

City of Albany Industrial Development Agency

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

Ashley Mohl, Interim Chief Executive Officer
Andrew Corcione, Chief Operating Officer
Robert Magee, Agency Counsel
Christopher Canada, Special Counsel

To: Darius Shahinfar
Lee Eck
Anthony Gaddy
Christopher Betts

Joseph Better
Elizabeth Staubach
John Maxwell

CC: Ashley Mohl
Robert Magee
Christopher Canada
Maria Lynch

Andrew Corcione
Andrew Biggane
Cassidy Roberts
Olivia Sewak

Date: January 3, 2025

IDA FINANCE COMMITTEE MEETING

PLEASE NOTE THAT A PUBLIC HEARING CONCERNING THE FOLLOWING PROJECT(S) WILL BE HELD at 12:00pm on Wednesday, January 8, 2025 at 21 Lodge St Albany NY, 12207.

563 New Scotland Ave, LLC

A meeting of the Finance Committee of the City of Albany Industrial Development Agency will be held on **Wednesday, January 8th, 2025, 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 December 11, 2024

Report of Chief Financial Officer

- A. Quarterly Financial Report

Unfinished Business

- A. 563 New Scotland Ave, LLC
 - i. Discussion & Possible Positive/Negative Recommendation for a Resolution Approving Additional Assistance

New Business

- A. Annual Investment Report
- B. Property Acquisition/Disposition Report

Other Business

- A. Agency Update
- B. Compliance Update

Adjournment

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Marisa Franchini, Agency Counsel
A. Joseph Scott, Special Counsel

MINUTES OF IDA FINANCE COMMITTEE MEETING

Wednesday, December 11, 2024

Attending: Darius Shahinfar, Lee Eck, Anthony Gaddy and Elizabeth Staubach

Absent: Chris Betts

Also Present: John Maxwell, Christopher Canada, Ashley Mohl, Maria Lynch,
Cassidy Roberts, and Mike Bohne

Public Present: Vivian Staubach, Ryan Jankow and Debra J. Lambek

Finance Committee Chair Darius Shahinfar called the Finance Committee meeting of the IDA to order at 12:17 p.m. at 21 Lodge St., Albany, NY.

Roll Call, Reading and Approval of Minutes of the November 13, 2024, Finance Committee Meeting

A roll call of the Committee members present was held. Chair Darius Shahinfar reported that all members were present except for Joe Better, and Chris Betts. 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 November 13, 2024. A motion was made by Elizabeth Staubach and seconded by Anthony Gaddy to accept the minutes as presented. The motion was passed with all present members voting aye.

Report of Chief Financial Officer

None.

Unfinished Business

563 New Scotland Ave, LLC

Staff reviewed the *563 New Scotland Ave, LLC* project with the committee. The Project involves the construction of 188 residential market rate apartment units in four (4) buildings on 3.31 acres of land totaling +/- 300,000 SF. With parking for +/- 255 cars and approx. 15,000 SF of ground floor retail/commercial space and the demolition of seven (7) existing underutilized structures. The project was approved for real property, sales, and mortgage recording tax exemptions in January of 2020 and closed with the Agency in September 2021. Phase I of the project is nearing completion, and the Company is preparing to advance to Phase II. The Company has secured a financing commitment of \$28,500,000 for Phase II ("Phase II Loan") and is now requesting an additional mortgage recording tax exemption for this phase. The original application included a mortgage recording tax exemption of \$338,130, based on total anticipated financing of \$33,813,000 for both phases. Phase I utilized \$265,090 of this exemption,

leaving a remaining balance of \$73,040 for Phase II. However, the Phase II Loan requires a mortgage recording tax exemption of \$356,250. Accordingly, the Company is requesting an additional exemption of \$283,210. Additionally, the Company is seeking an extension of the Phase II project completion date from July 31, 2025, to August 31, 2026. Staff noted that because the request for additional Agency assistance exceeds \$100,000 a public hearing would be required.

Representatives for the Applicant Ryan Jankow and Debra J. Lambek were on hand to discuss the project and answer questions from the Committee.

Elizabeth Staubach made a motion to positively recommend a Public Hearing Resolution for the *563 New Scotland Ave, LLC* project to the full board, which was seconded by Anthony Gaddy. A vote being taken, the motion passed with all other members present voting aye.

Project representative Ryan Jankow and Debra J. Lambek exited the meeting at 12:22 p.m.

New Business

Annual Review of Agency Policies

Chair Shahinfar noted that materials regarding the Procurement Policy, Investment Policy, and Financing Guidelines Review had been previously provided to all Committee members for review. Staff explained that it is best practice that the Committee performs this review annually. There were no recommended changes, and no formal action was taken.

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 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 and no formal action taken.

Professional Services Agreements 2025

Legal Services – General Counsel

The Committee reviewed the 2025 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 Legal Services – General Counsel Agreement 2025 to the full Board with a positive recommendation was made by Anthony Gaddy and seconded by Elizabeth Staubach. A vote being taken, the motion passed with all members voting aye.

Legal Services – Bond/Special Counsel

The Committee reviewed the 2025 Professional Services Agreement for Bond/Special Counsel services for the Agency. Staff noted that the 2025 fee structure for Hodgson Russ has remained substantially unchanged from the previous year. The Committee discussed Counsel's previous excellent service, and the benefits of continuing longstanding relationships with professional service providers.

A motion to advance the Legal Services – Bond/Special Counsel Agreement 2025 to the full Board with a positive recommendation was made by Elizabeth Staubach and seconded by Anthony Gaddy. A vote being taken, the motion passed with all members voting aye.

Professional Services

The Committee reviewed the Professional Services Agreement between Capitalize Albany Corporation, the City of Albany Industrial Development Agency, and the Capital Resource Corporation, in which Capitalize Albany Corporation provides professional economic development management and administrative support services to the

City of Albany IDA and CRC. Staff noted that the agreement remained the same as the prior year and it is best practice to review it each year to ensure the amount aligns with the services provided. Based on budgetary projections for 2025, the amount of the agreement has remained the same.

A motion to advance the Professional Services Agreement 2025 to the full Board with a positive recommendation was made by Elizabeth Staubach and seconded by Lee Eck. Anthony Gaddy abstained himself from the discussion of because he serves on the Capitalize Albany Board. A vote being taken, the motion passed with all members voting aye.

Contract for Services – Economic Development

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 for Services – Economic Development 2025 to the full Board with a positive recommendation was made by Elizabeth Staubach and seconded by Lee Eck. Anthony Gaddy abstained himself from the discussion of because he serves on the Capitalize Albany Board. A vote being taken, the motion passed with all members voting aye.

Contract for Services – CRC

The Committee reviewed the Contract for Services between the City of Albany IDA and the Capital Resource Corporation which provides for the CRC to reimburse the IDA for a portion of the expenses under the Professional Services agreement.

A motion to advance the Contract for Services - CRC Agreement 2025 to the full Board with a positive recommendation was made by Lee Eck and seconded by Elizabeth Staubach. A vote being taken, the motion passed with all members voting aye.

Other Business

Agency Update

Staff informed the Committee that while specific details are currently limited, they have been notified that the Saint Rose properties will be a future topic for discussion at an upcoming Committee meeting.

Compliance Update

Staff noted that they have received an inquiry for the NY State Comptroller's office regarding its 2023 Annual Report and are working with BST to respond to the inquiry.

There being no further business, Chair Shahinfar called for a motion to adjourn the meeting. A motion was made by Anthony Gaddy and seconded by Lee Eck . A vote being taken, the motion passed unanimously, and the meeting was adjourned at 12:32 p.m.

Respectfully submitted,

Anthony Gaddy, Secretary

**City of Albany Industrial Development Agency
Statement of Revenue and Expenses to Budget
For the Quarter Ended December 31, 2024**

	4th Qtr Actual	4th Qtr Budget	Variance	2024 YTD Actual	2024 YTD Budget	Variance	Annual Budget
Revenues:							
Agency Fees	\$ 537,842	\$ 202,750	\$ 335,092	\$ 1,136,548	\$ 811,000	\$ 325,548	\$ 811,000
Liberty Square Agreement	\$ 132,725	\$ -	\$ 132,725	\$ 200,389	\$ -	\$ 200,389	\$ -
Interest	4,985	\$ 6,249	(1,264)	\$ 21,760	\$ 25,000	(3,240)	25,000
Total Revenues	<u>\$ 675,552</u>	<u>\$ 208,999</u>	<u>466,553</u>	<u>1,358,697</u>	<u>836,000</u>	<u>522,697</u>	<u>836,000</u>
Expenses:							
Professional Service Contracts	184,058	\$ 244,058	(60,000)	\$ 697,396	\$ 727,228	(29,832)	727,228
Liberty Square expenses	132,725	\$ -	132,725	\$ 200,389	\$ -	200,389	-
Sub-lease AHCC	18,400	\$ 10,003	8,397	\$ 73,386	\$ 40,000	33,386	40,000
Economic Development Support	62,500	\$ 62,500	-	\$ 250,000	\$ 250,000	-	250,000
Other Miscellaneous	1,370	\$ 3,750	(2,380)	\$ 6,620	\$ 15,000	(8,380)	15,000
Bad debt	-	\$ -	-	\$ 1,000	\$ -	1,000	-
Depreciation Expense	505	\$ 442	63	\$ 2,020	\$ 1,771	249	1,771
Strategic Initiatives	-	\$ 18,940	(18,940)	\$ -	\$ 75,760	(75,760)	75,760
Insurance	-	\$ -	-	\$ 1,557	\$ 5,000	(3,443)	5,000
Total Expenses	<u>399,558</u>	<u>\$ 339,693</u>	<u>59,865</u>	<u>1,232,368</u>	<u>1,114,759</u>	<u>117,609</u>	<u>1,114,759</u>
Excess of Revenues over expenses	<u><u>\$ 275,994</u></u>	<u><u>\$ (130,694)</u></u>	<u><u>\$ 406,688</u></u>	<u><u>\$ 126,329</u></u>	<u><u>\$ (278,759)</u></u>	<u><u>\$ 405,088</u></u>	<u><u>\$ (278,759)</u></u>

Law Office of Debra J. Lambek PLLC

302 Washington Avenue Extension
Albany, New York 12203

Debra J. Lambek
Counsel
(518) 862-9133 Ext. 4225
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December 3, 2024

City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207

Attention: Elizabeth Staubach

Re: 563 New Scotland Ave LLC (“Company”)
with City of Albany Industrial Development Agency (“Agency”)
563 New Scotland Avenue Project (“Project”)

Dear Ms. Staubach:

The above project closed with the Agency as of September 1, 2021. Phase I of the Project is nearly completed and the Company is moving forward with Phase II. In connection therewith the Company obtained a financing commitment for \$28,500,000 (“Phase II Loan”). The Company is requesting an additional mortgage recording tax exemption with respect to the Phase II Loan.

In the original application the Company requested a mortgage recording tax exemption of \$338,130 based on anticipated financing for Phase I and Phase II of the Project in the amount of \$33,813,000.00. The Phase I Loan utilized \$265,090.00 of the mortgage recording tax exemption leaving a remaining exemption of \$73,040.00 for Phase II. However, the Phase II Loan will require a mortgage tax exemption equal to \$356,250.00. Therefore, the Company is requesting the Agency approve an additional mortgage recording tax exemption in the amount of \$283,210.00.

In addition, the original anticipated completion date of Phase II was July 31, 2025. The Company anticipates completion of Phase II to be on or about August 31, 2026.. Therefore the Company is also requesting an extension of the Phase II completion date to August 31, 2026.

Law Office of Debra J. Lambek PLLC

As you can see from this request the original financing projections need to be modified. As a result of the COVID 19 pandemic costs for materials and labor have skyrocketed and there have been many unanticipated delays. Financing projects has also become more challenging. My client was very fortunate that he was able to continue to move forward and complete this Project even with the delays and cost increases.

We appreciate the Agency continuing to work with us with respect to this Project. Please let me know if you require any further or additional information. Thank you.

Very truly yours,

Debra J Lambek

Debra J. Lambek
Counsel

cc: Ryan Jankow (Via Email to rjankow@jankowcompanies.com)
Michael Hipp (Via Email to mhipp@jankowcompanies.com)
Andrew Corcione, Capital Albany Corporation
(Via email to acorcione@capitalizealbany.com)
Nadene Zeigler, Esq. (Via Email to nzeigler@hodgsonruss.com)

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**City of Albany Industrial Development Agency
Annual Investment Report
For the Year-Ending 12/31/24**

As required by the City of Albany IDA’s (the Agency) investment policy, the annual investment report is hereby submitted for your review. The following chart identifies the depositories of Agency funds as well as balances invested at year-end.

Community Bank, N.A. One Tallman Road Canton, NY 13617	\$3,805,075
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All Agency funds are held in either a money market or checking account at each of the financial institutions listed above and are either covered by FDIC insurance or collateralized. While not included in the New York State Authorities Budget Office definition of “investments,” these holdings are considered “investments” by the Agency’s policy manual. A summary of the activity in the Agency’s checking and money market accounts for the year-ending December 31, 2024 is as follows:

Checking Accounts

	<u>Community Bank N.A.</u>
Beginning Balance 1/1/24	\$ 14,030
Additions during year	1,737,638
Withdrawals during year	1,010,120
Interest Earned	<u>0</u>
Ending Balance 12/31/24	<u>\$ 741,548</u>

Money Market Accounts

	<u>Community Bank N.A.</u>
Beginning Balance 1/1/24	\$3,596,406
Additions during year	0
Withdrawals during year	563,928
Interest Earned	<u>21,149</u>
Ending Balance 12/31/24	<u>\$3,053,627</u>

Escrow Account (Restricted Cash)

	<u>Community Bank N.A.</u>
Beginning Balance 1/1/24	\$ 9,925
Additions during year	200,389
Withdrawals during year	200,414
Interest Earned	<u>0</u>
Ending Balance 12/31/24	<u>\$ 9,900</u>

Please note that a detailed summary of the cash activity of the Agency is provided at each Board meeting.

Interest Income:

Interest income for 2024 was equal to \$21,149 which is \$3,481 less than 2023 interest income of \$24,630. This decrease in interest income was a result of a lower balance earning interest in 2024.

Annual Audit:

The Bonadio Group has been engaged to perform an audit of the 2024 financial activity of the Agency. As part of this engagement, The Bonadio Group will audit the balances of the Agency's depository accounts. This audit is expected to be completed in March 2025.

City of Albany
Industrial Development Agency

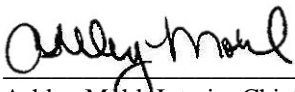
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In accordance with Section 2896(3) of PAL, the Agency is required to prepare a report at least annually of all real property of the Agency.

Real Property owned as of December 31, 2024: NONE



Ashley Mohl, Interim Chief Executive Officer
City of Albany Industrial Development Agency