



## 2018 Year in Review

City of Albany

Industrial Development Agency (CAIDA) &  
Capital Resource Corporation (CACRC)

Presented September 11, 2019

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.

CAIDA is governed by a board of seven members appointed by the City of Albany Common Council. CAIDA 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.



# 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 approximately 63% 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 2018 the City of Albany's tax rate for non-homestead property was 25% 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.

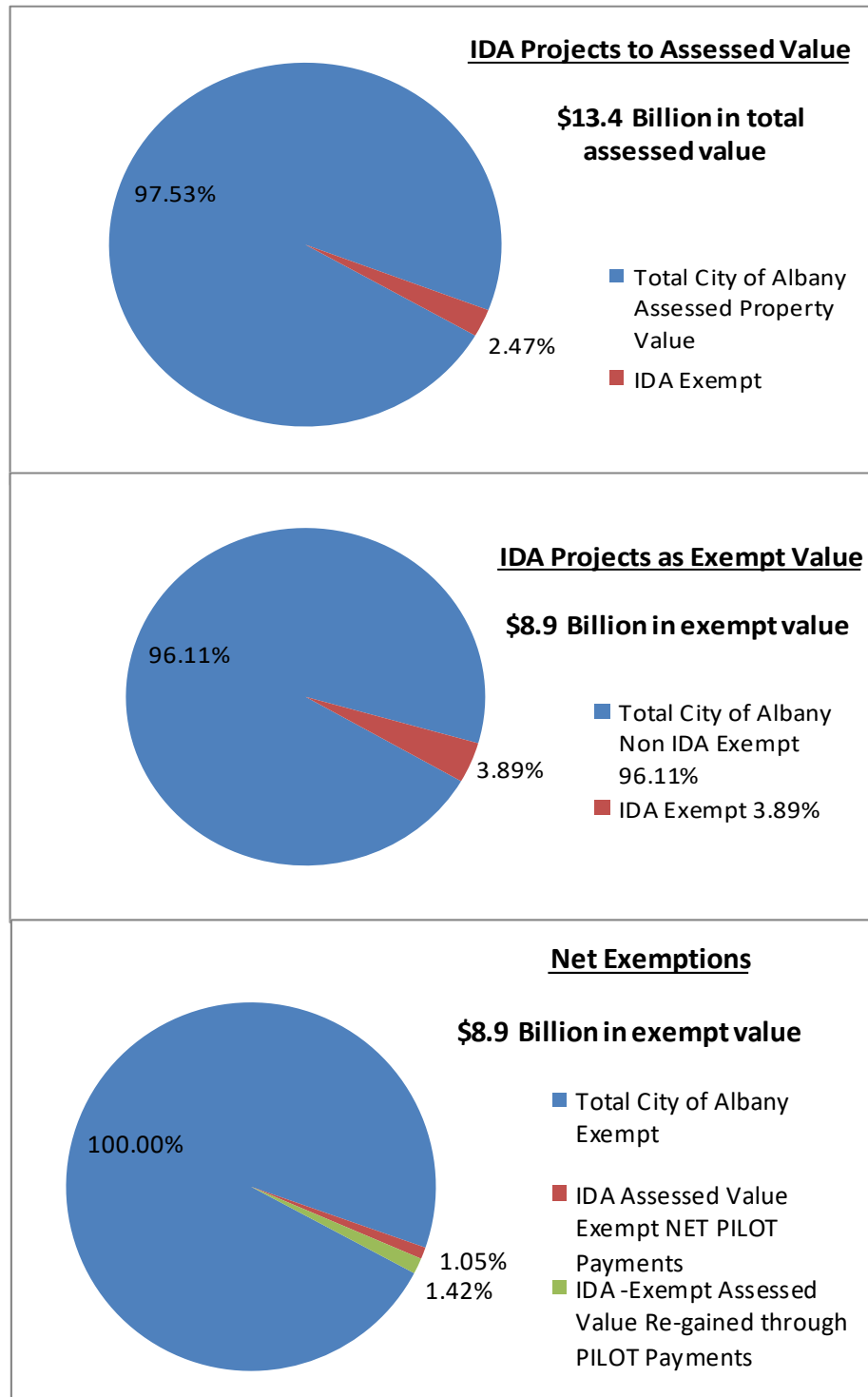
### BUDGETARY IMPACTS

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 aggressive forms of tax exemptions on local jurisdictions. The review found that new market-driven development would have neutral or positive fiscal impacts on City of Albany revenues, even with Maximum continued tax abatement incentives in place well beyond average CAIDA levels. W-ZHA analyzed maximum possible estimates of the added costs of new development to City of Albany services, including police and fire services and taking into account minimum revenues with a tax abatement program in place. The study found a net gain to City of Albany revenues overall. The impact would also have a net positive gain on County and New York State revenues. This analysis does not include the additional indirect and induced benefits resulting from new consumers and businesses.

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 2.47% of assessed property value in the City of Albany compared to approximately 61% 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 2.47% to 1.57% of the city-wide assessed property value. These trends hold for 2016, 2017 and 2018.

# Albany Tax Structure & Budgetary Impacts Continued

City of Albany Industrial Development Agency (CAIDA)



## Performance Measures

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

#### EFFECTIVENESS

Assistance by CAIDA catalyzed over \$223 million in estimated capital investments from 2016-2018. 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 15 projects assisted by the CAIDA from 2016-2018, 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 2016-2018, CAIDA assisted projects are expected to generate an estimated 810 construction jobs and 144 new or retained permanent jobs. The effect of \$223 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.

| Effectiveness:   | 2018            | 2017           | 2016          |
|--|-----------------|----------------|---------------|
| # of New Projects Assisted (Closed) <sup>(1)</sup>                                 | 11              | 3              | 1             |
| Units of Affordable Housing Assisted (Closed)                                      | 284             | 137            | -             |
| Projects located in a Distressed Census Tract                                      | 4               | 2              | -             |
| Projects located in a High Vacancy Census Tract                                    | 5               | 1              | 1             |
| Projects located in a Previously Tax Exempt/Vacant Parcel                          | 6               | 1              | -             |
| Historic Preservation Projects   | 1               | -              | 1             |
| Projects Resulting from Neighborhood Plan Implementation                           | 5               | -              | 1             |
| Downtown Residential Units   | 404             | -              | 25            |
| Estimated Capital Investment Assisted  | > \$159,000,000 | > \$58,000,000 | > \$6,700,000 |
| Projected Construction Jobs  | 599             | 196            | 15            |
| Projected New Jobs/Retained Jobs   | 133             | 11             | -             |
| Estimated Net Revenues to Taxing Jurisdictions (Over Life of PILOT) <sup>(2)</sup> | > \$15,000,000  | > \$10,000,000 | -             |

#### Notes:

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

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

In addition to job opportunities, it is an important objective of IDAs to promote health, general prosperity and economic welfare for the people of the City. These “revitalization” goals are less measurable than investment levels, jobs created, etc., but they are no less important to the overall mission of the City. Staff memos presented to the Board regarding IDA projects incorporate these “revitalization” goals, in addition to other goals, in order to evaluate a more complete analysis of each project.

## 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" (\$160) and "expenses per project" (\$7,986), CAIDA reported lower expenses than the statewide average by over \$4,665 per job gained and \$38,324 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 2018, CAIDA received an "unqualified opinion," the best opinion an auditor can give as it represents a clean audit.

| Efficiency:   | 2018                       | 2017                       | 2016                       |
|---|----------------------------|----------------------------|----------------------------|
| Income <sup>(1)</sup>   | \$1,402,364                | \$714,073                  | \$187,538                  |
| Operating Expenses <sup>(2)</sup>   | \$753,661                  | \$678,779                  | \$722,419                  |
| Excess of Fee over Operating Expenses   | \$648,703                  | \$35,294                   | (\$534,881) <sup>(4)</sup> |
| Net Assets  | \$2,476,878                | \$1,828,175                | \$1,792,881                |
| Auditors Opinion  | Unqualified <sup>(3)</sup> | Unqualified <sup>(3)</sup> | Unqualified <sup>(3)</sup> |
| <b>Notes:</b>   |                            |                            |                            |
| 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 \$199,731 in operating costs for Arbor Hill Community Center and over \$1,142,029 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 2017, 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 May of 2019.

- 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 \$875 Million, which is more than 25% higher than the average total investment created by IDAs statewide (excluding NYC).
- Regarding payments in lieu of taxes (PILOTs), the City of Albany IDA generated \$5.25 million, which is higher than its statewide counterparts.
- On a per project level, the City of Albany IDA's project exemptions are \$88,566 less per project compared to the statewide average. That is 42% 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 74% 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 2,241 jobs created – 6% higher than the average for IDAs statewide (over 200% higher for Estimated Net Job change).
- The City of Albany IDA also ranked favorably when measuring efficiency. In both expenses per job gained (\$160) and expenses per project (\$7,896) the IDA performed more efficiently, with lower expenses than the statewide averages by nearly \$4,665 per job and \$38,324 per project respectively.

A similar, favorable comparison was evident as part of the 2014, 2015 and 2016 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 2018 will be released in the Spring of 2020. 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 reports on its 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:*

*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:*

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

*Supplemental information in response to all previous requests*

### 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.

### 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:*

*Final request and presentation of analysis from staff*

*Recommendation from Finance Committee*

*Final resolution*

### STRATEGIC TRANSITION PLAN

In response to the proposed best practices recommended by the Office of the New York State Comptroller ("OSC") and the New York State Authorities Budget Office ("ABO") in a number of audits of industrial development agencies performed over the past year and in anticipation of the industrial development agency reform legislation adopted by the New York State Legislature on June 19, 2015 (the "Reform Legislation"), the City of Albany Industrial Development Agency (the "Agency") retained Hodgson Russ LLP, by resolution on February 19, 2015, to assist the Agency staff in addressing certain administrative and policy updates.

The following policies, procedures, provisions, and form documents were developed and/or updated over the to (a) align the Agency's policies, procedures, and documents with the best practices recommended by the OSC and the ABO and (b) bring the Agency into compliance with the Reform Legislation:

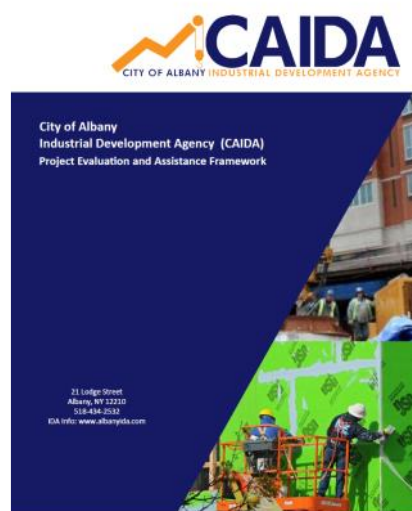
1. Policy Respecting Recapture of Project Benefits (Clawback Policy) – developed to provide for the recapture of Agency Benefits provided (i.e., sales tax exemption, mortgage recording tax exemption and/or payments in lieu of taxes ["PILOTs"]) to projects that fail to deliver on projected public benefits (i.e., job creation/retention).
2. Model Public Benefits Agreement – developed to enforce the Clawback Policy.
3. Media Relations Policy and Guidelines – developed to provide uniform procedures for the marketing and media coverage of Agency projects.
4. Conduct and Notifications of Public Hearings Policy – updated to incorporate new policy and procedure requirements.
5. Policy Compliance Calendar – developed to outline procedures for compliance with state law and Agency policies by the Agency Board and Committees.
6. Project Monitoring and Enforcement Policy – updated to monitor both the progress of projects towards their projected public benefits (i.e., job creation/retention) and the accuracy of the Agency Benefits provided (i.e., sales tax exemption, mortgage recording tax exemption and/or PILOTs).
7. Accuracy of Financial Information Representation provision for Agency Documents – developed to hold project applicants accountable to the financial information provided in Project Applications.
8. Verification of Capital Investment at Completion of a Project provision for Agency Documents – developed to hold project applicants accountable for the capital investments projected in the Project Application and any changes that occur as of completion of the project.



9. Post Completion Project Cost Affidavit – developed to enforce the Verification of Capital Investment provisions.
10. Project Application – updated to incorporate new policy and procedure requirements.
11. Model PILOT Termination Letter – developed letter for distribution to project applicants outlining the options and requirements for termination of a PILOT Agreement at the maturity of a project.
12. Uniform Tax Exemption Policy – reviewed and updated (a) the interim sales tax provisions for projects under construction prior to closing and (2) the mortgage recording tax provisions for proposed refinancings and assignments of project facilities.

## PROJECT EVALUATION AND ASSISTANCE FRAMEWORK

In 2017, the CAIDA implemented a Project Evaluation and Assistance Framework to enhance transparency, accountability and predictability of IDA'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 existing process and previous 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 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. 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.

The table below shows that from 2016-2018, 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 | 2018   | 2017   | 2016   |
|--|--|--|--|
| 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      |
|  | 14 Board meetings meeting held   | 12 Board meetings meeting held   | 11 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                       | 18 Committee meetings held   | 14 Committee meetings held   | 16 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>    | 7 Public hearings held   | 5 Public hearings held   | 3 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 2018 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

The Swinburne Building, LLC (526 Central Avenue)

The Project is a newly constructed mixed-use building. The building will be approximately 108,400 square feet five story building. The Project will provide 21,400 sq. ft. of leasable commercial space on the first two stories of the building and will also contain 74 affordable housing units. Based on a letter from the City of Albany Assessor (dated 07-24-2018), it is anticipated the assessed value of this property will increase from \$1,300,800 to \$7,236,500 and the project will produce an additional \$5,595,890 in revenue to the taxing jurisdictions over the course of the PILOT. Equinox will use commercial space within the development for back office operations and Whitney Young will operate a primary care facility within the project.





### WEST MALL OFFICE CENTER, LLC (4 Central Avenue)

he proposed project involves the conversion of the Mayfair (currently vacant) into a mixed use property with 3,000 SF of retail to be located as a Central Avenue store front with the remainder of the building to be converted into a total of 36 one bedroom apartments. Based on a letter from the City of Albany Assessor (dated 03-20-2018), it is anticipated the assessed value of this property will increase from \$300,000 to \$3,098,000.



### 363 Ontario St, LLC

The project consists of the acquisition of a +/- 1.8 acre parcel of land, construction on the land of the 58,500 SF buildings containing +/- 109 residential apartment units (with tenant amenities) 99 underground parking spaces, 43 surface parking spaces, and 4,000-6,000 square feet of retail space, and acquisition of various personal property and furniture, fixtures, and equipment.



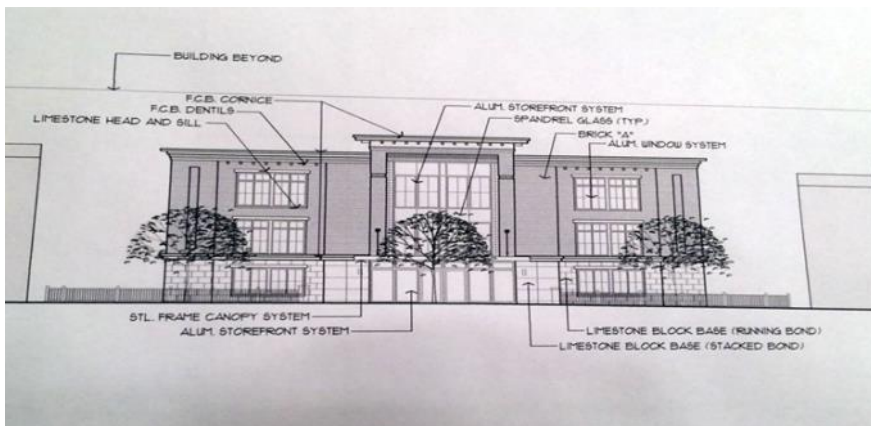


## 420 BROADWAY MIXED-USE RESIDENTIAL RETAIL



: The project involves the renovation of 420 Broadway. The project will take what is currently a mostly vacant building and create seven one-bedroom apartments, while maintaining the current commercial business located on the first floor. This project will breathe new life into this beautiful building, while also maintaining the building's rich historic integrity. During the renovation, we will preserve the 19<sup>th</sup> Century graffiti currently decorating the walls, and use them to adorn the completed product to showcase the building's vintage charm.

## 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.

### AT HUDSON PARK, LLC (160 Myrtle Avenue

The project consists the redevelopment of the +/-1.3 acre Long Energy properties into +/-77 market rate apartment units. The existing property consists of 44,378 SF of warehouse/storage space and 13,523 SF of office space and additional space for parking. The residential conversion will result in 10 one bedroom, 33 flats and 32 loft apartment units in addition to +/- 53 parking spaces onsite.



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

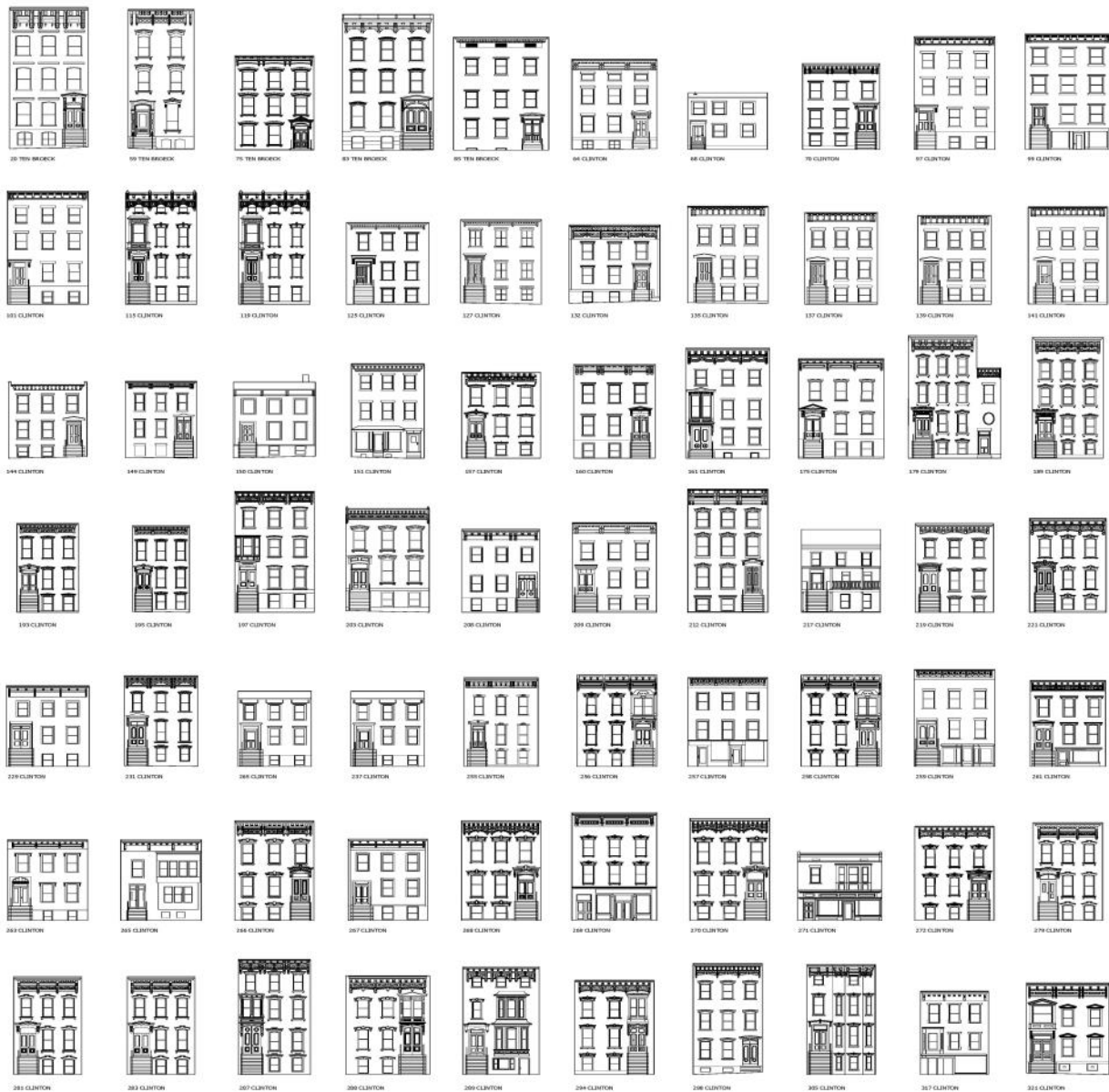
Located at 85 Dana Avenue, the project will convert four vacant parcels to approximately 30 market rate apartments, assisted by the City of Albany IDA. This four story, +/- \$5.0 million project will create an estimated 1 permanent job and an estimated 35 construction jobs.



## CLINTON AVENUE APARTMENTS HOUSING DEVELOPMENT FUND CORPORATION

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. 8 buildings are condemned. This +/- \$48.0 million project will create/retain an estimated 7 permanent jobs and an estimated 65 construction jobs.





### 351 DIAMOND DEVELOPMENT, LLC (351 Southern Boulevard)

The project consists of an existing building which will house a 30,000 SF gym. An existing building 16,880 SF will be available to retailers. A 62,400 newly constructed building will be a hotel. A newly constructed 17,889 SF building will be a retail strip. A smaller, newly constructed 2,344 SF building will also be a retail building. Finally, a new 9,026 SF retail pad will be available for a car wash, convenience store.





## 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.

CACRC is governed by a board of seven members appointed by the City of Albany Common Council. 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.

## Performance Measures

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

#### EFFECTIVENESS

From 2016-2018, CACRC assisted 6 civic facility projects that resulted in new or continued investments in the City of Albany of over \$172,000,000 million. During that same time period, CACRC assisted projects are expected to generate an estimated 8,702 new or retained permanent jobs.

| Effectiveness:   | 2018             | 2017         | 2016         |
|--|------------------|--------------|--------------|
| # of New Projects Assisted (Closed) <sup>(1)</sup>   | 1                | 4            | 1            |
| Estimated Capital Investment Assisted  | \$4,000,000      | \$94,000,000 | \$48,000,000 |
| Projected Construction Jobs  |                  | -            | -            |
| Projected New Jobs/Retained Jobs   | 0 <sup>(2)</sup> | 8,673        | 29           |
| <b>Notes:</b>  |                  |              |              |
| <b>1) Not all projects close in the year approvals received.</b>   |                  |              |              |
| <b>2) Job number does not include jobs 705 created / retained at St. Peter's Hospital (Public Hearing for 3rd party bond issuance)</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 2018, CACRC received an "unqualified opinion," the best opinion an auditor can give as it represents a clean audit.

| Efficiency:   | 2018                       | 2017                       | 2016                       |
|---|----------------------------|----------------------------|----------------------------|
| Income <sup>(1)</sup>   | \$25,837                   | \$223,292                  | \$138,005                  |
| Operating Expenses  | \$112,216                  | \$361,615                  | \$528,622                  |
| Excess of Fee over Operating Expenses   | (\$86,379) <sup>(5)</sup>  | (\$138,323) <sup>(4)</sup> | (\$390,617) <sup>(2)</sup> |
| Net Assets  | \$365,352                  | \$451,731                  | \$590,054                  |
| 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>             |                            |                            |                            |
| <b>5) Includes \$50,000 in funds donated to the Amplify Albany program and \$50,000 donated to the Albany Façade Improvement program.</b> |                            |                            |                            |

## Accountability, Integrity & Transparency

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

#### GOVERNANCE

CACRC is governed by a seven member board who executes direct oversight of the Corporation.

#### REPORTING

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

#### PROJECT REVIEW:

CACRC review involves a rigorous process that mirrors the three stage process of CAIDA outlined on pages 6-7, including Application & Presentation, Analysis & Public Comment, and Review & Decision.



The table below shows that from 2016-2018, CACRC held a total of 65 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 2016-2018 all required Public Authority Accountability Act (PAAA) reports were filed on time and posted on the CACRC 's website.

| Accountability, Integrity & Transparency | 2018   | 2017   | 2016   |
|--|--|--|--|
| 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      |
|  | 5 Board meetings held  | 7 Board meetings held  | 9 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                       | 11 Committee meetings held   | 12 Committee meetings held   | 11 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>    | 1 Public hearing held  | 4 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)

#### Saint Peter's Hospital

The facilitation of the issuance of Tax Exempt Bonds of up to \$4,000,000. This bond issuance assisted St. Peter's Hospital, a tax-exempt nonprofit organization, in financing routine capital expenditures and additions and improvements to, and equipment for, hospitals and other related health care facilities. The project is expected to assist in the retention of 705 jobs.





## Other Activity

### CAPITALIZE ALBANY CORPORATION GRANT 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>35</b>                |
| <b>Total Funds</b>                    | <b>\$111,750</b>         |
| <b>Estimated Foot Traffic Created</b> | <b>&gt;35,500 People</b> |
| <b>New Programming Created</b>        | <b>23 / 35 Awards</b>    |
| <b>Neighborhoods Touched</b>          | <b>10</b>                |



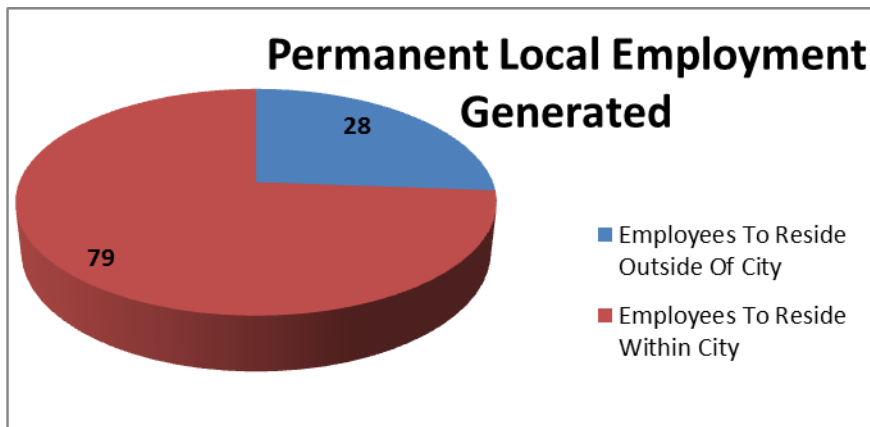
## Other Activity

### 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>\$248,000</b>   |
| <b>Total Investment Leveraged</b>          | <b>&gt;\$2.0 M</b> |
| <b>Activated Vacant Retail Space</b>       | <b>23,575 SF</b>   |
| <b>Estimated Permanent Jobs Created</b>    | <b>107</b>         |
| <b>Estimated Construction Jobs Created</b> | <b>87</b>          |

| <b>Impact Downtown Retail Attraction Targets</b> |   |
|--|---|
| <b>"Third Place" coffeehouse</b>                 | ✓ |
| <b>"Cross-over" concepts</b>                     | ✓ |
| <b>Soft goods retailer</b>                       | ✓ |
| <b>Full service dining</b>                       | ✓ |
| <b>Regional chainlet</b>                         | ✓ |





## Other Activity

### SMALL BUSINESS FAÇADE IMPROVEMENT PROGRAM

Year in Review

With funding from the Albany Community Development Agency (“ACDA”) and the CRC, Capitalize Albany Corporation has administered a third funding round of the Small Business Façade Improvement Program. This round of competitive funding saw a total of 14 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 all 5 of ACDA’s identified Neighborhood Strategy Areas including West Hill, Arbor Hill, the South End, the Central Business District and North Albany. Based on the success, impact and the continued interest in this program, the Capital Resource Corporation committed funding in 2019 for additional rounds of the Program.

|                              |                  |
|------------------------------|------------------|
| <b>Total Awards</b>          | <b>12</b>        |
| <b>Funds Awarded</b>         | <b>\$84,000</b>  |
| <b>Total Investment</b>      | <b>Over</b>      |
| <b>Leveraged</b>             | <b>\$235,000</b> |
| <b>Awards in NSAs</b>        | <b>11 / 12</b>   |
| <b>Neighborhoods Touched</b> | <b>6</b>         |



## 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.

The Capital Resource Corporation, Tri City Rentals, and AMC agreed to contribute separate monetary amounts annually, as part of the Universal Access pilot program offering its employees, residents and retail tenants complimentary access to the CDTA route network.

AMC has been a partner for five years. Boardings have grown from a few thousand a month to 25,000 per month. AMC promotes the program to employees, to Medical College students, and to residents of the Park South development. Over 175 cars are removed from area roads and in AMC parking facilities.

