

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

Sarah Reginelli, *Chief Executive Officer*
Mark Opalka, *Chief Financial Officer*
Marisa Franchini, *Agency Counsel*

IDA MINUTES OF FINANCE COMMITTEE MEETING

Wednesday, September 9, 2020

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

Also Present: Susan Pedo, Robert Schofield, Sarah Reginelli, Mark Opalka, Joe Scott, Amy Lavine, Tammie Fanfa, Andy Corcione, Virginia Rawlins, Thomas Conoscenti, Nora Culhane-Friedel, Ashley Mohl, Michael Bohne

Public Present: Jeffery Amengual, Ariel Hai, Mark Aronowitz, Deb Lambek, Spencer Jones and Sarah Woodworth

These minutes are of a meeting conducted telephonically pursuant to Executive Order No. 202.1 issued by New York State Governor Andrew M. Cuomo, which suspended provisions of Article 7 of the Public Officers Law requiring public in-person access to public meetings and authorizing board members to participate in said meetings by conference call or similar service. Each of the members and staff present participated by conference call.

Finance Committee 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 12, 2020 Finance Committee Meeting

A roll call of the Committee members present was held. Chair Darius Shahinfar reported that all Committee members were present. 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 12, 2020. Tracy Metzger made a motion and Dominick Calsolaro seconded to accept the minutes as presented. The motion passed with all members voting aye, minutes were accepted.

Sarah Reginelli continued her recusal from any discussion surrounding the 1211 Western Avenue project and left the meeting at 12:19 pm.

Unfinished Business

1211 Western Ave Property Associates LLC

Staff noted that representatives of 1211 Western Ave Property Associates LLC were present at the meeting to answer any questions the Finance Committee may have. Staff provided a summary of project to date, recapping that the application was first introduced in March of 2020 and resubmitted a revised application in June 2020. Staff noted the application for assistance has remained unchanged since the Public Hearing held in August 2020. The proposed Project, which represents an investment of approximately \$35.7 M, consists of a six story, approximately 190,000 SF, mixed-use multifamily rental complex with approximately 136 residential apartments, 1,800 SF of commercial retail space and 150 parking spaces. The existing 30,000 SF structure would be demolished as part of the Project. The estimated real property benefits over the 18 year of requested assistance is expected to result in status quo taxes of approximately \$567,000 with projected PILOT payments of \$8.4 M, resulting in a net benefit to the taxing jurisdictions of approximately \$7.8 M. Staff briefed the Committee on the findings of a CDPRC economic impact analysis the IDA commissioned on the direct, indirect and induced impacts of the Project and reviewed the applicant's score of 10 on the Project Evaluation and Assistance Framework (PEAF). The Project is estimated to have a temporary construction impact of \$37.4 M, permanent

operations impact of \$2.5 M. The project is expected to yield 5 full time equivalent (FTE) jobs and 90 construction jobs.

Agency counsel responded to a question from a board member regarding a potential conflict of interest and established that no conflict exists.

Staff reviewed with the Committee a memo that was prepared in response to the comments/concerns expressed as part of the public hearing process the prior month. Staff noted that the memo was disseminated to the Board and posted to the Agency website as part of the Finance Committee materials. A discussion was had about the public comments received and the responses in the memo. A board member noted that for this project, and all projects assisted by the Agency, no direct financial/monetary assistance is received by the applicant from the City of Albany or City taxpayers. Additionally, all projects approved by the Agency will pay more in taxes upon project completion than what was paid to the taxing jurisdictions prior to the project. Representatives of the project spoke to the status of the required permits on the project site. It was also noted that the 3rd party consultant utilized during the application review/analysis was an independent entity and was not selected by the applicant.

A motion was made by Tracy Metzger to move the 1211 Western Ave Property Associates LLC project to the Board to for action. The motion was seconded by Dominick Calsolaro. The motion passed with all members voting aye.

Sarah Reginelli returned to the meeting at 12:39 pm.

New Business

Loughlin Dawn, LLC

It was noted that that no members of the public attended the previously held public hearing or submitted comments on the project. Staff gave a brief summary of the project and the request at hand which involves shifting the start date of the Phase I PILOT by one year. Staff noted the estimated increased abatement associated with the request is approximately \$127,000 which is the cause for the holding of a public hearing. Staff elaborated further, noting that when the estimated PILOT payments were netted out, the actual estimated increased abatement is less than \$100,000. However, in discussions with Agency counsel, it was determined it was more prudent to hold the public hearing.

A motion was made by Dominick Calsolaro to move the Loughlin Dawn, LLC project to the Board with a positive recommendation for approval. The motion was seconded by Tracy Metzger. The motion passed with all members voting aye.

Broadway 915, LLC

Staff advised the Committee that the applicant had amended the request for assistance associated with this project since it was previously discussed at the August Finance Committee meeting, based on previous feedback from the Finance Committee and further financial analysis. A Project representative was present for the meeting to discuss the project and to answer any questions. The project involves the construction of an approximately. 99,000 SF eighty (80) unit market rate apartment complex at 745 Broadway. The five story structure will also include approximately 6,900 SF of tenant amenity space on the ground floor and approximately 90 off-street parking spaces. It is anticipated that this project will create approximately one (1) full time equivalent (FTE) job. Staff noted the estimated revenue gain to taxing jurisdictions is approximately \$2.5 million. The estimated increase in assessed property value associated with the project equates to approximately \$5.7 million. The total investment in the project is expected to be approximately \$22.7 million. Staff briefed the Committee on the findings of a CDRPC economic impact analysis the IDA commissioned on the direct, indirect and induced impacts of the Project and reviewed the applicant's score of 10 on the Project Evaluation and Assistance Framework (PEAF). The Project is estimated to have a temporary construction impact of \$23.1 M, permanent operations impact of \$1.4 M. The project is expected to yield 1 FTE job and 140 construction jobs.

Staff noted the applicant is requesting a deviation in assistance from the PEAFF as the applicant is requesting the base assessed value of the project remain at the current 2019 assessment for the duration of the requested assistance and the abatement schedule to be utilized will be for projects assessed at between \$90-\$99,999 per unit. As such, a third party review was undertaken to assess the appropriateness of the requested level of Agency assistance. A draft memo was received by staff and was disseminated to the Board. An executive summary of

the memo was part of the Finance Committee materials. The findings of the analysis by the 3rd party consultant supported the requested assistance and deemed both the request and developer assumptions as reasonable. In response to a question from a board member, the Applicant expressed his confidence that the project will still be successful downtown despite the COVID-19 pandemic, citing current market performance.

A motion was made by Dominick Calsolaro to recommend to the IDA Board the resolution to hold a public hearing for the Broadway 915, LLC project and seconded by Tracy Metzger. A vote being taken, the motion passed with all other members voting aye.

2021 Draft Budget

Staff presented the Draft 2021 Budget, noting it was also delivered to the Treasurer's office on August 31st in accordance with policy. Staff reviewed the draft budget memo that was part of the Finance Committee materials including revenues/expenses that deviated from prior levels in 2020. Staff noted the deficit budget reflects the Board's commitment to invest in strategic activities in 2021 including market studies and potentially a review and analysis of the PEA. Staff noted that the draft budget will posted at City Hall for twenty days prior to any potential board approval, as per policy

A motion was made by Lee Eck to move the 2021 Draft Budget to the Board with a positive recommendation and seconded by Dominick Calsolaro. A vote being taken, the motion passed with all other members voting aye.

Member Lee Eck left the meeting at 12:58 PM.

Other Business

Agency Update

Staff noted the previous month's financials contained an error, which was corrected as part of the draft budget, regarding the funding allocation for the Small Business Adaptation Program ("SBAP").

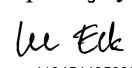
Staff informed the Board that Agency Chair and CEO will be attending the Common Council interview for the open Board position and presenting the Agency's 2019 Annual Report.

Staff updated the Committee on the SBAP Program, noting that the pre-application process had concluded in August and that final applications are due by September 18, 2020. Staff reviewed the outreach process to increase awareness which included the Common Council, Small Business Development Center and the Capital Region Chamber, the Black Chamber of Commerce, amongst other stakeholder groups as well as the resources that have been made available online to assist applicants including a frequently asked questions, sample application and budget templates. Staff provided the Board with a workbook that outlines the standardized review process and noted the Board will be provided with an application and summary sheet for each applicant. The scoring process will prioritize disadvantaged business entities ("DBEs") as well as micro-enterprises, identified targeted businesses, businesses located in neighborhood strategy areas, distressed census tracts and within commercial corridors.

In October, applications will be presented to the Board in the order of their score. Staff will provide recommendations on application approval/denial based on score, eligibility and available funding. Per the NYS legislation, applications will be posted publicly and a public comment period will be held during the upcoming Finance Committee meeting. Staff updated the Board that Hodgson Russ has been retained to redact sensitive personal or financial information from the applications to be posted publicly. Staff indicated that all files and documentation pursuant to the Program will be retained by both CAIDA and Capitalize Albany Corporation and will be available for review.

There being no further business, Darius Shahinfar adjourned the meeting at 1:24 PM.

Respectfully submitted,


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Lee Eck, Assistant Secretary