

City of Albany Industrial Development Agency

21 Lodge Street
Albany, New York 12207
Telephone: (518) 434-2532
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Elizabeth Staubach, Chair
Lee Eck, Vice Chair
Darius Shahinfar, Treasurer
Anthony Gaddy, Secretary
Joseph Better
John Maxwell
Christopher Betts

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

To: Darius Shahinfar
Lee Eck
Anthony Gaddy
Christopher Betts

Joseph Better
Elizabeth Staubach
John Maxwell

CC: Sarah Reginelli
Marisa Franchini
Joe Scott
Emma Fullem

Thomas Conoscenti
Andy Corcione

Date: September 9, 2022

IDA FINANCE COMMITTEE MEETING

A meeting of the Finance Committee of the City of Albany Industrial Development Agency will be held on **Wednesday, September 14th, 2022 at 12:15 pm** at 21 Lodge Street., Albany, NY 12207.

AGENDA

Roll Call, Reading & Approval of the Minutes of the Finance Committee Meeting of July 21, 2022

Report of Chief Financial Officer

- A. None

Unfinished Business

- A. None

New Business

- A. 2023 Draft IDA Budget
 - i. Discussion & Possible positive/negative recommendation for approval

Other Business

- A. Agency Update
- B. Compliance Update
 - i. Annual Review of Agency Insurance Policy

Adjournment

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MINUTES OF IDA FINANCE COMMITTEEMEETING Thursday, July 21, 2022

Attending: Darius Shahinfar, Elizabeth Staubach, Lee Eck and Joseph Better

Absent: Anthony Gaddy

Also Present: Sarah Reginelli, Ashley Mohl, Andy Corcione, Mike Bohne, Renee McFarlin, Thomas Conoscenti, Emma Fullem, and Joe Scott

Public Present: Michael DeMasi and Jessie Albert

Chair Darius Shahinfar called the Finance Committee meeting of the IDA to order at 12:15 p.m at 21 Lodge St., Albany, NY.

Roll Call, Reading and Approval of Minutes of the June 8, 2022, 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 with the exception of Anthony Gaddy. Since the minutes of the previous meeting had been distributed to the Committee in advance for review, Mr. Shahinfar asked for a motion to dispense with their reading and approve the minutes of the Finance Committee meeting of June 8, 2022. A motion was made by Lee Eck and seconded by Joseph Better to accept the minutes as presented. The motion to accept the minutes as presented was passed with all present members voting aye.

Report of Chief Financial Officer

Quarterly Budget Report

The Interim CFO provided a report of the quarterly financials. It was reported that first quarter revenue was under budget in the amount of \$171,550 due mainly to delays in expected project closings, and expenses were underbudget by \$200,407.

Unfinished Business

None.

New Business

Project Evaluation and Assistance Framework Update Consultant – W-ZHA, LLC

As part of the long-contemplated update of the Project Evaluation and Assistance Framework (“PEAF”) staff is seeking approval to enter into a contract with the consulting firm W-ZHA to provide advisory services. Staff provided background on the original creation of the PEAF, including W-ZHA’s involvement in that process. Staff explained the procurement process in detail and spoke to the fact the single-sourcing of W-ZHA follows the procurement guidelines of the Agency on several fronts including a). the procurement of W-ZHA for advisory services in the original creation of the PEAF in 2016; b).

under the Agency's procurement policy, certain professional services are exempted from competitive procurement procedures and as documented, staff believes W-ZHA offers specialized services and has a long-standing relationship with the Agency and c). the majority of services covered under the proposal are also covered under the Request For Qualifications for the pre-qualified economic consultants that was approved by the Board in 2017, of which W-ZHA had been approved for. The contract would be billed hourly and is estimated to cost approx. \$30,000; however, given the iterative nature of the analysis, staff is seeking approval for a cost up to \$40,000. This funding was contemplated is within the Agency's 2022 budget for strategic initiatives and the project is expected to be completed by the end of 2022.

Following a discussion of the procurement, a motion to move the proposal for services with W-ZHA, LLC as consultant for the analysis and update of the Project Evaluation and Assistance Framework to the full board for approval was made by Joseph Better and seconded by Lee Eck. A vote being taken, the motion passed with all members voting aye.

Other Business

Agency Update

Staff reported that an Executive Order had extended remote meetings through August 14th and announced the August IDA/CRC Finance Committee meetings would be remote. Following the expiration of the Executive Order, it is expected that Agency meeting would resume in-person.

Compliance Update

None.

There being no further business, Chair Shahinfar called for a motion to adjourn the meeting. Upon a motion made by Lee Eck and seconded by Joseph Better, the meeting of the Finance Committee was adjourned at 12:25 p.m.

Respectfully submitted,

Anthony Gaddy, Secretary

DRAFT

MEMO

TO: Hon Darius Shahinfar, Treasurer
FROM: Staff and BST
RE: City of Albany IDA Proposed 2023 Budget
DATE: August 30, 2022

Based on current projections we anticipate the ending cash balance to be \$4,318,333 at December 31, 2022.

The agency is budgeting a surplus of \$269,081 in the 2023 budget.

Revenues for the agency are budgeted to be \$1,298,594 in 2023. The majority of this revenue is expected to be in the form of fee revenue, which is budgeted to be approximately \$1,233,954. The fee revenue budgeted for 2023 was determined using 2022 budgeted revenue plus CPI. The 9.5% LIHTC Fee remain unchanged, interest expense is budgeted to be higher due to higher projected monthly cash balances in the agency's bank accounts, and revenue budgeted from the CRC is budgeted to be \$20,000.

Expenses for the agency are budgeted to be \$1,029,513 in 2023. All budgeted expenses are the same as their budgeted expense for 2022 except for following expenses. Audit expenses are budgeted to be \$400 higher due to inflation; depreciation expenses are budgeted to be approximately \$830 higher due to the planned purchases of new cameras and a computer for livestreaming in the conference room and insurance expenses are budgeted to be \$900 higher due to projected increases in policy renewals. Strategic Activities, in keeping with prior suggestions of the Board, is budgeted to be \$100,000, which in the past has been used to fund studies or other strategic projects of the Agency.

The projected ending cash balance of the IDA is projected to be \$4,587,414 based on the proposed budget. This balance represents reserve of approximately 4.93 years at the current projected level of operating expenses.

Albany Industrial Development Agency
2023 Proposed Budget

	2022 APPROVED Budget	2022 YTD Actual	2022 Projected Jul- Dec	2022 Total	2022 Projected Variance to Budget	2023 PROPOSED Budget
REVENUE						
Fees	\$ 1,151,624	\$ 1,057,891	\$ 890,129	\$ 1,948,020	\$ 796,396	\$1,233,594
AFP107 Corp Community Development Fee	100,000	-	-	-	(100,000)	-
9 % LIHTC Fee (LV Apartments, Housing Visions)	20,000	10,000	10,000	20,000	-	20,000
CRC Agreement	20,000	-	20,000	20,000	-	20,000
Interest	22,611	13,062	10,500	23,562	951	25,000
TOTAL REVENUE	\$ 1,314,235	\$ 1,080,953	\$ 930,629	\$ 2,011,582	\$ 697,347	\$1,298,594
OPERATING EXPENSES						
Economic Development and Community Development Support	\$ 250,000	\$ 125,000	\$ 125,000	\$ 250,000	\$ -	\$ 250,000
Sub-Lease AHCC	75,000	-	75,000	75,000	-	75,000
Legal Expenses	20,000	3,115	21,885	25,000	5,000	20,000
Professional Service Fees	2,000	12,181	-	12,181	10,181	2,000
Website Maintenance/IT Expenses	11,200	-	-	-	(11,200)	11,200
Management Contract	494,228	288,300	205,928	494,228	-	494,228
Agency Counsel	42,000	-	42,000	42,000	-	42,000
Audits	7,200	7,200	-	7,200	-	7,600
Depreciation Expense	938	469	469	938	1	1,771
Insurance	3,814	4,460	-	4,460	646	4,714
Miscellaneous	21,000	1,276	1,650	2,926	(18,074)	21,000
TOTAL OPERATING EXPENSES	\$ 927,380	\$ 442,001	\$ 471,932	\$ 913,933	\$ (13,446)	\$ 929,513
Surplus/(Deficit) Before Other Expenses	\$ 386,855	\$ 638,952	\$ 458,697	\$ 1,097,649	\$ 710,793	\$ 369,081
OTHER EXPENSES						
SBAP Program		\$ -		-	-	\$ -
Strategic Activities	350,000.00	-	350,000.00	350,000.00	-	100,000.00
TOTAL OTHER EXPENSES	\$ 350,000	\$ -	\$ 350,000	\$ 350,000	\$ -	\$ 100,000
Surplus/(Deficit)	\$ 36,855	\$ 638,952	\$ 108,697	\$ 747,649	\$ 710,793	\$ 269,081 ⁽¹⁾

2022 Closed Projects	Project Amount	2022 Fee Collected
1415 Washington Ave	\$ 79,945,770	\$ 799,458
FC 705 Broadway Hotel	36,546,517	213,401
66 State St Partners LP	8,116,866	40,584
Morris Place		5,735
760 Broadway	6,476,703	64,767
Man Realty	8,967,524	89,675
Home Leasing LLC	9,641,058	48,205

Total \$ 149,694,438 \$ 1,261,826

2022 Estimated Project Closings	Estimated Project Amount	Estimated 2022 Fee
Clinton Avenue Apartments II	23,921,700	239,217
Lofts at Pine Hills	27,503,500	275,035
Total	\$ 51,425,200	\$ 514,252

2023 Estimated Closings	Estimated Project Amount	Estimated 2023 Fees
TRPS, Lark LLC	4,900,000	\$ 49,000
Projected Closings	125,000,000	\$ 1,250,000
Total	\$ 129,900,000	\$ 1,299,000

Notes:

(1) YTD projected ending cash balance at December 31, 2023 is projected to be \$4,587,414 This represents a reserve of approximately 4.93 years at current projected operating level.

City of Albany Industrial Development Agency
SCHEDULE OF INSURANCE

Line of Business	Policy Number	Effective Date	Expiration Date	Issuing Carrier	Limit	Purpose of policy
Directors & Officers	106735138	05/12/2020	05/12/2023	Travelers Casualty and Surety Co of America	\$1,000,000	Responds to allegations of misrepresentation, breaches of fiduciary duty
Employment Practices Liability	106735138	05/12/2020	05/12/2023	Travelers Casualty and Surety Co of America	\$1,000,000	Responds to allegations of discrimination, harassment, wrongful termination
Cyber Liability	ESK0239478397	06/26/2022	06/26/2023	Underwriters at Lloyd's, London	\$1,000,000	First and third party coverage in the event of a breach incident

IMPORTANT: This summary is only an outline of the insurance policy arranged through this office. It does not include all of the terms, coverages, exclusions, limitations, and conditions in the actual insurance contract. You must read the policy itself for those details. If in reading the policy you have any questions, please contact this office.