

Albany County Business Development Corporation

Board of Directors Meeting

111 Washington Ave, Albany NY

April 20, 2023

8:30 AM – 10:00 AM

AGENDA

Welcome

1. Review of March 16, 2023, meeting minutes, Allen Maikels and ratification of votes
Pg 1-2

2. Review of March 2023 Financials Allen Maikels,

Amy Thompson
Pg 3-6

3. Alliance Agency Voucher

Amy Thompson
Pg 7 -8

4. Loan Proposal Update
Catalano
a. Faith Creative Names

Kevin
Pg 9-12

5. Alliance CEO Report Kevin O'Connor

6. Other Business
O'Connor

Kevin

a. Al Tech Specialty Steel Site Feasibility Study

7. Adjournment Allen Maikels

DIRECTORS PRESENT Marcus Pryor, Diana Ostroff, Sean Ward, Alan Alexander, George Penn, and Caitlin O'Brien

DIRECTORS ABSENT Allen Maikels, Pamela Lansing, Jeffrey Stone

COUNSEL PRESENT Madeline Kauffman

AACA STAFF PRESENT Kevin Catalano, Amy Thompson, Antionette Hedge and Lucas Rogers

GUEST PRESENT Kevin Testo, Bonadio Group

Mr. Catalano, designated due to Mr. Maikels' unexpected inability to attend in person, called the meeting to order at 8:30 a.m.

Mr. Catalano presented the Minutes from the February 16, 2023, meeting. Mr. Ward made a motion to approve the February 16, 2023, Minutes, Mr. Pryor seconded; all were in favor.

Ms. Thompson presented the February 2023 Financial Statements. Mr. Ward made a motion to approve the Financial Statements, Ms. Ostroff seconded; all were in favor.

Mr. Testo reviewed the annual audit report. Mr. Pryor made a motion to approve the annual audit report. Mr. Alexander seconded; all were in favor.

Mr. Catalano reviewed the summary of the annual Board of Directors Evaluation.

The loan application for Faith Creative Names was presented by Mr. Catalano to the Board.

Upon due consideration of the following proposed loan terms, the Board requested that Mr. Catalano seek certain additional information before presenting the loan application for further consideration and vote by the Board:

Borrower:	Faith Creative Names
Principal Amount:	\$135,000.00
Interest Rate:	4%
Term:	5-year term, 20-year amortization
Collateral:	First mortgage on commercial real estate located at 257 Central Ave, Albany

It is anticipated that the loan application will be presented to the Board at a subsequent meeting.

The loan application of James and Shannon Cornwall and Hair We R' was presented by Mr. Catalano to the Board.

Upon due consideration of the following proposed loan terms, a motion to approve the loan application was made by Mr. Pryor and seconded by Mr. Ward, and all of those in attendance and voting on such motion were in favor:



Borrower: James and Shannon Cornwall
Principal Amount: \$89,000.00
Interest Rate: 4%
Term: 5-year term, 20-year amortization
Collateral: First mortgage on commercial real estate located at 121 S. Pearl St, Albany
Additional Requirement: Lease with Boost Mobile for a term of at least one-year

Once all conditions precedent to closing have been satisfied, the ACBDC is authorized to fund and close the loan transaction, including the execution by the Advance Albany County Alliance, as agent of ACBDC, of all documents required to be executed in connection therewith.

The loan modification request of 2191, LLC – Tech East Construction, Tech East Fire and Water Restoration was presented by Mr. Catalano to the Board.

Mr. Catalano explained that the proposed transaction would provide, among other things, for the shift in debt from the Real Estate to the Operating Company to pay down corporate debt and improve the balance sheet & debt service and the ability to improve debt service obligations. The aggregate loan balance will not exceed 90% of the value. Counsel to the AI Tech Loan Fund is to review any proposed updated subordination agreement Pryor to signing.

Ms. Ostroff made a motion to approve the proposed transaction. Mr. Alexander seconded; and all of those in attendance and voting on such motion were in favor.

Mr. Rogers provided an update on development opportunities in the County, commercial real estate projects, shovel ready sites, clean energy, and offshore wind activity.

Mr. Pryor made a motion to move to adjourn the meeting at 9:35 a.m., Mr. Ward seconded; all were in favor.

Respectfully submitted,

Allen Maikels, Secretary/Treasurer

Date

Albany County Business Development Corporation
Statement of Net Position
As of March 31, 2023

		Total
ASSETS		
Current Assets		
Bank Accounts		
Restricted Cash		
10220 - M&T MM 3324 ALTECH ACBDC		7,405,549.55
10250 - M&T 4113 AI Tech Operating		845,274.95
Total Restricted Cash	\$	8,250,824.50
Unrestricted Cash		
10210 - M&T ACBDC Corp Checking 4105		22,911.54
10255 - M&T 3994 CRAF Operating		3.00
Total Unrestricted Cash	\$	22,914.54
Total Bank Accounts		8,273,739.04
Accounts Receivable		
14615 - Loans Receivable-AI Tech LT		11,468,388.34
14620 - Bad Debt Allowance		-84,193.00
15150 - Accrued Loan Interest		32,262.00
Total Accounts Receivable	\$	11,416,457.34
Total Current Assets	\$	19,690,196.38
Fixed Assets		
16000 - Furniture & Fixtures		6,588.00
16999 - Accumulated Depreciation		-6,588.00
Total Fixed Assets	\$	0.00
TOTAL ASSETS	\$	19,690,196.38
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20051 - Due to Advance Albany Co Alliance		84,063.50
Total Accounts Payable \$		84,063.50
Total Liabilities		84,063.50
Net Position		
28615 - Trust Assets		15,650,961.00
30000 - Net Assets		6,176,905.00
Retained Earnings		-2,254,907.40
Net Operating Revenues		33,174.28
Total Net Position	\$	19,606,132.88
TOTAL LIABILITIES & NET POSITION	\$	19,690,196.38

Albany County Business Development Corporation
Statement of Revenue, Expenses and Changes in Net Position
YTD March 2023

Total

Operating Revenues	
41000 - Application Fees	0.00
44000 - Bank Interest	32,613.79
44050 - Loan Interest Earned	<u>84,623.99</u>
Total Operating Revenues	\$ 117,237.78
Operating Expenses	
50035 - Agency Fee \$	<u>84,063.50</u>
33,174.28	<u>Total Operating Expenses \$</u>
Change in Net Position	\$ 33,174.28
Net Position (Beginning of Period)	<u>19,604,748</u>
Net Position (End of Period)	<u><u>19,637,922</u></u>

***These financial statements omit the statement of cash flow and substantially all disclosures required by US GAAP.

They have not been subjected to an audit, review or compilation agreement, and therefore no assurance is provided on them.***

Albany County Business Development Corporation
Budget vs. Actuals: 2022 Budget - FY22 P&L
YTD March 2023

	Actual	Budget	Budget Variance	% of Budget	
Operating Revenues					
41000 - Application Fees					
44000 - Bank Interest	0.00	1,250.00	-1,250.00	0.00%	
44050 - Loan Interest Earned	32,613.79	319.97	32,293.82	10192.76%	
Total Operating Revenues	84,623.99	98,115.47	-13,491.48	86.25%	
Operating Expenses					
50015 - Bank Fees	\$ 117,237.78	\$ 99,685.44	\$ 17,552.34	117.61%	
50035 - Agency Fee					
Bad Debt Writeoff		125.00	-125.00	0.00%	
Total Operating Expenses					
Change in Net Position	\$ 84,063.50	57,750.00	26,313.50	145.56%	33,174.28 \$
11,810.44 \$		30,000.00	-30,000.00	0.00%	21,363.84 280.89%
	\$ 84,063.50	\$ 87,875.00	-\$ 3,811.50	95.66%	

Advance Albany County Alliance LDC
as agent for
Albany County Business Development Corporation
Q1 2023

Voucher \$87,026.42

2023 Agency Budget \$ 231,000.00

Q1 2023 Salaries and Fringe Benefits \$ 49,883.76

Q1 2023 Professional Fees \$ 21,816.25

Q1 2023 Other Business Expenses \$ 15,326.41

Q1 2023 Rental Income

Total Q1 2023 Voucher \$ **87,026.42**

Total Remaining \$ 143,973.58

**Advance Albany County Alliance
Profit and Loss by Class
January - March, 2023**

	ACBDC	CRC	General	Not Specified	TOTAL
Income					
ACBDC Reimbursement	84,083.50				84,083.50
CRC Fee Income		1,953.64			1,953.64
Received From Albany County					
Rental Income			500,000.00		500,000.00
Total Income	2,982.82		8,888.76		11,851.68
	\$ 87,026.42	\$ 1,953.64	\$ 508,888.76	\$ 0.00	\$ 597,868.82
Gross Profit	\$ 87,026.42	\$ 1,953.64	\$ 508,888.76	\$ 0.00	\$ 597,868.82
Expenses					
Legal & Professional Services					0.00
Legal Fees	2,986.25		11,020.00		13,986.25
Professional Fees	18,850.00		19,196.50		38,046.50
Total Legal & Professional Services	\$ 21,816.25	\$ 0.00	\$ 30,216.50	\$ 0.00	\$ 52,032.75
Office Supplies			2,029.53		2,029.53
Other Business Expenses					0.00
Bank Charges & Fees			21.00		21.00
Computer Software	2,639.40		458.80		3,098.20
Computer/Internet	1,721.82		5,222.97		6,944.79
Dues & Subscriptions	1,250.00		2,257.56		3,507.56
Insurance	1,172.42		1,072.06		2,244.48
Marketing			7,250.00		7,250.00
Meeting Expense			767.75		767.75
Parking	1,448.50		703.50		2,152.00
Payroll Fee	1,205.20		1,093.32		2,298.52
Postage			30.00		30.00
Rent	5,925.84		17,777.55		23,703.39
Sponsorship			5,000.00		5,000.00
Telephone			42.24		42.24
Travel Expenses			681.82		681.82
Utilities	386.25		512.75	0.00	879.00
Total Other Business Expenses	\$ 15,729.43	\$ 0.00	\$ 42,891.32	\$ 0.00	\$ 58,620.75
Payroll Expenses					0.00
Employee Benefits					0.00
401k ER Match	1,198.25		249.80		1,448.05
Health Insurance	5,239.14		3,761.19		9,000.33
Payroll Tax - FICA	2,931.86		3,537.69		6,469.55
Payroll Tax - FUTA	98.58		171.59		270.17
Payroll Tax - SUTA	464.75		836.72		1,301.47
Workers Comp	90.85		90.86		181.71
Total Employee Benefits	\$ 10,023.23	\$ 0.00	\$ 8,647.85	\$ 0.00	\$ 18,671.08
Salaries	39,457.51		42,134.31		81,591.82
Total Payroll Expenses	\$ 49,480.74	\$ 0.00	\$ 50,782.16	\$ 0.00	\$ 100,262.90
Total Expenses	\$ 87,026.42	\$ 0.00	\$ 125,919.51	\$ 0.00	\$ 212,945.93
Net Operating Income	\$ 0.00	\$ 1,953.64	\$ 382,969.25	\$ 0.00	\$ 384,922.89
Other Expenses					
Depreciation Expense			4,395.30		4,395.30
Total Other Expenses \$ 0.00 \$	0.00	\$ 4,395.30	\$ 0.00	\$ 4,395.30	Net Other Income \$ 0.00
\$ 0.00 \$ 4,395.30 \$	0.00	\$ 4,395.30	Net Income \$ 0.00	\$ 1,953.64	\$ 378,573.95
0.00 \$ 380,527.59					

Row Labels	Sum of Amount
ABM Parking Services	\$ 1,500.00
Adobe	\$ 621.82
ADP	\$ 802.18
Bonadio & Co, LLP	\$ 18,500.00
BST & Co CPAs LLC	\$ 350.00
CDPHP	\$ 6,275.74
CEG Dues	\$ 1,250.00
Downhome Solutions	\$ 378.00
Dropbox	\$ 90.00
Hubspot Software	\$ 1,927.80
Insurance	\$ 771.41
Intuit	\$ 243.60
Naomi Lynch	\$ 98.50
Nolan Heller Kauffman LLP	\$ 2,966.25
Parking	\$ (223.25)
Payroll	\$ 43,608.02
Spectrum	\$ 1,100.00
Utilities	\$ 439.50
Rent	\$ 5,925.84
Philadelphia Ins D&O	\$ 401.01
Grand Total	\$ 87,026.42



257 Central Ave Albany NY 12206

Deanalee and John Campbell

Strategy to Increase Sales and Customer Base

April 20, 2023

Current List of Clients

Client	Products Provided	2022 Revenue	Potential Revenue
Albany Community Charter School	School Uniforms and Promotional Items	████████	████████
Green Tech HS	School Uniforms	████████	████████
Puerto Rican and Hispanic Youth Leadership Institute	Promotional Products	████████	████████
College of Saint Rose	Graduation Sash / Stole and T-Shirts	████████	\$████████
Destine Prep School	School Uniforms	████████	████████
Albany Leadership for Girls	Cap and Gown	████████	████████
Brighter Choice	School Uniforms	██████0	████████
Port Albany	Polo, Vest and T-Shirts, Hooded Sweatshirts	████████	████████
Fulton Montgomery College	Dress Shirts and Hooded Sweatshirts	████████	████████
Albany High	T- Shirts, Hooded Sweatshirts, etc.	████████	████████

Other Accounts	Polo Shirts, Hats Promotional Items	[REDACTED]	[REDACTED]

Faith Creative Names (FCN) currently supplies 7 charter schools with school uniforms and caps and gowns for graduation. FCN also supplies other non-profit organizations and businesses with apparel and promotional products, including branded hats, polo shirts and t-shirts. FCN are currently in conversations with Albany Leadership Charter (ALC) Middle and High School for Girls as they are looking to supply ALC with school uniforms as they are currently only supplying their caps and gowns. Providing uniforms could lead to an [REDACTED] client.

Main clients include Albany Community Charter School, Green Tech, and the Puerto Rican and Hispanic Youth Leadership Institute. FCN understands the importance of maintaining and expanding relationships as this is crucial to future sustainability. The three organizations are responsible for a large percentage of [REDACTED] e. They are currently working with them on an order for 600+/- summer T-shirts for the students.

Newer clients include the Science and Technology Team at Fulton Montgomery Community College (FMCC). FCN looks forward to supplying the team with more items as they grow, and continuing the relationship with FMCC as they add more teams.

The College of St. Rose utilizes FCN for t-shirts and other graduation-focused items. FCN is working with St. Rose to provide more items beyond the school year beyond the two annual graduations.

Albany High School has started utilizing FCN for branded apparel for the students. FCN feels this account has the potential over the next two years to be [REDACTED] client if not more. FCN holds regular meetings with the Athletic Director and Albany High Staff to foster a closer relationship to supply the Athletic Team and other clubs with apparel and branded promotional products.

Albany High School has started utilizing FCN for branded apparel for the students. This account has the potential to become [REDACTED] the next 2 years, if not more. FCN holds regular meetings with the Athletic Director and Albany High Staff to foster a closer relationship to supply the athletic team and other clubs with apparel and promotional products.

Last year, FCN began a partnership with Albany Leadership for Girls (ALG), selling them caps and gowns for their graduation ceremonies. FCN hopes to expand offerings for ALG until they are selling a minimum [REDACTED]. (Deanalee shared some communications with Mr. Catalano)

FCN has also started a business relationship with Destine Preparatory Charter School in Schenectady. The school will be adding another grade of about 100 students each school year. The plan is to continue discussions to offer more apparel and promotional products they may want to purchase.

Based on this request by the ACBDC Board, FCN is going to spend the time preparing a more robust plan to connect with additional schools in the area and region where the company feels they can offer value. Deanalee and John have a son that recently graduated from college with a degree in business and their daughter Johanna is currently working on her MBA at the College of Saint Rose. With the help of two of their older children, the Campbells hope to bring on additional clients and more importantly expand their current relationships. Examples of former clients that have not ordered products in 2022 would be, but not limited, to Pine Hills Elementary, Thomas O'Brien and Harbor Hill Elementary Schools as FCN have increased their product offerings and there may be opportunities to re-establish a relationship.

FCN is a certified MWBE and have been providing bid contracts, they plan to connect with more governmental agencies to let them know about their suite of embroidered products and promotional product offerings. Their goal is to grow this segment to [REDACTED] the next 2 to 3 years.

Working together, Deanalee and Johanna prepared a SWOT analysis of FCN, they determined:

Strengths:

- Excellent customer service
- Strong relationship with suppliers
- Parity on quality of clothing offered compared to the competition (Smiths and Lodges)
- Certified Black and Women Owned-Business
- We are the only company that offer Caps and Gown in the area.

Weaknesses:

- Wait times can be too long and need to addressed and shortened where possible - Product offering selection is smaller than competitors. - Brand awareness is low compared to Lodges.

Opportunities:

- New charter schools are opening and existing charter schools are expanding in the region.
 - Graduation supplies, cap and gowns, class t-shirts and sweatshirts - T-Shirts to public school teams and clubs.
- MWBE certification and selling to state agencies. (plan to work with Upstate NY Black Chamber to narrow NACIS codes to better describe their offerings)
- Join the Upstate NY Black Chamber and the Albany Black Chamber for networking and relationship building, with the hope of leading to sales.

Threats:

- Competitors are well established, Lodges has been operating for over 120 years
- Small printing and embroidery shops are opening in the region as barriers to entry can be low.

By completing a SWOT analysis, they have determined that:

- FCN can leverage existing relationships and strong customer service to meet with prospective schools and state agencies.
- They feel their clothing selection will increase as revenues increase.
- Wait times need to decrease, as it adversely affects overall customer satisfaction.
- They should leverage the MWBE status.
- The market is increasing with the addition of new Charter Schools opening and existing Charter Schools adding additional class rooms and grades.
- FNC Competitive position is weak compared to Lodges and Smiths, this should be a focus to increase name and brand awareness of FCN.

Goals:

- Increase revenue by increasing market share.
- Develop prospect list and assign sales to one individual.
- Reduce wait times and build out an inventory system.
- Apply for a [REDACTED] 2 new embroidery machines.
- Continue to work with Central Bid for a [REDACTED] for property and façade improvements.
- Increase brand awareness for FCN.
- Increase revenues annually, by adding new clients and increase product offerings to current clients.

Revenue projections:

	2023	2024	2025
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]