

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: Elizabeth Staubach
Lee Eck
Darius Shahinfar
Christopher Betts

Joseph Better
Anthony Gaddy
John Maxwell

CC: Sarah Reginelli
Marisa Franchini
Joe Scott
Emma Fullem

Thomas Conoscenti
Andy Corcione
Amy Horwitz

Date: February 10, 2023

IDA REGULAR BOARD MEETING

A Regular Meeting of the City of Albany Industrial Development Agency will be held on **Thursday, February 16, 2023 at 12:15 pm** at 21 Lodge St., Albany, NY 12207

AGENDA

Roll Call, Reading & Approval of the Minutes of Regular Board Meeting of January 19, 2023

Report of Chief Financial Officer

- A. Financial Report

Unfinished Business

- A. None

New Business

- A. IndusPAD-Flair, LLC (38 Corporate Circle)
 - i. Public Hearing Resolution
- B. Capitalize Albany Corporation (Liberty Park Acquisition Assistance)
Please note that any materials for this item will be included in a supplemental packet available on the CAIDA website.

Other Business

- A. Agency Update
- B. Compliance Update

Adjournment

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IDA MINUTES OF REGULAR BOARD MEETING

Thursday, January 19, 2022

Attending: Darius Shahinfar, Lee Eck, Joseph Better, Christopher Betts and Anthony Gaddy

Absent: John Maxwell and Elizabeth Staubach

Also Present: Sarah Reginelli, Tom Conoscenti, Andy Corcione, Emma Fullem, Renee McFarlin, Joseph Scott, Mike Bohne, Tom Libertucci and Ashley Mohl

Public Present: Eric Simonds, Laurie Volk and Kyle Rueckert

Vice Chair Lee Eck called the Regular Board Meeting of the IDA to order at 12:16 p.m. at 21 Lodge St., Albany, NY.

Roll Call, Reading and Approval of Minutes of the December 15, 2022, Regular Board Meeting

A roll call of the Board members present was held. Vice Chair Lee Eck reported that all members were present with the exception of John Maxwell and Elizabeth Staubach. Since the minutes of the previous meeting had been distributed to Board members in advance for review, Mr. Eck made a proposal to dispense with reading and approve the minutes of the Regular Board meeting of December 15, 2022. A motion was made by Darius Shahinfar and seconded by Joseph Better 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

Staff welcomed Tom Libertucci from BST who recently joined the account and asked him provide an overview of the preliminary 2022 year-end financials prepared by the firm which had been previously distributed.

Unfinished Business

None.

New Business

Real Estate Market Studies Presentations

The Board was presented with detailed summaries of the residential and commercial market studies for the City of Albany which were commissioned by the Agency in 2022 as part of the framework update. Zimmerman/Volk Associates, Inc. provided a summary of key findings from their multi-family residential analysis, for both affordable and market rate units. The presentation included an analysis of absorption rates, pricing and expected future demand. CBRE-Albany presented findings on the commercial office,

industrial and retail climates within the City of Albany. The data from the studies will be used to inform the update to the framework in 2023.

Annual Housekeeping Resolution 2023

Vice Chair Eck presented the Annual Housekeeping Resolution 2023 to the Board. Staff reviewed the contents of the Resolution with the Board including Agency policies, schedules and the appointments of executive staff, Agency bond counsel, the Agency's accounting firm and Agency committees, among other items. Staff noted that professional service agreements for administrative and legal services had previously been reviewed and approved by the Finance Committee.

A motion to approve the *Annual Housekeeping Resolution 2023* was made by Darius Shahinfar and seconded by Anthony Gaddy. A vote being taken, the motion passed unanimously with all members voting aye.

Presentation of Annual Investment Report

Staff advised the Board that pursuant to the bylaws and Public Authority Law, the Agency must prepare an annual report of the Agency's investments. Staff reviewed the Annual Investment Report with the Board and noted that the report was reviewed at the previous Finance Committee meeting.

Property Acquisition and Disposition Report

Staff advised the Board that the Agency must prepare an annual report of the Agency's real property position in order to maintain compliance with Public Authority Law. Staff reviewed the annual report with the Board, which lists the real property owned by the Agency as of December 31, 2022.

Board Member Betts left the meeting at 1:23 PM.

Other Business

Agency Update

A reminder was given that the NYEDC Annual Conference will held in Albany on March 1-2. Any Board members interested in attending were encouraged to contact staff.

Staff reported that the NYSED is currently tracking approximately ten items of pending legislation which are relevant to IDA operations statewide. Updates will be provided as they become available.

Staff acknowledged the difficult commercial real estate investment climate due to a number of factors and noted that while the Agency has seen a decline in the number of projects coming before the Board, there are still a number of projects in the pipeline that staff is working through.

An update was provided on the status of the City of Albany Common Council's proposed amendments to the Inclusionary Zoning ordinance. Staff was asked to provide data analysis to the Common Council's Economic Development, Planning and Land Use Committee focused on local market conditions and what effect the proposal would have on projects.

The Agency was updated on Capitalize Albany's recently launched the Small Business Improvement Grant ("BIG") Grant program designed to assist the City's businesses as they continue to recover from the COVID-19 pandemic. Over seventy pre-applications have been received to date. An information webinar was also recently held. Staff encouraged Board members to have any interested businesses contact CAC staff. Given the interest thus far, staff expects the program to be oversubscribed.

Staff also reported that the City is still waiting on an announcement from NYS on the status of the South Pearl Downtown Revitalization Initiative (DRI) application. In addition, it was reported that one of the South Pearl DRI applications focus projects, HVCC West, is being advanced for a public hearing at the Common Council that evening as part of the Restore NY Round 7 grant application being submitted by the

City of Albany. The project involves the construction of new satellite campus at the former Lincoln Square Homes site.

Compliance Update

Staff stated that there will be an update on the annual jobs reporting in February.

There being no further business, Vice Chair Eck called for a motion to adjourn the meeting. Upon a motion made by Darius Shahinfar and seconded by Anthony Gaddy, the meeting of the Regular Board was adjourned at 1:45 p.m.

Respectfully submitted,

Anthony Gaddy, Secretary

**PUBLIC HEARING RESOLUTION
INDUSPAD-FLAIR, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on February 16, 2023 at 12:15 p.m., local time.

The meeting was called to order by the (Vice) Chair of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Elizabeth Staubach	Chair
Lee E. Eck, Jr.	Vice Chair
Darius Shahinfar	Treasurer
Anthony Gaddy	Secretary
Joseph Better	Member
Christopher Betts	Member
John F. Maxwell	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sarah Reginelli	Chief Executive Officer
Thomas Conoscenti	Chief Operating Officer/Interim CFO
Andrew Corcione	Project Services Director
Ashley Mohl	Vice President, Capitalize Albany Corporation
Renee McFarlin	Senior Economic Developer, Capitalize Albany Corporation
Michael Bohne	Communications & Marketing Manager, Capitalize Albany Corporation
Emma Fullem	Program Assistant, Capitalize Albany Corporation
Amy Horwitz	Executive Assistant, Capitalize Albany Corporation
Marisa Franchini, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 0223-____

RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF INDUSPAD-FLAIR, LLC.

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreation facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct, and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, IndusPAD-Flair, LLC, a State of Delaware limited liability company (the “Company”), has submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 3.53 acre parcel of land to be located at 42 Corporate Circle (currently being a portion of tax map no. 41.00-2-60) in the City of Albany, Albany County, New York (the “Land”), (2) the construction on the Land of an approximately 75,000 square foot building (the “Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Equipment”) (the Land, the Facility and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to constitute a warehouse/office facility to be owned by the Company and leased to and operated by the 2423892, Inc., d/b/a FYE (the “Tenant”) and any other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any “financial assistance” (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 859-a of the Act with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby authorizes the Chief Executive Officer of the Agency, after consultation with the members of the Agency and Agency Counsel, (A) to establish the time, date and place for a public hearing of the Agency to hear all persons interested in the Project (the “Public Hearing”); (B) to cause the Public Hearing to be held in a city, town or village where the Project Facility is or is to be located, and to cause notice of such Public Hearing to be given to the public by publishing a notice or notices of such Public Hearing in a newspaper of general circulation available to the residents of the governmental

units where the Project Facility is or is to be located, such notice or notices to comply with the requirements of Section 859-a of the Act; (C) to cause notice of the Public Hearing to be given to the chief executive officer of the county and of each city, town, village and school district in which the Project Facility is or is to be located to comply with the requirements of Section 859-a of the Act; (D) to conduct such Public Hearing; (E) to cause a report of the Public Hearing fairly summarizing the views presented at such Public Hearing (the "Report") to be prepared; (F) to cause a copy of the Report to be made available to the members of the Agency; and **(G) to cause this resolution to be sent via certified mail, return receipt requested to the chief executive officer of the County and of each city, town, village and school district in which the Project Facility is to be located to comply with the requirements of Section 859-a of the Act.**

Section 2. The Chair, Vice Chair and/or Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 3. All action taken by the Chief Executive Officer of the Agency in connection with the Public Hearing with respect to the Project prior to the date of this Resolution is hereby ratified and confirmed.

Section 4. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Elizabeth Staubach	VOTING	_____
Lee E. Eck, Jr.	VOTING	_____
Darius Shahinfar	VOTING	_____
Anthony Gaddy	VOTING	_____
Joseph Better	VOTING	_____
Christopher Betts	VOTING	_____
John F. Maxwell	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ALBANY)

I, the undersigned Secretary of City of Albany Industrial Development Agency (the “Agency”), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency held on February 16, 2023 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this ____ day of February, 2023.

Secretary

(SEAL)

MEMORANDUM



To: Board of Directors, City of Albany Industrial Development Agency (CAIDA)
From: Staff
Date: February 10, 2023
Re: Good Jobs First Report regarding school district exemptions

I. Background

As discussed at the February Finance Committee meeting, a press conference was held on the afternoon of February 8th to release the results of a [report produced by Good Jobs First](#), a national advocacy group focused on accountability in economic development. The report claimed New York school districts were losing significant revenue annually as a result of Industrial Development Agencies statewide. The New York State Economic Development Council (EDC) is working on a statewide response to the report, particularly on finding that the results were based on faulty data – including not factoring PILOT payments back in and including exemptions from non-IDA programs like the 485-a/b and others.

As you know the City of Albany IDA has been a revenue generator for the Albany City School District:

- School taxes make up the majority of the property taxes (58.5% in tax year 2021-22 in the City of Albany),
- The vast majority of our projects have no direct operational impact on the school district, something we've validated through third party analysis,
- Any that may be predominantly LIHTC, highly subsidized, quality affordable housing for our lowest income individuals and families,
- Regardless, our PILOTs are, with extremely limited exceptions, structured to not lower the existing revenue paid to the taxing jurisdictions, rather to increase payments gradually,
- We rely heavily on the "but for" principle, only approving project that can demonstrate that - in addition to bringing substantial community benefits- they also have a proven financial need for the assistance requested through rigorous financial analysis,
- Over the past 5 years, CAIDA's PILOTed projects are expected to generate more than \$58.4 million in new revenue to our taxing jurisdictions- approximately \$33.9 to the ACSD directly,
- These projects are expected to create in excess of \$168 million in new taxable value, which will produce an estimated \$12.4 million annually (\$7.2 million to the ACSD) when the PILOTs terminate, and
- This is all in addition to the more than 2,600 construction and 225 permanent jobs these projects have produced and the millions of dollars in economic spinoff - including sales tax revenue the projects generate annually.

Unfortunately, the Times Union covered the press conference without verifying the data, or reaching out to the City of Albany IDA directly for information: <https://www.timesunion.com/state/article/business-tax-breaks-cost-ny-schools-millions-17772079.php>

We have provided the above information to the EDC for their use in discussing the matter, and City Treasurer and CAIDA Board Member Darius Shahinfar has drafted the following letter to the Editor and related parties to provide a correction to and context around the Report.

II. Letter from Darius Shahinfar, City of Albany Treasurer

Open Letter to the Albany City School Board, Albany Common Council, Albany Times Union, State Senator Sean Ryan, State Assemblymember Harry Bronson, and Washington DC's Good Jobs First,

It has been said that a lie makes it half way across the world before the truth wakes up. Unfortunately, the same goes for a half-truth, like the one about the Albany City School District printed in the Times Union on February 8th after a Capitol press conference regarding a State proposal to prohibit local NYS Industrial Development Agencies from abating school taxes. This proposal from state legislators and a Washington DC outfit called “Good Jobs First” is bad for ACSD and Albany as a whole, and is relying on incomplete information to make its case

The Article states that the Albany City School District “lost” an estimated \$7.8m because of IDA-based tax exemptions. As a City of Albany IDA Board member, and the Albany City Treasurer who collects development revenue on behalf of ACSD, I can flatly state that this is a half-truth that is 100% misleading and an unnecessary slap at our IDA and our Schools.

Yes, there are \$7.8m of IDA school tax exemptions. But I am happy to report that that in 2022, \$7.37m of that “lost” revenue was recaptured in “Payments in Lieu of Taxes” (PILOTs) for ACSD. Furthermore, without the IDA’s tax abatements, that “lost” \$7.8m, would have only been \$1.06m in school tax payments because the property was worth a lot less before it was developed. ACSD didn’t “lose” \$7.8m because of our IDA; it gained \$6.3m BECAUSE of it.

Stopping local corporate development welfare is right, just and necessary. But not all IDAs are the same. Out of the more than 100 local IDAs in NYS, there may be bad actors that do not appropriately weigh a cost/benefit analysis to ensure their jurisdiction doesn’t “lose” to development, even though I don’t know of any. But rest assured that Albany is absolutely not one of them.

The reason the IDA in Albany exists and provides tax incentives for developers to build or re-build in Albany is that, even with Governor Hochul’s welcome and deeply appreciated support for Capital City Funding, NYS does not pay its full share in taxes or PILOTs for its tax exempt property. Since that doesn’t happen, taxes in the City are higher than other cities and neighboring suburbs.

Because the property tax cost to development is so comparatively high in Albany, developers chose to build everywhere else other than Albany. Therefore, in order to incentivize development and increase our tax base and tax revenue in Albany, the IDA is able to permit the taxes on newly developed (and much more valuable) properties to slowly rise over the course of years, starting by paying at least the full value of what the property was already paying in taxes.

Because of the Albany IDA’s system, Albany development projects would nearly never be structured to pay less in taxes than it would have before the development, and every project always pays more in taxes than what the undeveloped property would have paid without the development. The truth is, without the Albany IDA, new development (leading to an increased tax base and revenues) would rarely, if ever, happen under current conditions.

So please help hold politicians’ and advocacy groups’ feet to the fire by holding them accountable for their lies and half-truths. ACSD didn’t “lose” one penny because of the IDA. In fact it gained \$6.3m just in 2022 as a direct result of its work. Because of this fact, this one-size fits all proposal to stop IDA tax abatements for schools would do the exact opposite of its stated intent and cause Albany Schools to lose future tax revenues. If we want to legislate changes to IDAs to help schools around our state, make all IDAs to conduct their business like the City of Albany’s IDA and they will reap their rewards.