

# City of Albany Industrial Development Agency

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Tracy Metzger, *Chair*  
Susan Pedo, *Vice Chair*  
Darius Shahinfar, *Treasurer*  
Lee Eck, *Secretary*  
Dominick Calsolaro  
Robert Schofield  
Jahkeen Hoke

Sarah Reginelli, *Chief Executive Officer*  
Mark Opalka, *Chief Financial Officer*  
William Kelly, *Agency Counsel*

## IDA MINUTES OF FINANCE COMMITTEE MEETING

Wednesday, September 11, 2019 at 12:15 PM

Attending: Darius Shahinfar, Lee Eck, Tracy Metzger and Dominick Calsolaro

Absent: Susan Pedo

Also Present: Robert Schofield, Sarah Reginelli, Mark Opalka, William Kelly, Joe Scott, Joe Landy, Andy Corcione, Ashley Mohl, and Genevieve Zurowski

Public Present: Jeff Buell, Mike DeSocio, Judy Doesschate, James Googas, Michael Hipp, Ryan Jankow, Debra Lambek, Edward Maitino, Bob Phaneuf, Heather Newman, Joe Perniciaro, David Phaff, Damien Pinto-Martin, Susan Rizzo?

Chair Darius Shahinfar called the Finance Committee meeting of the IDA to order at 12:16 p.m.

### Roll Call, Reading and Approval of Minutes of the August 14, 2019 Finance Committee Meeting

Chair Darius Shahinfar reported that all Committee members were present, with the exception of Susan Pedo. Since the minutes of the previous meeting had been distributed to Committee members in advance for review, Chair Darius Shahinfar made a proposal to dispense with the reading of the minutes. Chair Darius Shahinfar proposed to approve the minutes of the Finance Committee meeting of August 14, 2019. Dominick Calsolaro moved and Lee Eck seconded to accept the minutes as presented. A vote being taken, the motion passed unanimously.

### Report of Chief Financial Officer

None.

### Unfinished Business

None.

### New Business

#### 39 Columbia Street LLC

Staff provided an overview of the *39 Columbia Street LLC* project to the Committee and requested a recommendation to the Board for a Public Hearing Resolution. This project involves the renovation of a mixed-use building that will create approximately 39 market rate apartments and a commercial storefront, creating approximately 50 permanent FTE jobs. The Applicant was present to answer any questions that the Committee members may have. The Committee discussed the merits and costs/benefits of the project.

A motion to advance the *39 Columbia Street LLC* project to the full board with a positive recommendation for a Public Hearing Resolution was made by Tracy Metzger, and seconded by Dominick Calsolaro. A vote being taken, the motion passed unanimously.

#### 45 Columbia Street LLC

Staff provided an overview of the *45 Columbia Street LLC* project to the Committee and requested a recommendation to the Board for a Public Hearing Resolution. This project involves the renovation of a historic garage that will create approximately 27 market rate apartments while retaining approximately 125 parking spaces and creating approximately one permanent FTE job. The Applicant was present to answer any questions that the Committee members may have. The Committee discussed the merits and costs/benefits of the project.

A motion to advance the *45 Columbia Street LLC* project to the full board with a positive recommendation for a Public Hearing Resolution was made by Tracy Metzger, and seconded by Dominick Calsolaro. A vote being taken, the motion passed unanimously.

#### 76 North Pearl LLC

Staff provided an overview of the *76 North Pearl LLC* project to the Committee and requested a recommendation to the Board for an Amending Approving Resolution. This project has had a minor increase in project cost and a change to their capital stack that has warranted a request for additional benefits in Sales Tax abatement and Mortgage Recording Tax abatement. The amount of this increase, approximately \$206,000, would require an additional Public Hearing. This project involves the transformation of the vacant 196,000 sq. ft. Kenmore building into approximately 123 market-rate apartments and approximately 36,000 sq. ft. of commercial space. The project will create approximately 24 permanent FTE jobs and approximately 113 construction jobs. The Applicant was present to answer any questions that the Committee members may have. The Committee reviewed and discussed the merits of the project.

A motion to advance the *76 North Pearl LLC* project to the full board with a positive recommendation for an Amending Approving Resolution was made by Tracy Metzger, and seconded by Dominick Calsolaro. A vote being taken, the motion passed unanimously.

#### Eleftheria LLC (241 S. Allen Street)

Staff introduced the application for the *Eleftheria LLC* to the Committee. Staff discussed the atypical nature of this request, referring to correspondence that had been provided to the Committee at the request of the Applicant. This 201\_ project, which was completed in 201\_ entailed the construction of two, three-story 30,800 square foot apartment buildings, creating one permanent FTE job and 50 construction jobs. The project Applicant is requesting a modification of the existing PILOT, and the Applicant was present to answer any questions the Committee may have. The Applicant discussed in great detail the reasons for the request, which included comparisons to other CAIDA projects and possible future changes to market and financial conditions. Members of the Committee expressed reservations about extending the existing PILOT based on the information provided. After lengthy discussion, the Committee requested additional review by Staff, and to discuss the project at the next Finance meeting. No actions were taken.

#### 427 Washington Ave, LLC

Staff introduced the *427 Washington Ave, LLC* project to the Committee. This project involves the construction of approximately 16,000 sq. ft. into approximately 16 unit residential apartment buildings, including approximately 7 off-street parking spaces. This project will create approximately 85 construction jobs. The Applicant was present to answer any questions that the Committee members may have. The Committee discussed the merits of the project in addition to the operating proforma, which was distributed to the Committee in advance of the meeting. No actions were taken.

#### 563 New Scotland Ave, LLC

Staff introduced the *563 New Scotland Ave, LLC* project to the Committee. This project involves acquisition of approximately 3 acre parcel of land, construction on the land of approximately 188 residential apartment units and approximately 15,000 square feet of retail space. The Project will be constructed in three (3) phases and will create approximately 8 permanent FTE jobs and approximately 85 construction jobs. The Applicant was present to answer any questions that the Committee members may have. The Committee discussed financial need indicated in the operating proforma, which was distributed to the Committee in advance of the meeting, as well as the merits of the project. . Due to the scope of the project, the Committee requested third-party review of \_\_\_\_\_ at the applicant's expense.

A motion to advance the request for a third-party review of the *563 New Scotland Ave, LLC* project to the full board was made by Dominick Calsolaro, and seconded by Lee Eck. A vote being taken, the motion passed unanimously.

### **Other Business**

#### Agency Update – Discussion of Preliminary Draft 2020 Budget

Staff reviewed the IDA preliminary draft 2020 budget with the Committee and discussed the changes contained in the draft 2020 budget compared to the 2019 budget. Staff reminded the Committee of their employment by Capitalize Albany Corporation and indicated that no changes to the Contract for Economic and Community Development Support or Management Contract were made from the Board-approved 2019 budget. The Agency is budgeting a surplus of approximately \$515,995 in the 2020 budget. The ending cash balance of the IDA is projected to be \$3,822,887 at December 31, 2020 based on the proposed budget. This balance represents a reserve of approximately 4.73 years at the current level of operating expenses. The Committee indicated that they wanted to discuss the Management Contract. All Capitalize Albany staff members recused themselves from the discussion and left the room at 1:29 p.m. The Committee discussed the level of management services provided by staff, increases in the intensity of operations of the Agency, and direct expenses incurred by the Agency. Capitalize Albany staff re-entered the room at 1:45 p.m. following conclusion of the Committee's discussion regarding the Management Contract. The Committee advised staff to allocate an additional \$100,000 towards the management contract for the 2020 Budget to more accurately reflect the cost of professional management services for the Agency. Staff reminded the Committee that, for compliance purposes, the Draft 2020 Budget will be posted the end of this week at City Hall.

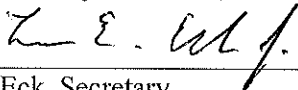
#### Compliance Update

The Board discussed the compliance status of Nipper Apartments LLC, Dilek LLC, and 960 Broadway LLC and recommended staff explore actions to address their lack of compliance.

### **Adjournment**

There being no further business, the meeting was adjourned at 1:51 p.m.

Respectfully submitted,



Lee Eck, Secretary