

# 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, October 9<sup>th</sup> 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, Chris Canada, Joe Scott, Joe Landy, Andy Corcione, and Genevieve Zurowski

Public Present: Damien Pinto-Martin, Judy Doeschate, Heather Newman, Ransom Moore, Jim Googas, Michael Hipp, Ryan Jankow, Debra Lambek, Edward Maitino, and David Phaff

Chair Darius Shahinfar called the Finance Committee meeting of the IDA to order at 12:26 p.m.

### **Roll Call, Reading and Approval of Minutes of the September 11, 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 September 11, 2019. Tracy Metzger moved and Dominick Calsolaro seconded to accept the minutes as presented. A vote being taken, the motion passed unanimously.

### **Report of Chief Financial Officer**

None.

### **Unfinished Business**

#### 39 Columbia Street LLC

The Committee Chair introduced *the 39 Columbia Street LLC* project for recommendation of Approving Resolutions, and Staff reviewed the project summary, which had been previously provided to the Committee. Representatives of the project applicant were present to answer any questions from the Committee. The Committee reviewed the results of the public hearing held immediately prior. 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 is seeking sales tax exemptions. The Committee discussed the requested assistance and the benefits of the project. A motion to advance the *39 Columbia Street LLC* project to the full board with a positive recommendation for Approving Resolutions was made by Tracy Metzger, and seconded by Dominick Calsolaro. A vote being taken, the motion passed unanimously.

#### 45 Columbia Street LLC

The Committee Chair introduced the *45 Columbia Street LLC* project for recommendation of Approving Resolutions, and Staff reviewed the project summary, which had been previously provided to the Committee. The Committee reviewed the results of the public hearing held immediately prior. 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 is seeking sales and mortgage recording tax exemptions. The Committee discussed the requested assistance and the benefits of the project. A motion to advance the *45 Columbia Street LLC* project to the full board with a positive recommendation for Approving Resolutions was made by Dominick Calsolaro, and seconded by Tracy Metzger. A vote being taken, the motion passed unanimously.

#### 427 Washington Ave. LLC

The Committee Chair introduced the *427 Washington Ave. LLC* project to the Committee for recommendation to the Board for a Public Hearing Resolution. Staff reviewed the project summary, which had been previously provided to the Committee. This project involves the construction of approximately 16,000 sq. ft. into an approximate 16 unit residential apartment buildings, including approximately seven off-street parking spaces. This project will create approximately 85 construction jobs. The Applicant is seeking real property, sales, and mortgage recording tax exemptions. The Applicant was present to respond to Committee questions. Staff provided a detailed review of the project summary, which had been previously distributed to the Committee. The Committee discussed the staff-provided analysis of the project's performance using the project evaluation and assistance framework, which provided details on each point achieved. Additionally, Staff provided an introduction and review of financial analysis of the project, noting that no major outliers or anomalies existed for a project of this size. Staff will continue to review and discuss with the Committee any potential updates to the financial analysis and answer any questions the Committee may have between meetings. A motion to advance *427 Washington Ave. LLC* project to the full board with a positive recommendation for a Public Hearing Resolution was made by Lee Eck, and seconded by Dominick Calsolaro. A vote being taken, the motion passed unanimously.

#### 563 New Scotland Ave, LLC

The Committee Chair introduced the *563 New Scotland Ave, LLC* project to the Committee for recommendation to the Board for a Public Hearing Resolution. Staff reviewed the project summary, which had been previously provided 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 is seeking real property, sales, and mortgage recording tax exemptions. The Applicant was present to respond to Committee questions. Staff provided a detailed review of the project summary, which had been previously distributed to the Committee. The Committee discussed the staff-provided analysis of the project's performance using the project evaluation and assistance framework (PEAF), which provided details on each point achieved. The Committee noted that, while this project is requesting assistance outside of the PEAFF due to its estimated \$39.8 million investment total, a review of PEAFF performance would aid in the overall project analysis. Additionally, Staff provided an introduction and review of financial analysis of the project. Because the Applicant's request and the Project's qualification as a "Large Project" per the PEAFF due to its size, the Committee had requested a third-party review be commissioned to analyze the reasonableness of the Applicant's assumptions and the appropriateness of the request for assistance. The third-party review was in-progress and will be completed prior to holding a Public Hearing. The Committee discussed the benefits of moving the project forward efficiently and hearing results of the third-party analysis and Public Hearing for the next meeting. A motion to advance the *563 New Scotland Ave, LLC* project to the full board with a positive recommendation for a Public Hearing Resolution was made by Tracy Metzger, and seconded by Lee Eck. A vote being taken, the motion passed unanimously.

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

The Committee Chair introduced the *Eleftheria LLC* project to the Committee. Staff discussed the atypical nature of this request, given that the Applicant has indicated that there have been no changes to the project, no new investment is being proposed, and preliminary review of the project suggested that it did not meet Agency

standards for assistance. Staff provided the Committee with an analysis of both how the current request performed via the PEA scoring system - noting there has been no new investment in the project nor additional jobs created - as well as how the original project would have scored as if the full project were occurring with the current Application. Neither analysis produced the necessary 10-point threshold for community benefit required for assistance. Staff reviewed the financial analysis of the project based on documentation provided by the Applicant, as well as previous statements made by the Applicant to the Committee indicating that the project was not in financial distress and was performing productively. Due to this, staff noted a potential challenge in meeting the "but for" test, which calls on an Applicant to state that "but for" the requested assistance the Project could not succeed. Based on this analysis, staff indicated that it did not have sufficient justification to provide the Committee support in moving forward with additional assistance for the Project. The project Applicant was present and spoke to his dedication to the City and his potential future financial need associated with the project. Committee Members discussed the Application and determined that based on the current projected financial returns of the project, a lack of any significant change in the project or surrounding environment, and existing Agency policies in place, assistance is neither necessary nor appropriate. Committee Members expressed their concerns regarding the request and their unfavorable view of modifying and extending the existing PILOT. A motion to advance the *Eleftheria LLC* project to the full board with a negative recommendation was made by Lee Eck, and seconded by Dominick Calsolaro. A vote being taken, the motion passed unanimously.

#### Draft 2020 Budget Approving Resolution

Staff reviewed the *2020 Budget* to the Committee for positive recommendation. Staff refreshed the Committee regarding the ongoing disclosure that they are employed by Capitalize Albany Corporation and, as such, 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 \$222,205 in the 2020 budget. The ending cash balance of the IDA is projected to be \$3,758,169 at December 31, 2020 based on the proposed budget. This balance represents a reserve of approximately 4.14 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 1:05 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 1:56 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. A motion to recommend the *2020 Budget* with changes to the full board was made by Tracy Metzger, and seconded by Dominick Calsolaro. A vote being taken, the motion passed unanimously. Staff reminded the Committee that, for compliance purposes, the Draft 2020 Budget will be posted the end of this week at City Hall.

#### **Other Business**

##### Agency Update

Staff reminded the Committee the Capitalize Albany's Annual Event will take place on November 13th, at the Yard Hatchet House. Staff provided the Committee with an update on general economic development projects and Capitalize Albany Corporation activity.

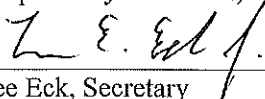
##### Compliance Update

Counsel updated the Committee that they will be drafting notification of termination letters due to non-compliance with the closing documents for the following projects: Dilek LLC, 960 Broadway LLC, and Nipper Apartments LLC.

#### **Adjournment**

There being no further business, the meeting was adjourned at 1:57 p.m.

Respectfully submitted,

  
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Lee Eck, Secretary