

# City of Albany Industrial Development Agency

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Susan Pedo, *Chair*  
Lee Eck, *Vice Chair*  
Darius Shahinfar, *Treasurer*  
Anthony Gaddy, *Secretary*  
Robert Schofield

Sarah Reginelli, *Chief Executive Officer*  
Thomas Conoscenti, *COO and interim CFO*  
Andy Corcione, *Project Services Director*  
Marisa Franchini, *Agency Counsel*  
A. Joseph Scott, *Special Counsel*

## IDA MINUTES OF FINANCE COMMITTEE MEETING

Wednesday, December 8, 2021

Attending: Darius Shahinfar, Susan Pedo, Lee Eck, Anthony Gaddy and Robert Schofield

Absent: None

Also Present: Sarah Reginelli, Ashley Mohl, Erin Grace, Andy Corcione, Mike Bohne, Renee McFarlin, Tom Conoscenti, Emma Fullem, Jesse McCaughey, Marisa Franchini, Nicole Brown and Joe Scott

Public Present: Phyllis Hathaway, Moshe Bloorian, Yeshaya Cohen and Robert Ryan

Chair Darius Shahinfar called the Finance Committee meeting of the IDA to order at 12:20 p.m.

### **Roll Call, Reading and Approval of Minutes of the November 10, 2021 Finance Committee Meeting**

A roll call of the Committee members present was held. Finance Committee 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, Mr. Shahinfar made a proposal to dispense with the reading of the minutes. Mr. Shahinfar proposed to approve the minutes of the Finance Committee meeting of November 10, 2021. A motion was made by Susan Pedo and seconded by Lee Eck to accept the minutes as presented. The motion to accept the minutes as presented was passed with all other members voting aye.

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

None.

### **Unfinished Business**

None.

### **New Business**

#### Albany Medical Center (391 Myrtle Ave)

Staff provided the Finance Committee with background information associated with the Albany Medical Center (AMC) Medical Office Building Project at 391 Myrtle Ave. The original Project involved a PILOT Agreement relating to the privately leased portions of a medical office building (MOB) as well as tax-exempt and taxable bond issuances to finance the building's construction that was concurrently approved through the City of Albany Capital Resource Corporation. Because AMC anticipated having both private and tax-exempt uses in the building fluctuating over time, the PILOT Agreement laid out two

scenarios for calculating PILOT payments, which were generally based on the percentage of private occupancy in the building. Per the PILOT Agreement, the project was required to submit annual tenant affidavits certifying to the building's square footage to determine which of the two scenarios was to be used. Over time, however, as the percentages of private occupancy shifted because of increased consolidation in the medical industry, the formula became increasingly difficult to administer each year. This has resulted in significantly more of the square footage of the building being taken up by AMC space versus private occupancy than originally anticipated.

In 2019, the City of Albany CRC approved a reallocation of the tax-exempt and taxable CRC Bonds to align the allocation of the bonds to the actual allocation of hospital/private tenant use of the MOB. The current request at hand involves an amendment to the PILOT Agreement (A) to reduce the amount of square footage subject to the PILOT Agreement and (B) to provide that the "Scenario 2" PILOT structure will be in effect for the remainder of the PILOT term through 2027. Approving the request would align the PILOT Agreement with the reality of the hospital/private tenant use of the MOB and reconcile the PILOT Agreement allocation with the CRC Bonds allocation.

Staff noted that a representative of AMC was present at the meeting to answer questions. Further, Staff noted that the Finance Committee reviewed this issue at the previous month's meeting and had received supplementary information regarding both the financial and legal implications of the requested PILOT amendment. In addition, staff informed the Committee that a letter notifying the taxing jurisdictions of the proposed amendments had been sent out prior to the meeting. Staff provided information about the original revenue projections for the project. The requested amendment is not projected to result in an overall decrease in payments to taxing jurisdictions over the course of the PILOT term.

A motion was made by Susan Pedo to positively recommend an Amendment to the PILOT Agreement to the full Board and was seconded by Lee Eck. A vote being taken, the motion passed with all members voting aye.

#### 733 Broadway, LLC

In 2014, Norstar Development undertook an approximately \$5.1 million conversion of a mostly vacant 48,000 square foot building into 29 residential units and 2 commercial retail spaces totaling approximately 2,200 square feet. Currently, the commercial spaces contain a law firm and Norstar's offices. As a result of Norstar's decision to move its operations outside the immediate Albany area, the property has been put up for sale. Staff noted that the project applicant – the potential purchaser, Greyhill Group – was present at this meeting to answer any questions.

Staff noted that, given the project timelines of multi-family developments in the City of Albany, the IDA should anticipate seeing property transfers/sales between years 5 and 10 of the project terms, a likelihood which has been factored into staff review of projects. Staff noted that the original project came to the IDA prior to the implementation of the IDA's Project Evaluation and Assistance Framework. Additionally, it was noted that any assignment and assumption of a PILOT must come back before the IDA Board for consent. Staff has completed a review of the financials for the project to determine whether the anticipated returns are reasonable based on current market conditions and the project's past performance.

Darius Shahinfar called for a motion to enter executive session and exempt session at 12:33 p.m. to discuss the financial history of the project beneficiary and seek the advice from counsel. Susan Pedo made a motion to go into executive and exempt session which was seconded by Lee Eck. A vote being taken, the motion passed with all members voting aye.

At 1:28 p.m., a motion to go out of executive and exempt session was made by Susan Pedo and seconded by Lee Eck. A vote being taken, the motion passed with all members voting aye. No action was taken in

executive and exempt session. The Committee requested additional information from staff and sought a 3<sup>rd</sup> party analysis of the request to be prepared for the next Finance Committee meeting.

#### Professional Services Agreements 2022

##### *Legal Services – General Counsel*

The Committee reviewed the 2021 Professional Services Agreement for General Counsel Services for the Agency with the Committee. No changes were proposed to the agreement from the previous year. A motion to advance the contract to the full Board with positive recommendation was made by Anthony Gaddy and seconded by Susan Pedo. A vote being taken, the motion passed unanimously.

##### *Legal Services – Bond/Special Counsel*

The Committee reviewed the 2022 Professional Services Agreement for Bond/Special Counsel services for the Agency. No changes were proposed to the agreement from the previous year. The Committee discussed Counsel's previous excellent service, and the benefits of continuing relationships with professional service providers. A motion to advance the contract to the full Board with positive recommendation was made by Lee Eck and seconded by Susan Pedo. A vote being taken, the motion passed unanimously.

##### *Professional Services*

Susan Pedo and staff reminded the Committee that Anthony Gaddy is on the Capitalize Albany Corporation Board of Directors and that staff is employed by Capitalize Albany. The Committee reviewed the Professional Services Agreement between Capitalize Albany Corporation, and Capital Resource Corporation, in which Capitalize Albany Corporation provides professional economic development management and administrative support services to the Capital Resource Corporation. No changes to the agreement were proposed from the previous year. A motion to advance the contract to the full Board with positive recommendation was made by Lee Eck and seconded by Susan Pedo. A vote being taken, the motion passed with all members voting aye, with the exception of Anthony Gaddy, who abstained from the vote.

##### *Contract for Services – Economic Development*

Susan Pedo and staff reminded the Committee that Anthony Gaddy is on the Capitalize Albany Corporation Board of Directors and that staff is employed by Capitalize Albany. The Committee reviewed the Contract for Services for economic development between the City of Albany IDA and Capitalize Albany Corporation. No changes were proposed to the agreement from the previous year. A motion to advance the contract to the full Board with positive recommendation was made by Lee Eck and seconded by Susan Pedo. A vote being taken, the motion passed with all members voting aye, with the exception of Anthony Gaddy, who abstained from the vote.

##### *Contract for Services – IDA*

The Committee reviewed the Contract for Services between the City of Albany IDA and the Capital Resource Corporation. A motion to advance the contract to the full Board with positive recommendation was made by Susan Pedo and seconded by Lee Eck. A vote being taken, the motion passed unanimously.

#### Financing Guideline Review

The Committee reviewed the Statement of Intent and Financing Guidelines Regarding Debt, which had been previously distributed. Staff explained that that it is a best practice that the Committee reviews these guidelines annually. There were no recommended changes.

#### Finance Committee Self Evaluation

Staff reviewed the Finance Committee's Self Evaluation with the Committee, which had been previously distributed. Staff explained that it is a best practice that the Committee performs this evaluation annually. Staff summarized the meetings, activities and accomplishments taken place over the course of the year. There were no recommended changes.

Chair Darius Shahinfar elected to receive the Agency Update and Compliance Update prior to the final item of New Business, as the final item would involve the recusal of Agency staff as well as two Committee members.

### **Other Business**

#### Agency Update

Staff reported to the Committee that the Common Council has confirmed candidates – Elizabeth Staubach and Joseph Better -- for the two vacant positions on the IDA Board. Both new members will execute their oaths of office within the next 30 days.

Staff noted that the NYS Economic Development Council will be hosting their annual conference in mid-January, and the IDA has an opportunity to sponsor the event.

Staff noted that the 21 Erie Assoc., LLC received its planning board approval, so Committee members should anticipate seeing the project on the upcoming Board agenda.

#### Compliance Update

Staff noted that the 2021 annual compliance review process is underway, and the Committee will be updated on progress in the coming months.

### **New Business (Cont'd)**

#### Capitalize Albany Corporation (Liberty Park Acquisition Assistance)


Upon repeating the previously-made disclosure of their relationships with Capitalize Albany Corporation, Board Chair Susan Pedo, Member Anthony Gaddy and the Capitalize Albany Corporation Staff recused themselves and left the meeting before the discussion started at 1:39 PM.

Chair Darius Shahinfar introduced the Liberty Park matter. Chair Shahinfar then asked for a motion to go into Exempt Session for the purpose of reviewing certain attorney/client matters and soliciting the advice of legal counsel with respect to such matters. Motion was made by Mr. Shahinfar and seconded by Mr. Eck. The motion was passed unanimously. The members of the Committee went into Exempt Session at 1:41 pm. The members of the Committee came out of Exempt Session at 1:50 pm, and Chair Shahinfar noted for the record that no action was taken during the Exempt Session.

At 1:50 p.m., Darius Shahinfar made a motion to return from exempt session, and Lee Eck seconded the motion. No action was taken during exempt session. Staff returned to the meeting at 1:51 p.m.

Chair Shahinfar asked if there was any further business. Noting that there was no further business, the meeting was adjourned at 1:52 p.m. by motion made by Chair Shahinfar and seconded by Mr. Eck, with the motion passing unanimously.

Respectfully submitted,

DocuSigned by:  
  
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Anthony Gaddy, Secretary