



2019 Year in Review

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

Presented: September 2020

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.

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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. 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 2019, 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.

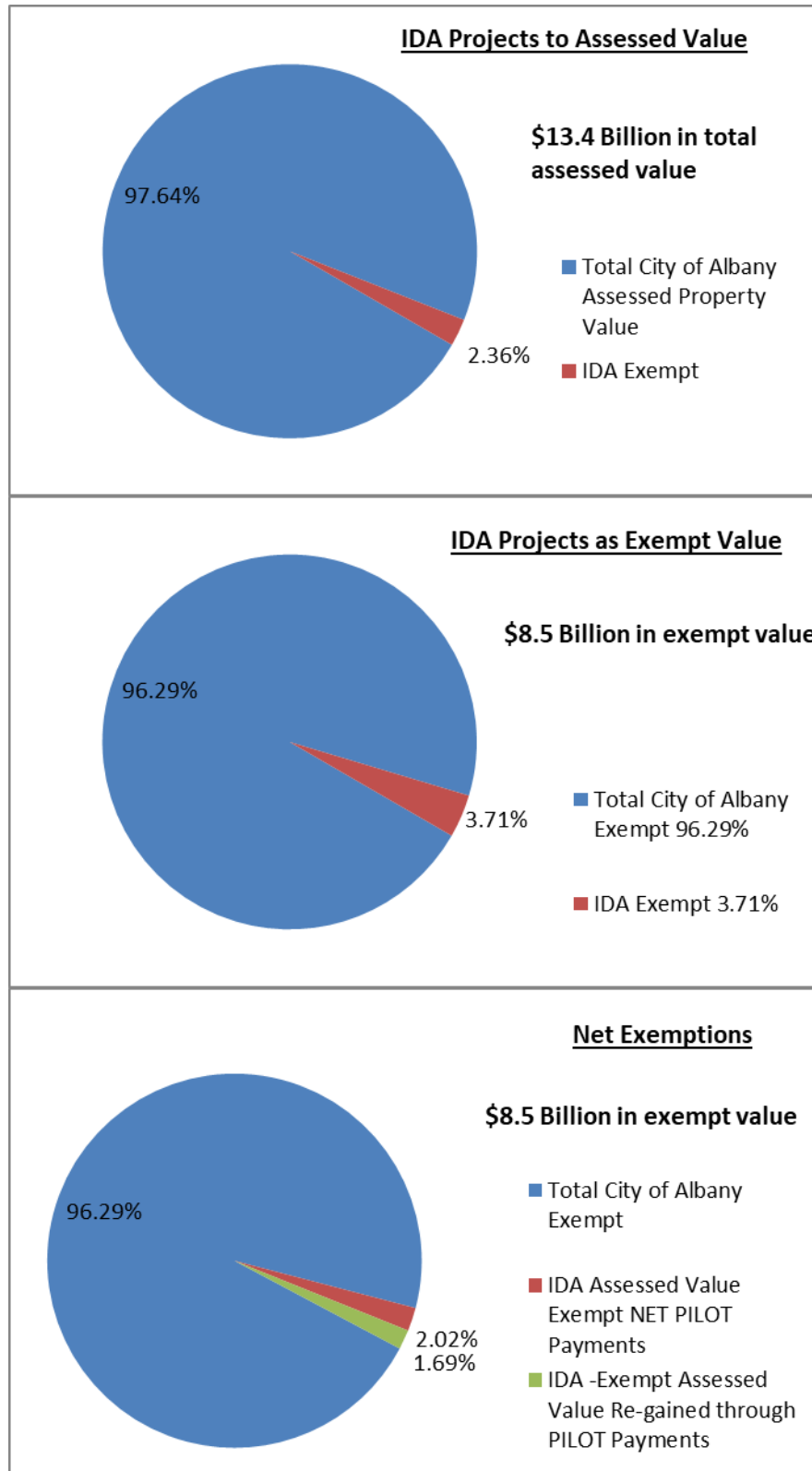
BUDGETARY IMPACTS

As a part of Impact Downtown Albany initiative of 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 the 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 2.36% of assessed property value in the City of Albany compared to approximately 60% of assessed property value in the City Albany exempted from taxes for other reasons not associated with CAIDA (i.e. NYS, city and/or non-profit owned property among other reasons). Furthermore, CAIDA assisted projects make payments in lieu of taxes (PILOTs) and when you take into account these PILOT payments, the value exempted is further reduced from 2.36% to 1.29% of the city-wide assessed property value. These trends hold for 2016, 2017, 2018 and 2019.

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 \$377 million in estimated capital investments from 2017-2019. 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 21 projects assisted by the CAIDA from 2017-2019, 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 2017-2019, CAIDA assisted projects are expected to generate an estimated 1,607 construction jobs and 379 new or retained permanent jobs. The effect of \$377 million in investment has both one time and ongoing annual economic benefits that flow through the local economy in the form of direct, 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: | 2019 | 2018 | 2017 |
|---|-----------------|-----------------|----------------|
| # of New Projects Assisted (Closed) ⁽¹⁾ | 7 | 11 | 3 |
| Units of Affordable Housing Assisted (Closed) | 21 | 284 | 137 |
| Projects located in a Distressed Census Tract | 1 | 4 | 2 |
| Projects located in a High Vacancy Census Tract | 7 | 5 | 1 |
| Projects located in a Previously Tax Exempt/Vacant Parcel | 4 | 6 | 1 |
| Historic Preservation Projects | 1 | 1 | - |
| Projects Resulting from Neighborhood Plan Implementation | 5 | 5 | - |
| Downtown Residential Units | 409 | 404 | - |
| Estimated Capital Investment Assisted | > \$156,000,000 | > \$159,000,000 | > \$58,000,000 |
| Projected Construction Jobs | 797 | 599 | 196 |
| Projected New Jobs/Retained Jobs | 75 | 133 | 11 |
| Estimated Net Revenues to Taxing Jurisdictions (Over Life of PILOT) ⁽²⁾ | > \$13,000,000 | > \$15,000,000 | > \$10,000,000 |
| Notes: 1) Not all projects close in the year approvals received. 2) Three 2019 Projects 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" (\$235) and "expenses per project" (\$8,867), CAIDA reported lower expenses than the statewide average by over \$2,908 per job gained and \$28,000 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 2019, CAIDA received an "unqualified opinion," the best opinion an auditor can give as it represents a clean audit.

| Efficiency: | 2019 | 2018 | 2017 |
|---------------------------------------|----------------------------|----------------------------|----------------------------|
| Income ⁽¹⁾ | \$1,679,658 | \$1,402,364 | \$714,073 |
| Operating Expenses ⁽²⁾ | \$799,162 | \$753,661 | \$678,779 |
| Excess of Fee over Operating Expenses | \$880,496 | \$648,703 | \$35,294 |
| Net Assets | \$3,357,374 | \$2,476,878 | \$1,828,175 |
| Auditors Opinion | Unqualified ⁽³⁾ | Unqualified ⁽³⁾ | Unqualified ⁽³⁾ |

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 \$206,306 in operating costs for Arbor Hill Community Center and over \$1,213,483 since 2003.

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

STATEWIDE COMPARISONS

For the reporting year 2018, 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 2020.

- 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 \$912 Million, which is more than 28% higher than the average total investment created by IDAs statewide (excluding NYC).
- Regarding (PILOTs), the City of Albany IDA generated \$6.01 million, which is higher than its statewide counterparts.
- On a per project level, the City of Albany IDA's project exemptions in 2018 were \$94,533 less per project compared to the statewide average. That is 33% 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 67% 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 2,369 jobs created – 80% 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 (\$235) and expenses per project (\$8,867) the IDA performed more efficiently, with lower expenses than the statewide averages by nearly \$2,908 per job and \$28,000 per project respectively.

A similar, favorable comparison was evident as part of the 2015, 2016 and 2017 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 2019 will be released in the Spring of 2021. 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

RECENT AGENCY ENHANCEMENTS

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.

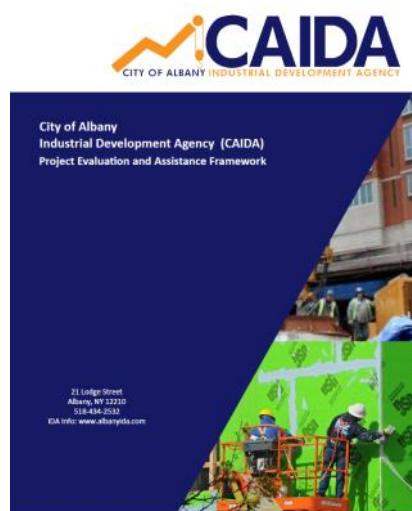
The following policies, procedures, provisions, and form documents were developed and/or updated over the to (a) align the Agency's policies, procedures, and documents with the best practices recommended by the OSC and the ABO and (b) bring the Agency into compliance with the Reform Legislation:

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. Due to changing market conditions, among other factors, the Framework may be subject to periodic review and updates.



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 2017-19, CAIDA held a total of 114 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. Also, as required by NYS law, 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 2015-19 all required Public Authority Accountability Act (PAAA) reports were filed on time and posted on CAIDA's website. CAIDA filed its 2019 Annual Report by March 31, 2020, despite the deadline for submission being extended to May 31, 2020.

| Accountability, Integrity & Transparency | 2019 | 2018 | 2017 |
|--|--|--|--|
| 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 |
| | 13 Board meetings held | 14 Board meetings held | 12 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 | 18 Committee meetings held | 18 Committee meetings held | 14 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 ⁽¹⁾ | 10 Public hearings held | 7 Public hearings held | 5 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.

2) Beginning in January 2020, all Agency Board and Committee meetings and Public Hearings are live streamed.

Activity Highlights

City of Albany Industrial Development Agency (CAIDA)

During 2019 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

Four Points by Sheraton (351 Southern Blvd)

A new \$13.3 M hotel will be constructed at 351 Southern Boulevard, complementing 351 Diamond Development, LLC's \$10 M Mt. Hope Commons development currently under way at the 9W site. Made possible with support from the City of Albany IDA, Mukura Inc. has begun construction on a 60,000 SF, four story Four Points by Sheraton hotel. The project will take what is currently a vacant 1.8 acre parcel and create 106 hotel rooms with an indoor pool, fitness room, a bar and lounge. The project will create 25 permanent jobs, and 100 construction jobs. The project was completed and opened in August 2019.



The Knick (16 Sheridan Ave)

The \$21.5 M transformation of 16 Sheridan Ave is part of Redburn Development Partners more than \$80 million investment in several prominent downtown Albany properties - made possible with support from Empire State Development and the City of Albany IDA. The formerly vacant 112,000 SF building, which was once home to The Knickerbocker News, has been transformed into 132 apartments, "The Knick." Additionally, supported in part by the Downtown Albany Retail Grant Program, The Yard | Hatchet House & Bar, located in the building's 3,500 SF first floor commercial space, features an indoor lawn for games, and four league-quality hatchet throwing cages.



The Kenmore Hotel/The Steuben (1 Steuben Pl and 76 N Pearl St)

This \$34.5 M project is part of Redburn Development Partners investment in downtown Albany. The investment into the long-vacant Kenmore Hotel building constructed in 1878, and 1 Steuben Pl (formerly the Steuben Athletic Club) will transform approx. 192,000 SF of vacant space into market-rate apartments and 36,000 SF of commercial space. The project will create 24 permanent jobs and 113 construction jobs. Its historic Rain-Bo rom will be restored into an active event space.



The Reserve at Park South 2 (74-86 Dana Ave)

A 36-unit, 45,000 SF apartment building will rise at 86 Dana Avenue. The project is estimated to create 160 construction jobs. As redevelopment continues in Park South, this new construction project will serve as a second installment of The Reserve at Park South apartments and marks another significant Park South Urban Renewal Plan implementation milestone. In 2018, located across the street at 85 Dana Avenue, a similar 30-unit, 40,000 SF building, The Reserve at Park South was completed.



Morris Place (105 Morris St)

An important element in Park South Urban Renewal Plan implementation, this \$5.3 M investment will remove neighborhood blight through construction of a new market-rate apartment complex. This project involves the demolition of the site's existing structure and the construction of a five story apartment building, with indoor parking for 16 cars. The building will feature four floors of apartments above, containing a total of 28 residential units, there will be seven units per floor consisting of five one-bedroom, one two-bedroom and three studio apartments.



Loughlin Dawn, LLC (1 Sandidge Way)

Construction is underway on an assemblage of property at the intersection of Sandidge Way (formerly Loughlin Street) and Fuller Rd totaling 6.5 acres. The project includes the construction of seven residential apartment buildings with a total of 252 units, a clubhouse or office portion of one building, common areas and parking for 343 cars including 188 parking spaces at the lower level of the residential buildings. With this investment the property is anticipated to generate approx. 4.5 times (more than \$8.8 M) more revenue to local taxing jurisdictions than would have been collected without this new investment. Creating seven permanent and 165 construction jobs, during construction phase, the project is estimated to generate a county-wide economic impact of more than \$60 M and \$1.5 M annually.



Harmony Mills South, LLC (90 State St)



The upper 11 stories of 90 State Street's 15-stories will be converted into residential units leaving a portion of the structure's office space and existing commercial uses. The residential units will include 22 two-bedroom, 88 one-bedroom and 44 studio-units of between 450 and 1,295 SF.

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.



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 2016-2019, CACRC assisted 7 civic facility projects that resulted in new or continued investments in the City of Albany of over \$111,000,000 million. During that same time period, CACRC assisted projects are expected to generate an estimated 8,762 new or retained permanent jobs.

| Effectiveness: | 2019 | 2018 | 2017 | 2016 |
|---|--------------|------------------|------------------|--------------|
| # of New Projects Assisted (Closed) ⁽¹⁾ | 2 | 1 | 3 ⁽²⁾ | 1 |
| Estimated Capital Investment Assisted | \$13,252,418 | \$4,000,000 | \$53,200,000 | \$40,795,000 |
| Projected Construction Jobs | - | - | - | - |
| Projected New Jobs/Retained Jobs | 60 | 0 ⁽³⁾ | 8673 | 29 |
| Notes: | | | | |
| 1) Not all projects close in the year approvals received. | | | | |
| 2) Public Hearings were held for Albany Law School, Albany Medical Center, Albany Medical Center Hospital, and St. Peter's Hospital | | | | |
| 3) Job number does not include jobs 705 created / retained at St. Peter's Hospital (Public Hearing for 3rd party bond issuance) | | | | |

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 2019, CACRC received an "unqualified opinion," the best opinion an auditor can give as it represents a clean audit.

| Efficiency: | 2019 | 2018 | 2017 | 2016 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| Income ⁽¹⁾ | \$125,847 | \$25,837 | \$223,292 | \$138,005 |
| Operating Expenses | \$32,470 | \$112,216 | \$361,615 | \$528,622 |
| Excess of Fee over Operating Expenses | \$93,377 | (\$86,379) ⁽⁵⁾ | (\$138,323) ⁽³⁾ | (\$390,617) ⁽⁴⁾ |
| Net Assets | \$458,729 | \$365,352 | \$451,731 | \$590,054 |
| Auditors Opinion | Unqualified ⁽²⁾ | Unqualified ⁽²⁾ | Unqualified ⁽²⁾ | Unqualified ⁽²⁾ |
| Notes: | | | | |
| 1) Not all projects necessarily close in the year approvals received. Agency fee paid upon project closing. | | | | |
| 2) An "Unqualified Opinion" is the best opinion an auditor can give as it represents a clean audit. | | | | |
| 3) In 2017, the Board strategically allocated \$305,000 of its assets to economic development-related, community program support. | | | | |
| 4) In 2016, the Board strategically allocated \$475,000 of its assets to economic development-related, community program support. | | | | |
| 5) Includes \$50,000 in funds donated to Amplify Albany program and \$50,000 donated to the Small Business Façade Improvement program in 2018. | | | | |

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 The City of Albany Industrial Development Agency, 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. 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 | 2019 | 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 | All reports were filed on time |
| Annual Meeting | Annual meeting held in January | 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 | Dates of the Board meetings were posted to the website in January |
| | 7 Board meetings held | 6 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 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 | Meeting minutes posted to website |
| Committee Meetings | 11 Committee meetings held | 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 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 | Meeting minutes posted to website |
| Public Hearing Notices ⁽¹⁾ | 2 Public hearings held | 1 Public hearings held | 8 Public hearings held | 1 Public hearings held |
| | Notices published as required | 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

In 2018 and 2019, the CRC assisted in the facilitation of the issuance of Tax Exempt Bonds of up to \$4,000,000 and \$3,500,000, respectively. 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 over 700 jobs.



Activity Highlights

City of Albany Capital Resource Corporation (CACRC)

Albany Leadership Charter High School for Girls

In 2019, the CRC facilitated the issuance of Tax Exempt Bonds of up to \$10,400,000. This bond issuance assisted Albany Leadership Charter High School for Girls, a tax-exempt nonprofit organization, in purchasing their existing building. The project is expected to assist in the retention of 60 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 over 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.

| | |
|---------------------------------------|--------------------------|
| Total Awards | 39 |
| Total Funds | \$119,751 |
| Estimated Foot Traffic Created | >34,000 People |
| New Programming Created | 24 / 39 Awards |
| Neighborhoods Touched | 11 |



Other Activity

DOWNTOWN ALBANY RETAIL GRANT PROGRAM

The Downtown Albany Retail Grant Program has seen tremendous success since its inception, having awarded 10 grants to strategic projects in key areas of Downtown Albany. Of note, in just over three 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 32,000 square feet of vacant retail space back into productive use and are projected to create more than 160 permanent, full time equivalent jobs in the City's Central Business District. Over 50% of these permanent jobs are expected to be filled by City residents.

| | |
|--|--------------------|
| Total Funds Awarded | \$294,705 |
| Total Investment Leveraged | >\$2.0 M |
| Activated Vacant Retail Space | 32,115 SF |
| Estimated Permanent Jobs Created | 166 |
| Estimated Construction Jobs Created | 147 |

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



Other Activity

SMALL BUSINESS FAÇADE IMPROVEMENT PROGRAM

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. The 2019 round of competitive funding saw a total of 8 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.

| | |
|-----------------------------------|----------------------|
| Total Awards to Date: | 34 |
| Funds Awarded | \$298,000 |
| Total Investment Leveraged | Over \$1.06 M |
| Awards in NSAs | 29 / 34 |
| Neighborhoods Touched | 12 |

