

City of Albany Capital Resource Corporation

21 Lodge Street
Albany, New York 12207
Telephone: (518) 434-2532

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
Elizabeth Staubach
Christopher Betts
John Maxwell

Lee Eck
Joseph Better
Anthony Gaddy

CC: Sarah Reginelli
Marisa Franchini
Joe Scott
Emma Fullem

Thomas Conoscenti
Andy Corcione
Amy Horwitz

Date: June 9, 2023

CRC FINANCE COMMITTEE MEETING

PLEASE NOTE THAT A PUBLIC HEARING CONCERNING THE FOLLOWING PROJECT(S) WILL BE HELD at 12:00pm on Wednesday, June 14, 2023 at 21 Lodge St Albany NY, 12207.
Please refer to albanyida.com for participation instructions.

The College of St. Rose – Series 2021 Reissuance

A meeting of the Finance Committee of the City of Albany Capital Resource Corporation will be held on **Wednesday, June 14, 2023 at 12:15 pm** (or directly following the Finance Committee Meeting of the City of Albany IDA) at 21 Lodge Street Albany, NY 12207.

AGENDA

Roll Call, Reading & Approval of the Minutes of the Finance Committee Meeting of May 10, 2023

Report of Chief Financial Officer

A. None

New Business

- A. The College of St. Rose – Series 2021 Reissuance
 - i. Discussion & possible positive/negative Recommendation for Approving Resolution

New Business

- A. Capitalize Albany Corporation
 - ii. Grants Program Update & possible positive/negative Recommendation for Approval of Funds Dispersal

Other Business

- A. Corporation Update
- B. Compliance Update

Adjournment

City of Albany Capital Resource Corporation

21 Lodge Street
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Fax: (518) 434-9846

Elizabeth Staubach, *Chair*
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Christopher Betts

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Andy Corcione, *Project Services Director*
Marisa Franchini, *Corporation Counsel*
A. Joseph Scott, *Special Counsel*

MINUTES OF CRC FINANCE COMMITTEE MEETING

Wednesday, May 10, 2023

Attending: Darius Shahinfar, Christopher Betts, and Anthony Gaddy

Absent: Elizabeth Staubach, and Lee Eck

Also Present: John Maxwell, Sarah Reginelli, Tom Conoscenti, Andy Corcione, Emma Fullem, Renee McFarlin, Joseph Scott, Mike Bohne and Amy Horwitz

Public Present: None

Chair Darius Shahinfar called the Finance Committee meeting of the CRC to order at 12:22 p.m.

Roll Call, Reading and Approval of Minutes of the March 8, 2023 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 Lee Eck and Elizabeth Staubach. Since the minutes of the previous meetings 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 March 8, 2023. A motion was made by Anthony Gaddy and seconded by Christopher Betts to accept the minutes as presented. The motion to accept the minutes as presented was passed with all members present voting aye.

Report of Chief Financial Officer

Staff reported that the quarterly financials prepared by BST were included in the materials and overall were on track with the 2023 budget. It was noted that BST staff would be in attendance at the upcoming Board Meeting on Thursday, May 18, 2023 to answer any additional questions.

New Business

The College of St. Rose

Staff reported that the College of Saint Rose is seeking an amendment to the Series 2021 tax-exempt bond issuance totaling approx. \$55,000,000. The requested amendment consists of a reallocation of approximately \$2,330,000 resulting from the disposition of real property that was financed by the original issuance. Pursuant to Treasury regulations, the disposition proceeds would be applied to specific capital expenditures and/or used for the redemption of a portion of the bonds. As such, a public hearing must be held regarding this requested action. A motion to positively recommend a public hearing to the full board

was made by Anthony Gaddy and seconded by Chris Betts. The motion passed unanimously with all members present voting aye.

Other Business

Corporation Update

Staff provided an update on Capitalize Albany's grant programs, which are currently undergoing a financial status review and an overview of each of the grant programs will be provided to the CRC in the near future.

Compliance Update

None.

There being no further business, Chair Shahinfar called for a motion to adjourn the meeting. Upon a motion made by Christopher Betts and seconded by Anthony Gaddy, the meeting of the Finance Committee was adjourned at 12:26 p.m.

Respectfully submitted,

Anthony Gaddy, Secretary



432 Western Avenue
Albany, NY 12203-1490
1.800.637.8556
www.strose.edu

May 4, 2023

Ms. Elizabeth Staubach, Chairperson
City of Albany Capital Resource Corporation
21 Lodge Street
Albany, NY 12207

Re: Sale of certain real properties which were financed and refinanced with the proceeds of the City of Albany Capital Resource Corporation Tax-Exempt Revenue Refunding Bonds (The College of Saint Rose Project), Series 2021 (the "Bonds")

Dear Ms. Staubach:

This letter shall serve as a supplement to the application filed by the College of Saint Rose (the "College") with the City of Albany Capital Resource Corporation (the "Issuer") on July 30, 2021 (the "Issuance Date") in connection with the Bonds. Such application requested the issuance by the Issuer up to \$55,000,000 of tax-exempt bonds for purposes of refunding of certain bonds outstanding for the benefit of the College. A significant portion of the proceeds of certain bonds that were refunded with the proceeds of the Bonds were applied towards capital improvements of the College's facilities; however, some proceeds were used to reimburse the College for the cost to acquire 423 Western Avenue for the College with said property and improvements located in the City of Albany, New York (collectively, the "Bond-Financed Properties"). The College desires to make certain capital improvements to its existing buildings on campus and is looking to finance those improvements through the funds to be realized from the sales of the Bond-Financed Properties (hereinafter referred to as the "Disposition Proceeds"). The College is seeking the cooperation and necessary approvals of the Issuer in order to comply with the remedial action requirements of Section 1.141-12 of the Department of Treasury Regulations (the "Treasury Regulations") promulgated with respect to the Internal Revenue Code of 1986, as amended (the "Code").

The Bond-Financed Properties expected to be sold consist of the following:

- 324 State Street;
- 423 and 429 Western Avenue;
- 568 Morris Street; and
- 441 Western Avenue

The Disposition Proceeds, which are expected to be approximately \$2,330,000, will be applied to alternative uses pursuant to Section 1.141-12(e) of the Treasury Regulations – which alternative uses will constitute capital expenditures that would have qualified for tax-exempt financing on the Issuance Date. The Disposition Proceeds will be applied to capital expenditures within two (2) years after the sales of the Bond-Financed Properties. Any excess Disposition Proceeds will be used to fund a defeasance escrow for purposes of redeeming a portion of the Bonds on their first optional redemption date.

Pursuant to Section 1.141-12(e) of the Treasury Regulations, the alternative use approach described above will be treated as a reissuance for federal income tax purposes. As such, a new public hearing will

be required to be held by the Issuer describing, among other things, the expected capital expenditures to be financed with the Disposition Proceeds. Thereafter, the approval of the Mayor of the City of Albany of the reissuance of the Disposition Proceeds will be required pursuant to the Code and a Form 8038 will need to be executed by the Issuer and filed with the Internal Revenue Service.

The College is respectfully requesting the Issuer to approve this request, to authorize the alternative use, issue the TEFRA hearing notice, which will be prepared shortly, and hold the TEFRA hearing along with taking other necessary actions as determined by Hodgson Russ, LLP, as bond counsel to the Issuer.

Your cooperation is sincerely appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Debra Lee Polley".

Debra Lee Polley
Vice President for Finance and Administration
polleyd@strose.edu
518-454-5216

MEMO

TO: City of Albany Capital Resource Corporation Finance Committee

FROM: Capital Resource Corporation Staff

RE: Small Business Grant Programs Update

DATE: June 9, 2023

Recommended Actions: Given ongoing success of the CRC-funded small business programs, staff recommends streamlining previous contracts to avoid conflicting timelines and contracting with Capitalize Albany for budgeted increases to the Downtown Retail Grant, Small Business Façade Improvement and Amplify Albany Programs totaling \$170,000 for 2023.

Summary of Programs to Date: To date, the Capital Resource Corporation has committed \$925,000 in small business grant programs to be administered through Capitalize Albany Corporation. Albany Community Development Agency has committed an additional \$300,000 for the Small Business Façade Improvement Program. Funding made available under these programs totals \$1.225 million.

After a program pause in early 2020 through the end of 2021 related to impacts of the COVID-19 pandemic during which Capitalize Albany focused on emergency funding for related small business needs, all of the small business grant programs funded by the Capital Resource Corporation and administered by Capitalize Albany Corporation were reopened for applications in January 2022.

Pursuant to approved program guidelines, CAC has made 117 awards totaling \$ \$950,695.14 to small businesses and organizations across the City of Albany since 2016. Of these awards, \$ \$681,928.29 has been reimbursed, with another \$ \$195,695.48 still obligated to outstanding awards.

These awards have been geographically diverse, funding small businesses in 15 distinct neighborhoods, with 90 in Albany Community Development Agency-designated Neighborhood Strategy Areas (NSAs). Over 80% of all funding reimbursed under the small business capital grant programs has been provided to a business that is located within a Qualified Census Tract (QCT). Additionally, Disadvantaged Business Enterprises (DBEs) make up roughly 50% of awarded grant applications.

Additional detail and testimonials from grant recipients will be provided at the upcoming Committee and Board meeting. Please see the tables below for a breakdown of funding allocated and awarded to date for each program.

Downtown Retail Grant Program					
Authorized	Amount	Available	Committed	Leverage	Multiplier
January 2016	\$325,000	\$140,843	\$324,157	\$3,398,435	\$9.46
March 2020	\$70,000				
<i>October 2022*</i>	<i>\$70,000</i>				

Small Business Façade Improvement Program					
Authorized	Amount	Available	Committed	Leverage	Multiplier
September 2018	\$50,000	\$78,517	\$384,903	\$599,873	\$3.58
March 2020	\$60,000				
<i>October 2022*</i>	<i>\$50,000</i>				
Other Sources	\$303,420				

Amplify Albany						
Authorized	Amount	Available	Committed	Initiatives Supported	Attendees	Cost per Attendee
January 2016	\$75,000	\$51,437	\$168,563	54	46,000	\$1.12
May 2018	\$25,000					
October 2018	\$25,000					
March 2020	\$20,000					
October 2022	\$25,000					
<i>October 2022*</i>	<i>\$50,000</i>					

Neighborhood Retail Grant Program					
Authorized	Amount	Available	Committed	Leverage	Multiplier
October 2019	\$50,000	\$100,000	\$0	\$0	\$0
March 2020	\$50,000				

*Approved within the 2023 CRC budget, but not yet contracted for. Request within the contract amendments proposed.

Current Activity – Downtown Retail: Recent activity includes one Downtown Retail application under review for an existing business to perform a historic renovation of their building's façade. The anticipated award amount is approximately \$32,000. Additional applications currently in progress include one existing business and one new business.

Current Activity – Façade Improvement: One-third of the Façade Improvement projects awarded in 2022 have been completed and are either reimbursed or have reimbursements in process. The most recently completed project includes the mural painted on The Yard, located at 16 Sheridan Avenue. Staff is monitoring ongoing projects and anticipates opening a new round by the end of the year.

Current Activity – Amplify Albany: Amplify Albany has awarded two events so far in 2023 with a third application nearing completion for review. The most recent previous Amplify awardee, the Cultural Center's Black Wall Street Gala, has reported a successful event with more than 200 attendees.

Current Activity – Neighborhood Retail: This program was funded immediately prior to the pandemic, and was temporarily delayed due to critical immediate small business needs. Now open, staff is proactively marketing the availability of funding and anticipates launching a renewed campaign during solicitation of the next Façade round.

Program Needs: Staff is providing this update to the CRC pursuant to the terms of the grant agreements executed between the CRC and Capitalize Albany.

Upon holistic review of the Programs, staff identified the opportunity for efficiency within the contracts and administration. There are currently several active grant agreements between Capitalize Albany and the CRC for each of the four non-emergency small business grant programs. Each has its own disbursement date and deadline by which funds must be utilized. This results in each grant program having multiple deadlines to track and manage. To improve the administration of these agreements with the goal of standardizing timelines, staff recommends the execution of four master grant agreements to govern each of the small business grant programs. A sample agreement reflecting the changes is included in the materials.

Capital program grants awarded under the Downtown Retail, Small Business Façade Improvement, and Neighborhood Retail Grant Programs are intended to fund projects to be completed and reimbursed within two years of the date of award. To ensure funding is available for each program, Capitalize Albany requests additional funds from the CRC prior to exhausting commitments for available funds. To create efficiency in administering and improve this process, staff worked with counsel to create a master grant agreement for each program that includes an evolving deadline for expending funds, governed by a ten-year term. This would enable the CRC and Capitalize Albany to extend the deadline by which funds must be spent, so that every disbursement from the CRC to Capitalize Albany that replenishes funds to each program would extend the deadline by which funds have to be utilized.

In furtherance of this objective and to clarify the administration of these programs, staff identified a duplicative grant agreement for the Downtown Retail grant program that should have been identified as funds for the Small Business Façade Improvement Program. This is also addressed in the revised grant agreements.

MASTER GRANT AGREEMENT - AMPLIFY ALBANY PROGRAM

THIS MASTER GRANT AGREEMENT dated as of ~~October 18, 2018~~June 22, 2023 (the “~~Grant~~ Agreement”) between **CITY OF ALBANY CAPITAL RESOURCE CORPORATION** (the “Corporation”), a not-for-profit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 21 Lodge Street, Albany, New York, and **CAPITALIZE ALBANY CORPORATION** (the “CAC”), a not-for-profit corporation organized and existing under the laws of the State of New York, having an office for the transaction of business located at 21 Lodge Street, Albany, New York;

WITNESSETH:

WHEREAS, the Corporation was created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”), and pursuant to the provisions of the Enabling Act, Revenue Ruling 57-187, Private Letter Ruling 200936012, the Common Council of the City of Albany, New York (the “City”) adopted a resolution on March 15, 2010 (the “Sponsor Resolution”) (A) authorizing the incorporation of the Corporation under the Enabling Act and (B) appointing the initial members of the board of directors of the Corporation. In April, 2010, a certificate of incorporation was filed with the New York Secretary of State’s Office (the “Certificate of Incorporation”) creating the Corporation as a public instrumentality of the City; and

WHEREAS, the Corporation is authorized and empowered by the provisions of the Enabling Act to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Corporation will be performing essential governmental functions; and

WHEREAS, to accomplish its stated purposes, the Corporation is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Corporation are principally to be conducted; and

WHEREAS, the CAC desires to implement an economic development program to be known as the Amplify Albany Program (the “Amplify Albany Program”); and

WHEREAS, the CAC is implementing the Amplify Albany Program for the purpose of spurring the revitalization of the City of Albany’s commercial districts and businesses by providing grant funding for short and long-term promotional projects, events and activities; and

WHEREAS, in order to assist the CAC in undertaking the Amplify Albany Program, the Corporation proposes to enter into this ~~Grant~~ Agreement under which the Corporation will provide moneys to the CAC which will in turn be used by the CAC as program grants under the Amplify Albany Program; and

WHEREAS, the Corporation will provide funds to the CAC ~~as a grant~~ in a ~~single disbursement~~ series of disbursements by the Corporation during the term of this Agreement; and

WHEREAS, the disbursements provided for under this ~~Grant Agreement~~, Agreement will be made as approved by resolution of the Board of Directors, and each such disbursement to be hereinafter referred to as ~~the~~ “Grant”;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Corporation and the CAC agree as follows:

1. Grant and Program. The Corporation and the CAC agree as follows:

- ~~(a)~~ ~~(a)~~ That the Corporation will make available multiple Grants to the CAC during the term of this Agreement.
- ~~(b)~~ ~~That each such Grant-in-an, and the~~ amount equal to \$25,000 of moneys funded in such Grant, will be as approved by a resolution of the Board of Directors of the Corporation.
- ~~(c)~~ ~~(b)~~ That each of the Grant Grants will be used for the express purpose of providing the moneys to fund the program grants to be made by the CAC under the Amplify Albany Program.
- ~~(d)~~ ~~(e)~~ Attached as Schedule A is the current version of the Amplify Albany Program.
- ~~(e)~~ That each subsequent resolution adopted by the Board of Directors of the Corporation for the purpose of approving a subsequent Grant to the CAC will include as a schedule a copy of the Amplify Albany Program, including the program guidelines with such changes and modifications approved by the Corporation and the CAC.
- ~~(f)~~ That upon the adoption by the Board of Directors of the Corporation of a resolution authorizing a Grant to the CAC, the CAC agrees to update the table on Schedule B to insert the date of such resolution (such date hereinafter referred to as the "Resolution Date") and the amount of such Grant.
- ~~(g)~~ That the CAC and the Corporation agree that the Resolution Date shall change each time the Corporation shall adopt a resolution authorizing a Grant to the CAC, and that for purposes of compliance with the terms and conditions— of this Agreement, the Resolution Date shall always be the date of the most recent resolution adopted by the Corporation.
- ~~(h)~~ The CAC agrees not to make any changes in such program guidelines and conditions without first obtaining the written approval of the Corporation.
- ~~(i)~~ The Term of this Agreement shall be for years and shall terminate on .

2. Disbursement. ~~The Each~~ Grant made by the Corporation shall be paid in a single disbursement by the Corporation to the CAC ~~on or about October 18, 2018., as provided in each resolution.~~

~~2.~~ The CAC shall utilize the proceeds of all Grants received by the CAC within five (5) years of the most recent Resolution Date described on Schedule B. This requirement shall apply to the proceeds of all Grants received by the CAC and committed to the Amplify Albany Program, regardless of the actual date of disbursement from the Corporation.

Should any portion of the ~~Grant Grants~~ not be utilized by the CAC within such five (5) ~~years from the date of disbursement from the Corporation year period,~~ it shall be the responsibility of the CAC to request an extension of time with which to fulfill its

obligations under this ~~Grant~~ Agreement or said unused portion of the ~~Grant~~Grants shall be returned to the Corporation.

3. **Compliance.** The CAC covenants that it shall use the moneys disbursed under this ~~Grant~~ Agreement pursuant to the terms and conditions in this ~~Grant~~ Agreement.
4. **Repayment.** Nothing herein shall be construed to require the CAC to reimburse the Corporation for any of the Grants.
5. **Information.** The CAC agrees to furnish to the Corporation, the following: (a) progress reports regarding the status of the Amplify Albany Program, including financial information, indicating how the Grant is being spent and the progress of the Amplify Albany Program; and (b) such other information as the Corporation may request.
6. **Reporting.** The CAC agrees to furnish to the Corporation ~~a final report~~written reports regarding the ~~result~~results of ~~each grant awarded under~~ the Amplify Albany Program. ~~The report~~

~~6. These reports shall include, but not be limited to the following: the amount of each individual grant awarded under the Program; employment/business opportunities that were created or retained; and the total amount of the Grant used by the CAC. The report shall be submitted to the Corporation within two years of the final disbursement of the program funds to Sub-recipients. The term of this Grant Agreement shall terminate upon the proper and complete filing of the required report with the CAC.~~

These reports shall be submitted to the Corporation annually on January 15 of each year during the term of this Agreement.
7. **Indemnification.** To the fullest extent permitted by law, the CAC shall defend, indemnify and hold harmless the Corporation and its agents and employees from and against claims, damages, losses and expenses, including, but not limited to reasonable attorneys' fees, arising out of or resulting from the granting of this ~~Grant~~ Agreement or the work to be performed pursuant hereto, except if such claims, damages, losses or expenses are caused by the Corporation's negligence or willful misconduct.
8. **Notices.** (a) All notices and other communications hereunder shall be in writing and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

- (1) To the Corporation: at the address set forth in the initial paragraph of this ~~Grant~~ Agreement, with a copy to:

City of Albany
City Hall
Albany, New York 12207
Attention: Corporation Counsel

- (2) To the CAC: at the address set forth in the initial paragraph of this ~~Grant~~ Agreement.

(b) The Corporation and the CAC may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

| IN WITNESS WHEREOF, the parties hereto have entered into this ~~Grant~~ Agreement as of the day and date first written above.

CITY OF ALBANY CAPITAL RESOURCE
CORPORATION

BY: _____
Authorized Officer

CAPITALIZE ALBANY CORPORATION

BY: _____
Authorized Officer

SCHEDULE A

AMPLIFY ALBANY PROGRAM

SCHEDULE B

GRANT TABLE¹

	<u>RESOLUTION DATE</u>	<u>GRANT AMOUNT</u>
<u>1.</u>		
<u>2.</u>		
<u>3.</u>		
<u>4.</u>		
<u>5.</u>		
<u>6.</u>		
<u>7.</u>		

¹ To be updated by the CAC for each resolution adopted by the Corporation during the term of this Agreement.