACRC)



In January of 2008, the authority of IDAs to issue bonds for civic facility projects expired. As a result, municipalities including the City of Albany, established local development corporations to assist not for profit organizations with financing needs.

#### MISSION

The Mission of the City of Albany Capital Resource Corporation (CACRC) is to assist in the enhancement and diversity of the economy of the City of Albany by acting in support of projects in the City that create and/or retain jobs and/or promote private sector investment utilizing the statutory powers as set forth under the provisions of the laws of the State of New York.

#### PURPOSE

CACRC is a not for profit corporation established by the City of Albany to promote community and economic development and the creation of jobs in the nonprofit and for profit sectors for the citizens of the City by providing access to low interest tax-exempt and non-tax-exempt financing for eligible projects; mortgage recording tax exemptions, as well as issuing and selling one or more series or classes of bonds.

#### POWERS

CACRC is authorized and empowered to, among other things: acquire, own, lease and dispose of property as well as provide certain financial assistance to qualifying projects. CACRC can provide conduit bond financing and mortgage recording tax exemptions to qualifying projects.

#### OVERSIGHT & BOARD OF DIRECTORS

CACRC reports on an annual basis to the Office of the New York State Comptroller and the New York State Authorities Budget Office. CAIDA also reports on its activities to the City of Albany Common Council. CACRC is governed by a board of seven members—all City of Albany residents with diverse backgrounds— appointed by the City of Albany Common Council. These members are consistent with those listed for CAIDA.



## Performance Measures

### City of Albany Capital Resource Corporation (CACRC)

#### EFFECTIVENESS

From 2015-2017, CACRC assisted 6 civic facility projects that resulted in new or continued investments in the City of Albany of over \$187,000,000 million. During that same time period, CACRC assisted projects are expected to generate an estimated 9,333 new or retained permanent jobs.

Effectiveness:	2017	2016	2015
# of New Projects Assisted (Closed) <sup>(1)</sup>	4	1	1
Estimated Capital Investment Assisted	\$94,000,000	\$48,000,000	\$45,000,000
Projected Construction Jobs	-	-	-
Projected New Jobs/Retained Jobs	8,673 <sup>(2)</sup>	29	631
<b>Notes:</b>			
<b>1) Not all projects close in the year approvals received.</b>			

#### EFFICIENCY

CACRC does not receive city, county, state, federal or any other public funds to support its operations. Rather, CACRC funds its own operations by charging fees to project applicants. While CACRC does not have a staff of its own, CACRC operations are supported through a professional services agreement (staff, office space, supplies, etc.) with Capitalize Albany Corporation, the City of Albany's economic development organization. CACRC's annual financial audit is performed and completed by an independent certified public accountant (CPA) within 90 days of the close of its fiscal year. In 2017, CACRC received an "unqualified opinion," the best opinion an auditor can give as it represents a clean audit.

Efficiency:	2017	2016	2015
Income <sup>(1)</sup>	\$223,292	\$138,005	\$170,474
Operating Expenses	\$361,615	\$528,622	\$102,764
Excess of Fee over Operating Expenses	(\$138,323) <sup>(4)</sup>	(\$390,617) <sup>(2)</sup>	\$67,710
Net Assets	\$451,731	\$590,054	\$980,671
Auditors Opinion	Unqualified <sup>(3)</sup>	Unqualified <sup>(3)</sup>	Unqualified <sup>(3)</sup>
<b>Notes:</b>			
<b>1) Not all projects necessarily close in the year approvals received. Agency fee paid upon project closing.</b>			
<b>2) Includes \$400,000 in Economic Development Support used to fund CAC grant programs.</b>			
<b>3) An "Unqualified Opinion" is the best opinion an auditor can give as it represents a clean audit.</b>			
<b>4) Includes \$250,000 in loan funds donated to the Community Loan Fund and \$55,000 contributed to CDTA (see page 18).</b>			

## Accountability, Integrity & Transparency

### City of Albany Capital Resource Corporation (CACRC)

#### GOVERNANCE, REPORTING & PROJECT REVIEW

CACRC procedures involve a rigorous governance, reporting and project review process that mirrors CAIDA procedures outlined on pages 6-7.

The table below shows that from 2015-2017, CACRC held a total of 66 meetings and public hearings, including regular monthly board meetings, committee meetings and annual meetings. All meetings were open to the public with meeting notices, agendas, minutes and materials posted on the CACRC website at [www.albanyida.com](http://www.albanyida.com). Also, CACRC held public hearings in which the public was given the opportunity to comment on the proposed financial assistance before CACRC Board approval consideration. Public hearing notices were published in advance in a local newspaper and posted at City Hall and on the CACRC website. Furthermore, from 2015-2017 all required Public Authority Accountability Act (PAAA) reports were filed on time and posted on the CACRC 's website.

Accountability, Integrity & Transparency	2017	2016	2015
Filing of Required PAAA Reports	All reports were filed on time	All reports were filed on time	All reports were filed on time
Annual Meeting	Annual meeting held in January	Annual meeting held in January	Annual meeting held in January
Board Meetings	Dates of the Board meetings were posted to the website in January	Dates of the Board meetings were posted to the website in January	Dates of the Board meetings were posted to the website in January
	7 Board meetings held	9 Board meetings held	7 Board meetings held
	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings
	Meeting minutes posted to website	Meeting minutes posted to website	Meeting minutes posted to website
Committee Meetings	12 Committee meetings held	11 Committee meetings held	9 Committee meetings held
	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings	Meeting agendas and materials were posted to website prior to meetings
	Meeting minutes posted to website	Meeting minutes posted to website	Meeting minutes posted to website
Public Hearing Notices <sup>(1)</sup>	4 Public hearings held	2 Public hearings held	2 Public hearings held
	Notices published as required	Notices published as required	Notices published as required

#### Notes:

1) Not all projects necessarily close in the calendar year its public hearing takes place.

## Activity Highlights

### City of Albany Capital Resource Corporation (CACRC)

During 2017, the City of Albany Capital Resource Corporation (CACRC) continued to assist eligible projects with conduit taxable and tax-exempt debt financings. The following are the transactions that took place during 2017:

### Projects Closed

#### ALBANY LAW SCHOOL OF UNION UNIVERSITY

The refinancing of 2007 Bonds in the aggregate principal amount of up to \$14,000,000. This refinancing assisted Albany Law School, a tax-exempt nonprofit organization, in stabilizing its interest expenses, achieving long term savings and is a component of a long-range financial management plan. The project is expected to assist in the retention of 142 jobs.



#### ALBANY MEDICAL CENTER AND ALBANY MEDICAL CENTER HOSPITAL

The refinancing of 2006 AND 2007 Bonds in the aggregate principal amount of up to \$50,000,000. This refinancing assisted Albany Medical Center, a tax-exempt nonprofit organization, in stabilizing its interest expenses, achieving long term savings and is a component of a long-range financial management plan. The project is expected to assist in the retention of 8,531 jobs.





## Other Activity

### COMMERCIAL DISTRICT SUPPORT PROGRAMS

In March 2016, Capitalize Albany Corporation announced the launch of two grant programs; one to assist local businesses and one to facilitate neighborhood commercial activity. Capitalize Albany, with support from the Albany Community Development Agency, launched its administration of the Small Business Façade Improvement Program in October 2017. Each of these programs are supported by City of Albany Capital Resource Corporation through funding allocated to catalyze strategic initiatives. Awareness of the programs continues to build as new retailers and initiatives and development projects come online.

#### *Amplify Albany Grant Program*

The Amplify Albany Grant Program has created and supported numerous initiatives, programs and events in 10 different neighborhoods and commercial districts throughout the City of Albany including Downtown, Lark St, Pine Hills, Upper Madison, Washington Park, Upper New Scotland, Central Ave, Warehouse District, South End and Lower New Scotland.



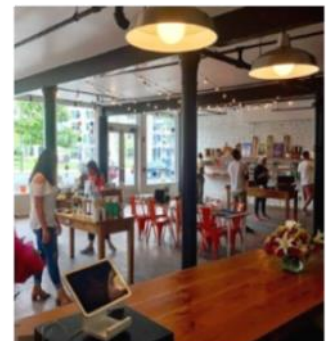
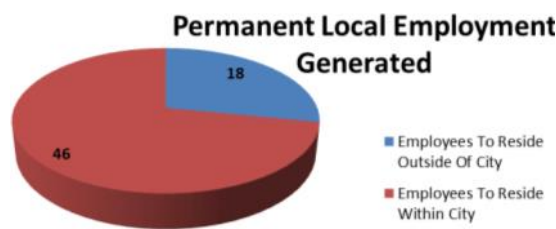
<b>Total Awards</b>	<b>26</b>
<b>Total Funds Awarded</b>	<b>\$83,000</b>
<b>Estimated Foot Traffic Created</b>	<b>&gt;25,432 People</b>
<b>New Programming Created</b>	<b>21 / 26 Awards</b>
<b>Neighborhoods Touched</b>	<b>10</b>



#### *Downtown Albany Retail Grant Program*

The Downtown Albany Retail Grant Program has seen tremendous success since its inception, having awarded 6 grants to strategic projects in key areas of Downtown Albany. Of note, in just over two years in existence, the program has been able to attract five key retailers that were identified in the Impact Downtown Tactical Plan. To date, these projects have brought over 20,000 square feet of vacant retail space back into productive use and created more than 60 permanent, full time equivalent jobs in the City's Central Business District.

<b>Total Funds Awarded</b>	<b>\$199,000</b>
<b>Total Investment Leveraged</b>	<b>\$2.0 million +</b>
<b>Activated Vacant Retail Space</b>	<b>20,175 SF</b>
<b>Estimated Permanent Jobs Created</b>	<b>64</b>
<b>Estimated Construction Jobs Created</b>	<b>62</b>



### *Small Business Façade Improvement Program*

With funding from the Albany Community Development Agency (“ACDA”), Capitalize Albany Corporation has administered two funding rounds of the Small Business Façade Improvement Program. Both rounds of competitive funding saw a total of 22 applications submitted on behalf of interested small business or property owners. Awards were made to a diverse group of properties in support of the small business tenants located in 4 of 5 of ACDA’s identified Neighborhood Strategy Areas including West Hill, Arbor Hill and North Albany.

<b>Total Awards</b>	<b>14</b>
<b>Funds Awarded</b>	<b>\$150,000</b>
<b>Total Investment Leveraged</b>	<b>\$500,000 +</b>
<b>Awards made in NSAs</b>	<b>10 / 14</b>
<b>Neighborhoods Touched</b>	<b>8</b>



Based on the success, impact and the continued interest in this program, the Capital Resource Corporation committed funding in 2018 for additional rounds of the Program.

### **CDTA PARTNERSHIP**

In 2014, the Capital Resource Corporation entered into an MOU with CDTA in order to support transit enhancements to revitalize the Park South neighborhood on the blocks between New Scotland Avenue, Dana Avenue, Myrtle Avenue, Morris Street and Robin Street in the city of Albany. The Corporation believes that enhanced transit services will improve the viability of residential, office and retail uses; mitigate traffic impacts; and increase access to local jobs.

This MOU encompassed a three-year partnership that incentivizes the use of public transportation through universal access to CDTA services for Tri City Rentals employees, residents and employees of retail tenants and for Albany Medical Center, and its affiliates, full and part time employees and students through the use of increased transit service and infrastructure improvements on New Scotland Avenue and surrounding areas. CDTA agreed to invest in service improvements in the Albany Medical Center/Park South area. This includes improved service to the entire length of New Scotland Avenue (past Holland Avenue to Madison Avenue) allowing direct access to the new development area. CDTA also agreed to improve customer amenities (shelters, signage, etc.) on New Scotland Avenue near the new development area to attract customers.





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