



Albany County Business Development Corporation

Board of Directors Meeting

111 Washington Ave, Albany NY

March 16, 2023

8:30 AM – 10:00 AM

AGENDA

Welcome

- | | |
|---|--------------------------------|
| 1. Review of February 16, 2023, Meeting Minutes | Allen Maikels |
| 2. Review of February 2023 Financials | Allen Maikels,
Amy Thompson |
| 3. Review of Annual Audit | Kevin Testo |
| 4. Board Evaluation Summary | Allen Maikels |
| 5. New Request | Kevin Catalano |
| a. Faith Creative | |
| b. Hair We R | |
| 6. Modification | Kevin Catalano |
| a. 2191, LLC | |
| 7. Alliance CEO Report | Kevin O'Connor |
| 8. Other Business | |
| 9. Adjournment | Allen Maikels |



**Board of Directors Meeting Minutes
February 16, 2023**

DIRECTORS PRESENT	Allen Maikels, Pamela Lansing, Jeffrey Stone, Sean Ward, George Penn, and Caitlin O'Brien
DIRECTORS ABSENT	Marcus Pryor
COUNSEL PRESENT	Madeline Kauffman
AACA STAFF PRESENT	Kevin O'Connor, Antionette Dukes-Hedge, Kevin Catalano, Amy Thompson
GUEST PRESENT	

Mr. Maikels called the meeting to order at 8:33 a.m.

Mr. Maikels presented the Minutes from the December 15, 2022, meeting. Mr. Stone made a motion to approve the December 15, 2022, Minutes, Mr. Ward seconded, all were in favor.

Ms. Thompson presented December 2022 and January 2023 Financial Statements. Ms. Lansing made a motion to approve the Financial Statements, Mr. Ward seconded, all were in favor.

Ms. Thomason presented the Advance Albany County Alliance (the "Alliance") Agency Voucher. Ms. Lansing made a motion to approve the Alliance Voucher, Mr. Ward seconded, all were in favor.

Mr. Stone reviewed the Audit Engagement Letter.

Ms. Kauffman presented proposed Resolutions to amend the By-Laws of the Corporation to (i) to reflect the change in the power of appointment from the Albany – Colonie Regional Chamber of Commerce to the Alliance consistent with the amendment to the Certificate of Incorporation of the Corporation approved by the Board on October 27, 2022, and (ii) to restate the number of directors required to be present to constitute a quorum. Mr. Stone made a motion to approve the proposed amendments to the By-Laws, Mr. Ward seconded, all were in favor.

Mr. O'Connor introduced two new Board appointees: Alan Alexander who was appointed by the Alliance Board, and Diana Ostroff who was appointed by County Executive Dan McCoy. Mr. O'Connor provided a brief overview of their respective backgrounds.

Mr. Catalano reviewed the public documents required for submission to the Authorities Budget Office. The following documents were provided to the Directors to complete, acknowledge, and return: Conflict of Interest, Evaluation of Board Performance & Acknowledgement of Fiduciary Duty. Mr. Ward made a motion to approve, Ms. Lansing seconded, all were in favor.

Mr. Catalano recommended to the Board that with interest rates increasing, it may be an appropriate to invite KeyBank and other banks to a future meeting to discuss the possibility of earning higher interest on ACBDC deposits.

Mr. Catalano discussed Al Tech performance. There is currently one (1) loan in default owing by Jeff Ryan Integrative Medicine. Mr. Catalano stated that he has been informed that the Guarantor has fallen ill and is unable to operate the practice. He further reported that the Board accepted a \$5,000 payment in May of 2021 to release the mortgage, leaving



a current balance is \$25,979.32. Mr. Catalano advised that no Board action was requested at this time and he would provide a recommended course of action at a future Board meeting.

Mr. O'Connor gave the Alliance CEO Report, including updates on development opportunities in the County, commercial real estate projects and offshore wind activity.

Mr. Maikels made a motion to move to adjourn the meeting at 9:18 a.m., the motion was seconded Mr. Stone. All were in favor.

Respectfully submitted,

Allen-Maikels, Secretary/Treasurer
Date

Albany County Business Development Corporation
Statement of Net Position
As of February 28, 2023

	Total
ASSETS	
Current Assets	
Bank Accounts	
Restricted Cash	
10220 - M&T MM 3324 ALTECH ACBDC	7,394,996.80
10250 - M&T 4113 AI Tech Operating	914,467.05
Total Restricted Cash	\$ 8,309,463.85
Unrestricted Cash	
10210 - M&T ACBDC Corp Checking 4105	22,890.68
10255 - M&T 3994 CRAF Operating	3.00
Total Unrestricted Cash	\$ 22,893.68
Total Bank Accounts	\$ 8,332,357.53
Accounts Receivable	
14615 - Loans Receivable-AI Tech LT	11,420,851.07
14620 - Bad Debt Allowance	-84,193.00
15150 - Accrued Loan Interest	32,262.00
Total Accounts Receivable	\$ 11,368,920.07
Total Current Assets	\$ 19,701,277.60
Fixed Assets	
16000 - Furniture & Fixtures	6,588.00
16999 - Accumulated Depreciation	-6,588.00
Total Fixed Assets	\$ 0.00
TOTAL ASSETS	\$ 19,701,277.60
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20051 - Due to Advance Albany Co Alliance	96,529.44
Total Accounts Payable	\$ 96,529.44
Total Current Liabilities	\$ 96,529.44
Total Liabilities	\$ 96,529.44
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	31,789.56
Total Net Position	\$ 19,604,748.16
TOTAL LIABILITIES & NET POSITION	\$ 19,701,277.60

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

	<u>Total</u>
Operating Revenues	
41000 - Application Fees	0.00
44000 - Bank Interest	21,143.99
44050 - Loan Interest Earned	57,770.91
Total Operating Revenues	<u>\$ 78,914.90</u>
Gross Profit	<u>\$ 78,914.90</u>
Operating Expenses	
50035 - Agency Fee	<u>\$ 47,125.34</u>
Total Operating Expenses	<u>\$ 47,125.34</u>
Change in Net Position	<u>\$ 31,789.56</u>
Net Position (Beginning of Period)	<u>19,590,344</u>
Net Position (End of Period)	<u><u>19,622,133</u></u>

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

	Actual	Budget	Budget Variance	% of Budget
Operating Revenues				
41000 - Application Fees	0.00	0.00	0.00	
44000 - Bank Interest	21,143.99	213.30	20,930.69	9912.79%
44050 - Loan Interest Earned	57,770.91	65,410.30	-7,639.39	88.32%
Total Operating Revenues	\$ 78,914.90	\$ 65,623.60	\$ 13,291.30	120.25%
Operating Expenses				
50015 - Bank Fees	0.00	0.00	0.00	
50035 - Agency Fee	47,125.34	38,500.00	8,625.34	122.40%
Bad Debt Writeoff	0.00	0.00	0.00	
Total Operating Expenses	\$ 47,125.34	\$ 38,500.00	\$ 8,625.34	122.40%
Change in Net Position	\$ 31,789.56	\$ 27,123.60	\$ 4,665.96	117.20%

Summary Results of Confidential Evaluation of Board Performance

Criteria	Agree #	Somewhat Agree #	Somewhat Disagree #	Disagree #
Board members have a shared understanding of the mission and purpose of the Authority.	X			
The policies, practices and decisions of the Board are always consistent with this mission.	X			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	X			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	X			
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	X			
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.	X			
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	X			
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	X			
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	X	X		
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	X			
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	X			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	X			
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	X	X		
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	X			
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	X			
Board members demonstrate leadership and vision and work respectfully with each other.	X			

Name of Authority: _____

Date Completed: _____

**Albany County Business Development Corp.
Al Tech Loan Fund
Loan Proposal
March 16, 2023**

BORROWER: Deanalee and John Campbell or LLC to be formed

REQUEST: \$135,000 (One-Hundred and Thirty-Five Thousand Dollars)

TERM: 5-year term – 20-year amortization

RATE: Lessor or 75% of the Prime Rate or 4.00%

PROJECT: Deanalee and John Campbell are purchasing the building that their business Faith Creative Names Inc. (FCN) has resided in since 2008. The purchase price is \$150,000.

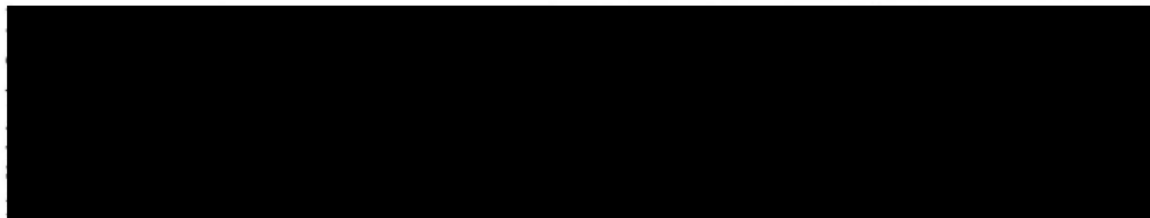
The sources and uses of the proposed project financing are follows:

SOURCES		USES	
Al Tech Funds	\$135,000	Purchase	\$150,000
Owners Equity	30,000	Soft Cost (Closing Costs)	15,000
Bank Financing	00		
Total	\$165,000	Total	\$165,000

Mr. Catalano has reached out to Capitalize Albany to understand if there are Facade Grants available or other Grant Funds are available to owner-occupied properties in the City of Albany.

COLLATERAL: Collateral for the Al Tech loan will be a first mortgage on property located at 257 Central Ave, Albany, NY (across from Brighter Choice Charter School) and first UCC Lien on All Business Assets of Faith Creative Names, the operating company occupying the property. Assignment of Life Insurance on Deanalee in the amount of the loan.

GUARANTORS: The loan will require the personal guarantees of both Deanalee and John Campbell along with the corporate guarantee of Faith Creative Names.



the Pennsylvania Ave property is estimated at \$149,000; the Campbells have a mortgage balance of \$70,000, providing \$79,000 in equity.

The Campbells have some credit card debt that will be addressed. [REDACTED]

The Campbells had an AGI of [REDACTED]. In addition to working for Anthem, due to his time with the organization, John is also collecting a pension from Anthem.

BACKGROUND:

Faith Creative Names Inc. (FCN) is a family-owned retail business located in Albany, NY since 2008, operated by Deanalee Campbell and her husband John Campbell. Deanalee manages the day-to-day operations of the business while her husband spends his workdays at Anthem BC-BS working on their printers and copiers. John has an annual salary of [REDACTED].

FCN is a minority and women-owned business enterprise (MWBE) specializing in school uniforms for charter schools and Saint Rose College, professional business uniforms, and promotional products for organizations around the Capital Region. The Director of Commercial Lending will work with the owners to assist them in earning their Certified NYS MWBE designation, as an effort to help them grow and expand their client base. Since 2008, FCN has built a very loyal customer base by providing products that are not immediately accessible to the underserved Albany community. Their goal is to become the premier school and work uniform supplier in New York State's Capital Region.

FCN has seen a yearly increase in revenues over the past several years. In 2022, FCN started carrying uniforms for Green Tech High Charter School. The owners expect an annual increase, as Green Tech is rolling out a new 6th grade classroom. FCN's largest clients currently are KIPP (Albany Community Charter School), with an average annual spend of \$[REDACTED]. FCN also works closely with a nonprofit organization PRHYLI (Puerto Rican and Hispanic Youth Leadership Institute) that spends [REDACTED] with FCN annually.

As an MWBE, the owners see tremendous opportunity to expand into government contracts (uniforms, safety gear, branded clothing and marketing/promotional materials) currently not well represented by qualified minority business enterprise (MBE) supplier in the region.

The owners of FCN consider the business an opportunity to serve a larger part of the community and a vehicle to empower young people in their local community. FCN will accomplish this by participating in local employment programs that provide job training to local high school students. The students learn many real-life skills through hands-on opportunities while gaining experience in inventory management, product customization, embroidery machine, order fulfillment, supply chain, and customer service.

The owners of FCN would like to purchase the building they have occupied for the past eight years. Owning the property at 257 Central Ave in Albany, there is a second floor

apartment that is currently rented month-to-month for \$900 a month plus utilities. As they continue to grow, FCN may need extra space. So, another option for the second-floor apartment, if the tenant decides to move the owners could utilize the area as an expansion of the current space as they onboard new schools.

Overall, the owners of FCN feel the building is in good condition, in speaking with Capitalize Albany, the prospective owners have applied to the City of Albany for grant funds to update the second-floor apartment and improve the façade. Capitalize Albany suggested that an approval by ACBDC would provide additional points in the grading matrix they utilize to grade each project. After occupying the building for eight years, the owners of FCN appreciate the opportunity before them to own the underlying real estate.

FINANCIALS:

See attached financial information:

ECONOMIC IMPACT: Al Tech will be providing a loan to the operators of the business that occupies the space. Owner-occupied real estate will provide the owners to build equity, control the property they currently rent, and stabilize their monthly payments for the next 5 years. Additionally, there are tax advantages to owning real estate.

Deanalee and John are hoping that their college age children will join the business to help expand their offerings and expand their schools they provide uniforms for. Being a husband-and-wife team where one spouse works outside of the business doesn't leave time for expansion plans and sales calls.


STRENGTHS

- There is sufficient cash flow to support the purchase.
- Fits the mission of the fund.
- Woman and minority owned business in mid-town Albany.
- Plans to bring additional family members into the business.

WEAKNESS:

- Building is aging and renovations may be required going forward.
- 90% of their revenue comes from 2 schools, Green Tech, High, Kipp Charter School / Albany Community Charter School, if they were to lose one account, it could adversely affect revenues and profitability.

OTHER TERMS AND CONDITIONS

- 
- Updated real estate appraisal on property located at 257 Central Ave, Albany, NY
- Environmental report on the property located at 257 Central Ave, Albany, NY
- Al Tech to fund at closing.

Deanalee Campbell

21 North Pine Avenue Albany NY 12206 ♦ 518-364-2849 ♦ e-mail: FCNDesigner@GMail.com

Versatile professional with excellent skills. Trained in clothing creation and fashion retail and marketing. Consistent producer and highly focused individual who enjoys working in a team environment and achieving goals and objectives.

EDUCATION

*Ka-Ju Dressmaking and Fashion
Designing Institute
Jamaica School of Commerce, Jamaica, W.I.
Fashion Design, Accounting, and Office Skills*

TECHNICAL SKILLS/ PROFICIENCIES

- ♦ Sales leader in the personal fashion industry
- ♦ Trained seamstress and fashion designer
- ♦ Skilled in the creation of bridal garments
- ♦ Creator of embroidery designs and logo design services
- ♦ Possesses extensive office management skills

PROFESSIONAL EXPERIENCE

Faith Creative Names
President

2008-Present

Performed sales calls to the management of various charter and private schools in the marketing of school uniforms.

Established a retail sales store for school and work uniforms, as well as fashion garments.

Performed inventory management, tracking, and ordering.

Created logo designs, embroidery and heat press transfers to clothing per client specifications.

Lenscrafters
Sales Associate

2000-2004

Leading sales representative in front end sales of eyeglasses.

Exceeded many sales goals and frequently set new sales records.

Candidate for an optician license by apprenticeship.

Devised new sales methods that were eventually integrated into the sales training program for Lenscrafters nearly 1000 franchise stores.

Caldor
Sales Representative

1998-2000

Provided customer sales services in this large retail store.

Engaged customers in the sale of men, women and children's fashion.

Performed cashier services, regularly delivering accurate draw counts at the close of each shift.

Name John Campbell Business Phone (xxx-xxx-xxxx) 518-364-2849
Home Address 21 North Pine Avenue Home Phone (xxx-xxx-xxxx) 518-426-7096
City, State, & Zip Code Albany NY 12206
Business Name of Applicant/Borrower Faith Creative Names
Business Address (if different than home address) 257 Central Avenue Albany NY 1220
Business Type: ☒ Corporation ☐ S-Corp. ☐ LLC ☐ Partnership ☐ Sole Proprietor (does not apply to ODA applicant)

This information is current as of [month/day/year]
(within 90 days of submission for 7(a)/504/SBG/ODA/WOSB or within 30 days of submission for 8(a) BD)
WOSB applicant only, Married ☐ Yes ☐ No

ASSETS	(Omit Cents)	LIABILITIES	(Omit Cents)
Cash on Hand & in banks.....		Accounts Payable.....	
Savings Accounts.....		Notes Payable to Banks and Others.....	
IRA or Other Retirement Acco.....		(Describe in Section 2)	
(Describe in Section 5)		Installment Account (Auto).....	
Accounts & Notes Receivable.....		Mo. Payments.....	
(Describe in Section 5)		Installment Account (Other).....	
Life Insurance - Cash Surrend.....		Mo. Payments.....	
(Describe in Section 8)		Loan(s) Against Life Insurance.....	
Stocks and Bonds.....		Mortgages on Real Estate.....	
(Describe in Section 3)		(Describe in Section 4)	
Real Estate.....		Unpaid Taxes.....	
(Describe in Section 4)		(Describe in Section 6)	
Automobiles.....		Other Liabilities.....	
(Describe in Section 5, and		(Describe in Section 7)	
Year/Make/Model)		Total Liabilities.....	\$ 0
Other Personal Property.....		Net Worth.....	
(Describe in Section 5)			
Other Assets.....			
(Describe in Section 5)			
		Total	\$ 0
		Must equal total in assets column.	

Section 1. Source of Income	Contingent Liabilities
Salary.....	As Endorser or Co-Maker.....
Net Investment Income.....	Legal Claims & Judgments.....
Real Estate Income.....	Provision for Federal Income Tax.....
Other Income (Describe below).....	Other Special Debt.....

Description of Other Income in Section 1 (Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income)

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)	Residence		
Address	12 Pennsylvania Ave Albany NY 12206	21 North Pine Ave Albany NY 12203	
Date Purchased	6-29-2004	8-24-21	
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. (Describe, and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and, if delinquent, describe delinquency.)

Section 6. Unpaid Taxes. (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

CERTIFICATION: (to be completed by each person submitting the information requested on this form and the spouse of any 20% or more owner when spousal assets are included)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan, surety bond, or participation in the WOSB or 8(a) BD program. I further certify that I have read the attached statements required by law and executive order.-

Signature _____

Date _____

Print Name _____

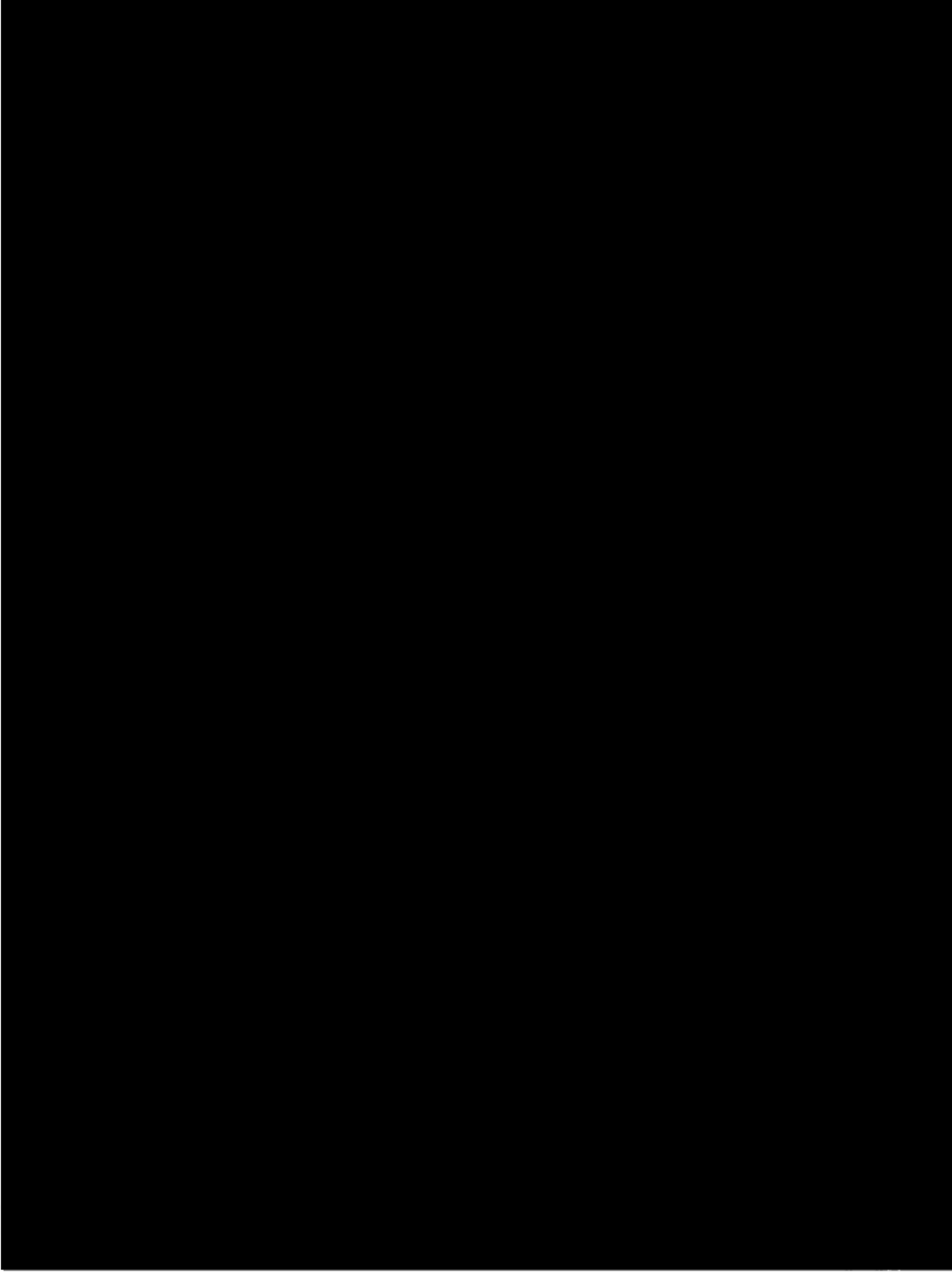
Social Security No. _____

Signature Deana Lee Campbell

Date 2-1-23

Print Name Deana Lee Campbell

Social Security No. 



Faith Creative Names

S-Corp

Cash Flow	
Net Income	
Depreciation	
Interest	
Rent	
Total Cash Flow	
Debt Service	
DSCR	

[REDACTED]

[REDACTED]

require on an annual basis, most financial institutions (Banks or Credit Unions) would require 1.2 - 1.25X DSCR
sary

**Albany County Business Development Corp.
 Al Tech Loan Fund
 Loan Proposal
 March 16, 2023**

BORROWER: James and Shannon Cornwall

REQUEST: \$89,000 (Eighty-Nine Thousand Dollars)

TERM: 5-year term – 20 year amortization

RATE: Prime minus three percent with a floor of 4.00%

PROJECT: James and Shannon Cornwall are looking to purchase 121 South Pearl Street for \$99,000. There are two storefronts, Hair We R, owned by James Cornwall and Boost Mobile that is in the process of signing a new lease. There are also two studio apartments which they are looking to rent for approximately \$750 plus utilities each.

The sources and uses of the proposed project financing are follows:

SOURCES		USES	
Al Tech Funds	\$89,000		\$89,000
Owners Equity			
Bank Financing			
Total			

Mr. Catalano has reached out to Capitalize Albany to understand if there are Facade Grants available or other Grant Funds are available to owner-occupied properties in the City of Albany.

COLLATERAL: Collateral for the Al Tech loan will be a first mortgage on property located at 121 South Pearl St, Albany NY 12205 along with a first lien on all business assets of Hair We R (barber shop located in one of the ground-floor retail spaces) and BADU Management, a property management company owned and operated by James Cornwall.

GUARANTORS: The loan will require the personal guarantees of James and Shannon Cornwall and the corporate guarantees of Hair We R and BADU Management.

Shannon has a credit score of 696 with no derogatory information listed. James has a credit score of 666, with some blemishes listed on his credit report. It appears James

credit was adversely effected by covid as his issues were recognized in 2020 and 2021. He appears to be back on track with his payments. James has loans for a truck and equipment for BADU Management listed on his personal credit report.

BACKGROUND:

Established in 2013, Hair We R is a beloved staple in the south-end community. A full-service unisex barbershop, Hair We R is dedicated to consistently providing newly discovered haircuts while providing an enjoyable, relaxing atmosphere at an acceptable price. As a modern barbershop, we service customers from all walks of life and offer an environment where they can sit back, relax, and experience a rich cultural unisex grooming service.

Aimed towards today's professional market, the combination of culture, experience, and comforting atmosphere firmly establishes Hair We R as the place where today's family in the South End area can come and receive quality grooming services, while enjoying good conversations. By focusing on increasing staff and the client base, Hair We R will become the sought-after destination for not only the South End, but for the entire Capital District. We have a huge following thanks to our discerning customer base, which makes us confident that we will continue to successfully add tremendous value to the local community.

The timing is never better to own a commercial property in the South End neighborhood. As rent increases in other parts of the state, more people are flocking to Albany due to the area's lower cost of living. With an abundance of well-established businesses and new business ventures in this area, there is a distinct lack of quality unisex grooming services in the nearby area. This lead Hair We R to create meaningful partnerships with local community appointed leaders, families, and other grass-root organizations.

The goal of Hair We R is to become a trusted place where the clients in our community can come to relax their minds and bodies while networking with family, friends, and colleagues. We intend to own the building that we've been operating Hair We R for over 10 years. We plan increase employment opportunities in the local community – our master barbers are certified to train hairstylists to become professional barbers themselves. We also plan to make needed structural changes to improve the upkeep of this property, so our staff and customers can enjoy and appreciate a fresh environment. Over the past four years, we've invested over \$10,000 in needed improvements.

The management philosophy of Hair We R is rooted in three tenants: respect for all employees, respect for every client, and individual responsibility. Covid-19 has substantially impacted our most vulnerable neighborhoods, as its economic impacts continue to amplify housing affordability and the economic drivers of homelessness. We try our best to meet the needs of our staff and ensure that the business can stay afloat. Each team member keeps 60% of their earnings including tips. The house keeps 40%.

Beyond operating the barbershop, plans for 121 South Pearl Street are to renew the lease with Boost Mobile and to offer affordable housing on the second floor – either by offering two studio apartments, or one large apartment with two bedrooms/two baths. The Borrowers have submitted a grant application to Capitalize Albany for funds to improve the façade and the second-floor apartments. The goal here is to offer affordable, stable, and secure housing for

tenants with lower incomes or college students that are enrolled full-time and need housing. Rents for the two studio apartments would start at \$ [REDACTED] It has been difficult to get financial information from the seller.

FINANCIALS:

See attached financial information:

ECONOMIC IMPACT: Al Tech will be providing a loan to the operators of the business that occupies the space. Owner-occupied real estate will provide the owners to build equity, control the property they currently rent, and stabilize their monthly payments for the next five years. Additionally, there are tax advantages to owning real estate.

James and Shannon's son and nephew work at the barbershop and they expect to add another barber over the next two years.

STRENGTHS

- There is sufficient cash flow to support the purchase of 121 S. Pearl Street and once the apartments are updated cash flow will continue to improve
- Fits the mission of the fund to support MWBE's
- James and Shannon provide a combination of fixed income from Shannon working at NYS and James owning and operating two different businesses
- James collects [REDACTED] from Social Security Income

WEAKNESS:

- Building is over 100 years old and renovations may cost more than budgeted
- James and Shannon should work to reduce any credit card debt they currently have
- Limited liquidity, the owners spent years saving the funds required to purchase the property

OTHER TERMS AND CONDITIONS

- Assignment of life insurance on the life of James Cornwall in the amount of [REDACTED]
- Updated real estate appraisal on property located at 121 South Pearl Street, Albany, NY
- Environmental report on the property located at 121 South Pearl Street, Albany
- Al Tech to fund at closing

Name JAMES CORNWALL Business Phone (xxx-xxx-xxxx) 518 444 2091

Home Address 911 HAYS Rd Home Phone (xxx-xxx-xxxx) cell 347 584 9542

City, State, & Zip Code EAST GREENBUSH

Business Name of Applicant/Borrower HAIR We R

Business Address (if different than home address) 121 SOUTH PEARL ST

Business Type: ☐ Corporation ☐ S-Corp. ☐ LLC ☐ Partnership ☒ Sole Proprietor (does not apply to ODA applicant)

This information is current as of [month/day/year]
(within 90 days of submission for 7(a)/504/DBG/ODA/WOSB or within 30 days of submission for 8(a) BD)

WOSB applicant only, Married ☐ Yes ☐ No

ASSETS (Omit Cents)

Cash on Hand & in Banks
Savings
IRAs
A/R
Liabilities
Stocks
Receivables
Accounts Payable
Other
Other
Securities
Salaries

Net Investment Income.....	As Endorser or Co-Maker.....
Real Estate Income.....	Legal Claims & Judgments.....
Other Income (Describe below).....	Provision for Federal Income Tax.....
	Other Special Debt.....

Description of Other Income in Section 1 (Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income)

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of	Original	Copy	Other
[REDACTED]			

Names and Addresses of				Original	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral
[REDACTED]						

Section 3. Stocks and Bonds. (Use attachments if necessary.)

[illegible]

Attachments if necessary. Each attachment must be identified as part of this statement and signed.)					
Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value
1111					

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as part of this statement and signed.)

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)	Resident		
Address	91 Hays Rd		
Date Purchased	JUNE 19 2015		
Original Cost	[REDACTED]		
Present Market Value	[REDACTED]		
Name & Address of Mortgage Holder	[REDACTED]		
Mortgage Account Number	[REDACTED]		
Mortgage Balance	[REDACTED]		
Amount of Payment per Month/Year	[REDACTED]		
Status of Mortgage	[REDACTED]		

Section 5. Other Personal Property and Other Assets. (Describe, and if any interest is held, amount of lien, terms of payment and if any interest is held, name of holder)

Section 5. Other Personal Property and Other Assets. (Describe, and, if any is pledged as security, amount of lien, terms of payment and if delinquent)

Section 6. Unpaid Taxes. (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax return attaches.)

N/A

Section 7. Other Liabilities. (Describe in detail.)

N/A

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies – name of insurance company and beneficiaries.)

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

CERTIFICATION: (to be completed by each person submitting the information requested on this form and the spouse of any 20% or more owner when spousal assets are included)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan, surety bond, or participation in the WOSB or 8(a) BD program. I further certify that I have read the attached requirements required by law and executive order.-

Signature James Cornwall

Date 2/27/23

Print Name James Cornwall

Social Security No. [REDACTED]

Signature Shannon Cornwall

Date 2/27/23

Print Name Shannon Cornwall

Social Security No. [REDACTED]



Social Security Administration Benefit Verification Letter

Date: February 20, 2023



JAMES CORNWALL
91 HAYS RD
EASTGREENBUSH NY 12061-1736

0201BEV1F31V3B7 CCM.M72.BEV1F.R330220

You asked us for information from your record. The information that you requested is shown below. If you want anyone else to have this information, you may send them this letter.

Information About Current Social Security Benefits

Beginning December 2022, the full monthly Social Security benefit before any deductions is [REDACTED]

We deduct \$ [REDACTED] for medical insurance premiums each month.

The regular monthly Social Security payment is \$ [REDACTED]
(We must round down to the whole dollar.)

Social Security benefits for a given month are paid the following month. (For example, Social Security benefits for March are paid in April.)

Your Social Security benefits are paid on or about the third of each month.

We found that you became disabled under our rules on October 1, 2015.

Information About Past Social Security Benefits

From December 2021 to November 2022, the full monthly Social Security benefit before any deductions was \$ [REDACTED]

We deducted \$ [REDACTED] for medical insurance premiums each month.

The regular monthly Social Security payment was \$ [REDACTED]
(We must round down to the whole dollar.)

Type of Social Security Benefit Information

You are entitled to monthly disability benefits.

See Next Page

Management Resume

(Copy As Needed)

Name James Cornwall SS# [REDACTED]
Date of Birth 07261968 Place of Birth Lenox Hill Hospital
Residence Telephone () Cell 347 584 9540
Address 121 South Pearl St Zip Code 12207
Are you employed by U.S. Government? Yes ☐ No ☒ Agency _____
Are you U.S. Citizen? Yes ☒ No ☐ If No, Alien Registration Number _____
Have you ever been convicted of any criminal offense other than a misdemeanor involving a motor vehicle? Yes ☐ No ☒ If Yes, give details below.

EDUCATION:

College or Technical Training School	Dates Attended	Degree or Certificate

WORK EXPERIENCE: (Begin with Present Employment)

1. Company/Location Hair We R
From 2010 To Current Title Master Barber
Duties Hair Cutting Hair Styling
2. Company/Location Badu Management
From 2015 To Current Title Landscaper
Duties Snow Removal, Grass Trimming
3. Company/Location _____
From _____ To _____ Title _____
Duties _____

AREAS OF EXPERTISE / MAJOR ACCOMPLISHMENTS:

Professional landscaper. We started our landscaping business with one lawn mower. Now we own two lawn tractors several mowers, chain saws, standing mowers etc. At this time we are a fully serviced lawn care and snow removal company.

AREAS OF EXPERTISE / MAJOR ACCOMPLISHMENTS:

master BARBER, My Son and I attended ~~Barbering School~~ together. The two of us worked as helpers in a shop. We decided it would be best to become shop owners, so we attended Austin Beauty School and graduated successfully.

Sales
COGS
Gross Profit
Net Gain from 4797
Total Income

Operating Expenses

Officer Comp
Salaries and Wages
Repairs and Maintenance
Auto and Truck Exp
Bad Debts
Rents
Insurance
Taxes / Licenses
Interest
Depreciation
Advertising
Pension
Employee Benefits
Other Deductions
Total Operating Expenses

Total Income

Hair We R - Schedule C

Sales
COGS
Gross Profit
Net Gain from 4797
Total Income

Operating Expenses

Officer Comp
Salaries and Wages
Repairs and Maintenance
Auto and Truck Exp
Bad Debts
Rents
Insurance
Taxes / Licenses
Interest
Depreciation
Advertising
Pension
Employee Benefits
Other Deductions
Total Operating Expenses

Total Income

Total Estimated Combined Income

Ha
Ja
Ja
Sh

James and Shannon

	2021	2020
Cash Flow		
Net Income		
Depreciation		
Interest		
Amortization		
Total Cash Flow		
Debt Service		
DSCR		

121 South Pearl Stree Estimated

Estimated - Stablized

Rental Income (cur)

Expenses

Utilities

Water / Sewer

Insurance

Taxes (school)

Taxes (property)

Repairs and Maint

Total Expenses

NOI

Debt Service

DSCR

Current rents do not provide ad

required

Rent Roll

Hair We R

Boost Mobile

Apt 1

Apt 2

**Albany County Business Development Corporation
AI Tech Loan Fund
Subordination Request**

Borrower: Mike Kwarta
2191, LLC – Tech East Construction, Tech East Fire and Water
Restoration
2191 Central Ave
Schenectady (Colonie), NY 12304

Funded: 01/03/2019
Amount: \$368,000
Rate: 4.13%
Term: 5-year term, 20- year amortization
Balance: \$290,947 (as of 03/01/2022)

Collateral

- (1) Second Mortgage on 2191 Central Ave, Schenectady NY; Appraised value = [REDACTED]
- (2) Second security interest in all business assets.

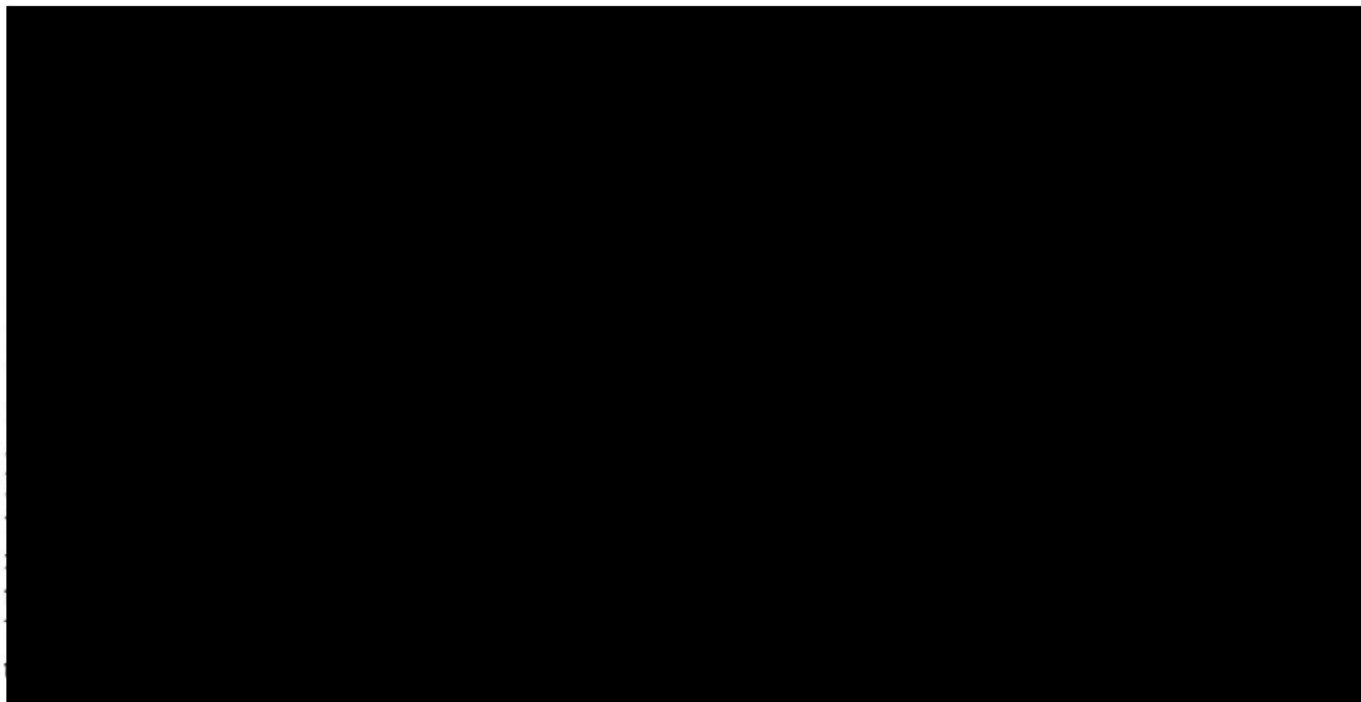
Request:

Mr. Kwarta has been approved by Saratoga National Bank for a new cash-out mortgage refinance on his real estate holding company 2191, LLC in the amount of \$1,477,500. The funds will be used to refinance the existing mortgage and consolidate debt held in Tech East Construction reducing overall annual debt service payments.

AI Tech Loan not to exceed 90% LTV, ACBDC has received the Appraisal dated November 23, 2022 completed by National Valley Valuations demonstrating an “as is” market value of \$1,970,000. AI Tech Counsel to review updated subordination agreement prior to signing.

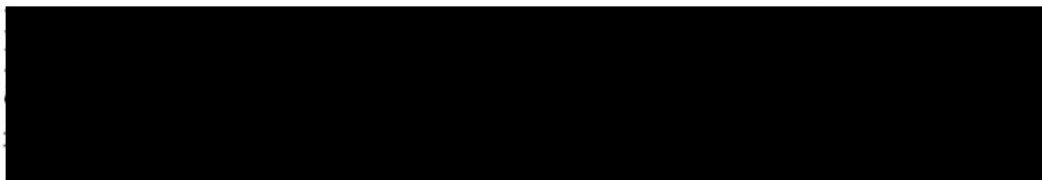
Background:

2191, LLC is a real estate holding company for the real estate occupied by Tech East Construction Inc. Tech East is a company that specializes in clean up and renovation after fire, flooding, or mold. Tech East is owned by Michael Kwarta and 2191 is owned 50/50 by Michael and Dan Caniff. The proposed loan is for Mike to buy Dan out of 2191. The disaster restoration services market is expected to experience continued growth over the 2023-2033 period, by approximately a 5.6% compound annual growth rate. This is due to the rising rate of natural disasters, 3 times more then 50 years ago according to the Food and Agricultural Organization, and the increase in population and urbanization.



Major points of this are:

-
-
-



Sources and Uses

Uses	Sources
<p>P</p> <p>P</p> <p>B</p> <p>D</p> <p>C</p> <p>T</p>	
<p>L</p> <p>Te</p> <p>21</p>	

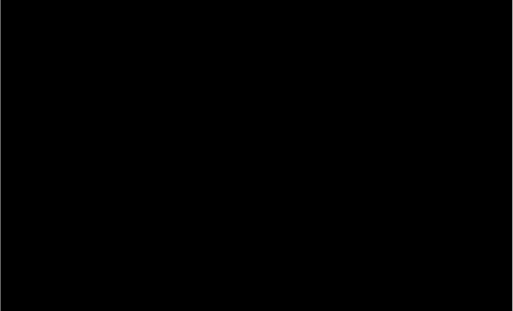
Post closing Balance Sheet attached:

Profit & Loss
January through December 2022

Jan - Dec 22

Ordinary Income/Expense	
Income	
Commission contribution	
Mohawk Chevrolet	
NYS Tax Refund	
saratoga national	
Total Job Cost	
Total Income	
Cost of Goods Sold	
Subcontractors Expense	
Worker's Compensation Insurance	
Total COGS	
Gross Profit	
Expense	
Advertising and Promotion	
Appraisal Fee	
Bank Service Charges	
Charity/Donation	
Cleaning Service	
Consulting Services	
Dump	
Equipment Rental for Jobs	
Fee	
Gas for Vehicles	
Health Insurance Expense	
Insurance Expense	
Materials	
Meals and Entertainment	
Office Supplies	
Paychex Fees	
Payroll Expenses	
Payroll Tax	
permit	
Professional Fees	
Reimbursable Expenses	
Rent Expense	
Saratoga Merchant Account	
software	
Tax payment	
Tax Return Preparation	
Telephone Expense	
Trailer	

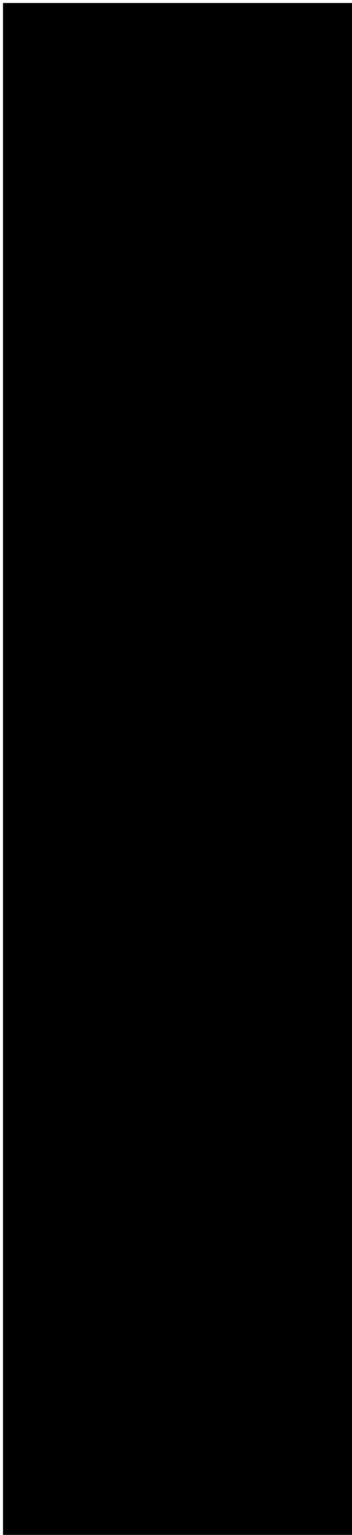
Profit & Loss
January through December 2022



Travel Expense
Uniforms
Utilities
Vehicle Expense
Total Expense
Net Ordinary Income
Net Income

Tech East Fire & Water Restoration
Profit & Loss
January 1 through December 30, 2021

Ordinary Income/Expense
Income
Commission
NYS Tax Refund
Referral Fee
Refund
Total Job Cost
Total Income
Cost of Goods Sold
Subcontractors Expense
Worker's Compensation Insurance
Total COGS
Gross Profit
Expense
2008FORDVIN9346
Advertising and Promotion
Annual Membership Fee
Bank Service Charges
Charity/Donation
Consulting Services
Dump
Equipment Rental for Jobs
Fee
Gas for Vehicles
Health Insurance Expense
Insurance Expense
Materials
Meals and Entertainment
Office Supplies
Paychex Fees
Payroll Expenses
Payroll Tax
Professional Fees
Rent Expense
Saratoga Merchant Account
software
Tax Return Preparation
Telephone Expense
Travel Expense
Uniforms
Utilities
Vehicle Expense
Total Expense
Net Ordinary Income
Net Income



Tech East Fire & Water Restoration
Balance Sheet
As of October 31, 2022

Post-Closing
Balance Sheet

	Oct 31, 22	Revised 10/31 with refi
ASSETS		
Current Assets		
Checking/Savings		
Bank fees		
cash tax account		
Checking - Saratoga		
Key Bank-Checking		
Total Checking/Savings		
Accounts Receivable		
Accounts Receivable		
Total Accounts Receivable		
Total Current Assets		
Fixed Assets		
Accumulated Depreciation		
Equipment		
vehicles		
Total Fixed Assets		
Other Assets		
shareholder loan		
Total Other Assets		
TOTAL ASSETS		
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable		
Total Accounts Payable		
Other Current Liabilities		
Sales Tax Payable		
Total Other Current Liabilities		
Total Current Liabilities		
Long Term Liabilities		
LoanPay-AFG6039525		
LoanPay-CAPITALONDECK		
LoanPay-SaratogaEqptLoan2		
Note Pay- 17 Chvy Silv #8841		
Note Pay- 2018 Ram5952		
Note Pay-2017 Transit Van 6239		
Note Pay-2018 Ram 2588		
Note Payable-2019 GMC Sierra De		
NotePay-2015GMC SIERRA5309		
NotePay-2016chevy#3882		
NotePay-2016VermeerBC#3751		
NotePay-2018ExpCargoVan#7719		
NotePay-2019RAMPROMASTER#3632		
NotePay-2022GMC SIERRA#7104		
NotePay-2022trailer#8812		
NotePay-ALTEC7500#0810		
NotePay-Bobcatloader#1691		
NotePay-CreditLine#9759		
NotePay-SaratogaEqptLoan8093		
NotePay-SaratogaLoan#7107		
NotePay-Steramist2020		
NotePay-TempLOCSAR#9759		
NotePay2019GMC Sierra#1335		
NotePay2020chvysilverado#2357		
Saratoga LOC		
Total Long Term Liabilities		
Total Liabilities		
Equity		
common stock		
Distributions		
Owner contributions		
Opening Balance Equity		
Retained Earnings		
treasury stock		
Net Income		
Total Equity		
TOTAL LIABILITIES & EQUITY		

- not saying these are the loans to be paid off,
just using these as an example of what the new funds
will be used for