

City of Albany Industrial Development Agency

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Elizabeth Staubach, Chair
Lee Eck, Vice Chair
Darius Shahinfar, Treasurer
Anthony Gaddy, Secretary
Joseph Better Christopher Betts John Maxwell

Sarah Reginelli, Chief Executive Officer
Andy Corcione, Project Services Director
Marisa Franchini, Agency Counsel
A. Joseph Scott, Special Counsel

MINUTES OF IDA FINANCE COMMITTEE MEETING

Wednesday, August 9, 2023

Attending: Elizabeth Staubach, Anthony Gaddy, and Lee Eck

Absent: Darius Shahinfar and Christopher Betts

Also Present: Sarah Reginelli, Andy Corcione, Emma Fullem,
Mike Bohne, Renee McFarlin, Amy Horwitz, Tom Libertucci,
Marisa Franchini, and Joe Scott

Public Present: Ryan Jankow, Debra Lambek, and Brandon Stabler

Vice Chair, Lee Eck called the Finance Committee 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 July 12, 2023, Finance Committee Meeting

A roll call of the Committee members present was held. Finance Committee Vice Chair Lee Eck reported that all Committee members were present except for Darius Shahinfar and Christopher Betts. Since the minutes of the previous meeting had been distributed to the Committee in advance for review, Mr. Eck asked for a motion to dispense with their reading and approve the minutes of the Finance Committee meeting of July 12, 2023. A motion was made by Elizabeth Staubach and seconded by Anthony Gaddy 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

Staff reported that the quarterly financials prepared by BST were included in the materials, amended from the previous month's quarterly report to more accurately reflect the current financial performance of the Agency. The CEO walked the Committee through the edited document and answered Committee questions. It was noted that BST staff would attend the upcoming Board Meeting on Thursday, August 17, 2023, to answer any additional questions.

Unfinished Business

324 State Street, LLC

Staff led a discussion regarding the *324 State Street LLC* project with the committee. A representative for the Applicant was on hand to answer questions from the Committee. The project entails the redevelopment of an existing +/- 40,000 SF commercial building, currently owned by the College of St. Rose, into approximately 29 market rate apartments, two of which will be the required inclusionary housing units. The Applicant is requesting sales and use

tax exemptions, a mortgage recording tax exemption and real property tax exemptions. The Committee discussed the project generally and staff reported on a cost-benefit analysis. Staff reported that the request for assistance deviates from the prescribed assistance levels within the existing Project Evaluation and Assistance Framework and, as such, a third-party evaluation of the appropriateness of the applicant's PILOT request has been received and reviewed by staff. The executive summary of the analysis was provided as part of the Committee materials. The third party determined that the assumptions included within the application in addition to the abatements requested were necessary and within reasonable parameters.

Staff noted that the Project Applicant is considering the use of historic tax credits but based upon the fact the property is considered non-conforming, coupled with the relative small size of the project may make pursuing historic tax credits not worth the effort and investment. At this stage of the development process, the Developer is uncertain if they will indeed pursue the tax credits. The economics of the Project change if historic tax credits are secured. Therefore, both staff and the third-party consultant concluded that a bifurcated scenario with two separate real property tax abatement schedules should be established in order to allow the project flexibility as the tax credits are explored. The "Scenario A" schedule would apply if no historic tax credits are used, and the "Scenario B" scenario would apply if historic tax credits are secured.

Lee Eck made a motion for the Committee to enter Executive Session for the purposes of discussing the financial history of a particular corporation. The motion was seconded by Anthony Gaddy. A vote being taken, the motion passed with all members voting aye. Brandon Stabler left the room. The Committee entered Executive Session at 12:29 p.m.

Representatives Ryan Jankow and Debra Lambek exited executive session at 12:41 p.m.

The Committee exited Executive Session 12:49 p.m. It was reported that no action was taken by the Committee during the Executive Session.

Ryan Jankow, Debra Lambek and Brandon Stabler re-entered the room.

A motion was made by Elizabeth Staubach to positively recommend a Public Hearing Resolution to the full Board for the *324 State Street, LLC* project. The motion was seconded by Anthony Gaddy. A vote being taken, the motion passed with all members voting aye.

Ryan Jankow left the meeting at 12:51 p.m.

144 State Street, LLC (Renaissance Hotel)

Staff led a discussion regarding the *144 State Street LLC* project with the committee. Representatives for the Applicant were on hand to answer questions from the Committee. Staff provided background on the original project which was approved by the CAIDA Board in 2014 and involved the acquisition and conversion of a vacant historic building into a Renaissance Hotel by Marriott. A representative from the Project Beneficiary, was present to answer any questions. The current request at hand involves a \$3.5 M renovation of the existing hotel as part of the required ongoing maintenance/operation of the hotel per brand standards. The Applicant intends to refurbish the hotel guest rooms and common areas. The Applicant is requesting sales and use tax exemptions and an extension/modification of the existing real property tax exemptions.

The Applicant discussed the hotel's ongoing performance given the impacts of the COVID-19 pandemic and changes in market and labor conditions. The Committee discussed the project and reviewed the cost-benefit analysis. A third party-consultant was engaged to evaluate the Applicant's financial assumptions and the reasonableness of the requested assistance given the economic performance of the real estate and the investor's financial returns. An in-depth sensitivity analysis of both the project's financial performance to date and through the amended request time period was conducted. The executive summary of the analysis was provided and posted

as part of the Committee materials. Staff summarized the third-party analysis, citing that the consultant concluded that the current abatement schedule would make the hotel financial nonviable given its performance to-date and projected performance going forward. It was also reported that the consultant had concluded that the requested project assistance schedule is within reasonable parameters given projected returns.

Lee Eck made a motion for the Committee to enter Executive Session for the purposes of discussing the financial history of a particular corporation. The motion was made by Elizabeth Staubach and was seconded by Anthony Gaddy. A vote being taken, the motion passed with all members voting aye. The Committee entered Executive Session at 1:01 p.m.

Project representatives Brandon Stabler and Debra Lambek left the executive session at 1:18 p.m.

Lee Eck made a motion to exit Executive Session, which was seconded by Anthony Gaddy. The Committee exited Executive Session 1:28 p.m. It was reported that no action was taken by the Committee during the Executive Session.

Project Representatives Brandon Stabler and Debra Lambek re-entered the meeting at 1:28 p.m.

Vice Chair, Lee Eck asked for a motion to positively recommend a Public Hearing Resolution to the full Board for the *144 State Street, LLC* project. The motion was made by Anthony Gaddy and was seconded by Elizabeth Staubach. A vote being taken, the motion passed with all members voting aye.

Project Representatives Brandon Stabler and Debra Lambek exited the meeting at 1:29 p.m.

New Business

None

Other Business

Agency Update

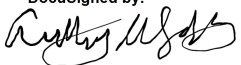
None

Compliance Update

None

There being no further business, Vice Chair Eck called for a motion to adjourn the meeting. Upon a motion made by Elizabeth Staubach and seconded by Anthony Gaddy, the meeting of the Finance Committee was adjourned at 1:30 p.m.

Respectfully submitted,

DocuSigned by:

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Anthony Gaddy, Secretary