

FOR CONSIDERATION

April 22, 2021

TO: The Directors

FROM: Eric J. Gertler

SUBJECT: Regional Council Award – Priority Project – Albany (Capital Region – Albany County) – Capital Repertory Theatre Capital – Regional Council Capital Fund and Restore New York Communities Initiative (Capital Grants)

REQUEST FOR: Findings and Determinations Pursuant to Section 10(g) of the Act;
Authorization to Adopt the Proposed General Project Plan;
Authorization to Make Grants and to Take Related Actions

General Project Plan

I. Project Summary

Grantee: City of Albany (the “City”)

Beneficiary
Organization: Capital Repertory Theatre (“theREP” or the “Theatre”)

ESD* Investment: Two grants of up to \$2,750,000 to be used for a portion of the cost of construction and renovation

* The New York State Urban Development Corporation doing business as Empire State Development “ESD” or the “Corporation”)

Project Location: 251 North Pearl Street, Albany, Albany County

Proposed Project: The renovation of a vacant building for Capital Repertory Theatre to relocate to within downtown Albany

Project Type: Downtown revitalization

Regional Council: The project is consistent with the Capital Region Regional Economic Development Council Strategies of Bringing the Region’s Cities to Life, Showcasing its Beauty, and Spotlighting its Strengths.

Phillip Morris, Proctors Collaborative CEO Capital Repertory Theatre, and is a member of the 22-person Capital Region Regional Economic Development Council. In conformance with the State’s policy, this individual has recused himself on votes recommending this project.

The Council also includes 11 additional, ex-officio members who are elected officials but cannot vote on individual project recommendations. Kathy Sheehan, Mayor, City of Albany, is an ex-officio member.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/renovation	\$7,245,300
Infrastructure/site work	535,000
Furniture, fixtures, equipment	200,000
Other (legal, architectural, engineering)	<u>2,322,250</u>
 Total Project Costs	 <u>\$10,302,550</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant (#AA833)	\$950,000	9%
ESD-Grant (#131,724)	1,800,000	18%
NYS Homes and Community Renewal	2,000,000	19%
Historic Tax Credit	4,048,799	39%
Organization Equity*	<u>1,503,751</u>	<u>15%</u>
 Total Project Financing	 <u>\$10,302,550</u>	 <u>100%</u>
* From the project beneficiary		

III. Project Description

A. Company

Industry: Municipal Government

Grantee History: The City of Albany was first settled by the Dutch in 1624, and given its charter in 1686 by Governor Thomas Dongan, officially becoming the capital of New York in 1797. With approximately 100,000 residents, Albany is strategically located along the Hudson River between the Adirondacks, the Catskills and the Berkshires. The City is also located two and a half hours from New York City, three hours from Boston and four hours from Montreal. The City is part of a larger urban area within the Capital region which is comprised of four major cities: Albany, Schenectady, Troy, and Saratoga Springs.

Beneficiary History: Capital Repertory Theatre (“theREP”) is a professional, resident producing

theatre, the only one of its kind within 14 counties. TheREP was formed as a 501c3 not-for-profit corporation in 1981, that is affiliated with Proctors Collaborative, a performing arts and community development organization located in nearby Schenectady, NY. Proctors provides in-kind administrative services to the theatre, as part of its regional mission.

TheREP serves the City of Albany and the Capital Region with its mission to “create meaningful theatre with an authentic link to the community we serve.” In addition to producing theatre work, it also serves as an incubator for new theatre content, nurturing new artists and diverse voices for modern theatre, while also providing enriching educational experiences in partnership with regional schools. It produces a year-round season of plays, musicals and related programming, annually serving more than 45,000 people.

Ownership: The City of Albany is a formally chartered city in the state of New York.

Size: All facilities are located in Albany, NY.

Market: N/A

ESD Involvement: TheREP had long and unsuccessfully sought to gain ownership of its current facility, however, the building declined due to owner neglect. To survive, theREP sought out a new home that they could own and continue to be a collaborative catalyst of revitalization and community impact. They found a decades-vacant building two blocks away in Livingston Square from their original home; however, this new site would be more costly to renovate than their previously existing space.

TheREP was awarded \$950,000 in December 2016 through Round 5 of the Consolidated Funding Application to fill a financing gap. However, to make the project more viable, this grant from the Regional Council Capital Fund was transferred to the City of Albany in July 2019 through a formal Memorandum of Understanding (MOU) between the City of Albany and Capital Repertory Theatre.

In 2017, the City applied under Round 5 of the Restore New York program for funding on behalf of theREP, in order to leverage the existing Regional Council award and to support the final fundraising required to undertake the project. The City was awarded \$1,800,000 in April 2018 through Restore NY for a total of \$2,750,000 in grants.

Without ESD’s funding, this project would not be feasible.

Competition: N/A

Past ESD Support: Funding for the past five years to the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Urban and Community Development Program – RC8 Strat Planning	132,443	\$20,000	November 1, 2020	December 31, 2022	Working Capital - Feasibility study for traffic, parking and congestion on Madison Ave, Washington Ave and Lark Street

B. The Project

Completion: December 2020

Activity: The Beneficiary completed a renovation project of a two-story, 33,000 square-foot vacant industrial building in downtown Albany’s Warehouse District for the region’s only professional resident producing theatre. The facility now includes a 300-seat theatre, full time café, box office, community event space, costume shop, scene shop, and administrative offices.

The renovation included clearing the building of lead and asbestos, restoring the building’s facade to its historic character, and overall rehabilitation and construction uses. As a result of this project, the building is being placed on the registers of state and national historic buildings.

This new facility provides a permanent home for the region’s only professional, resident producing theatre. With state-of-the-art facilities and technical systems, it will not only increase efficiency for the organization, but it will also unlock new technical capabilities for sound, lighting and scenery previously unavailable in the Theatre’s former locale.

The facility is ADA compliant, with increased accessibility features as well as a hearing loop system for persons with hearing loss.

Results: Core programming and activities at the project location will include a year-round season of professional theatre content, as well as education programs and community events. As the result of several years of neighborhood stakeholder engagement, the Theatre will also launch a variety of new programs, including additional free and low-cost

community events, “neighborhood nights,” new play readings and training programs for job seekers. A Community Benefits Agreement with the nearby Albany Housing Authority informs further neighborhood collaboration, leveraging nearby redevelopment projects and the revitalizing focus of the Downtown Revitalization Initiative.

Economic Growth

Investment Project: No Benefit-Cost Analysis (“BCA”) is required since these projects generate long-term benefits not captured in the short-term period used for the BCA and may involve no permanent job commitments.

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ESD Project Nos.: AA833 & 131,724

Project Team:	Origination	Heidi Pasos
	Project Management	Chelsey Watroba
	Contractor & Supplier Diversity	Danielle Adams
	Environmental	Eram Qadri

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$950,000 Regional Council Capital Fund grant (\$9,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost

in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to \$2,750,000 will be disbursed to Grantee in a lump sum, upon documentation of construction/renovation, infrastructure/site work, furniture/fixtures/equipment and other (legal, architectural, engineering) project costs totaling \$8,316,250, upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 15, 2015, to be considered eligible project costs. All disbursements must be requested by April 1, 2022.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,750,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (i) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (ii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iii) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (iv) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

IV. Statutory Basis – Regional Council Capital Fund

The funding was authorized in the 2015-2016 New York State budget and reappropriated in the 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, and 2021-2022 New York State

budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Statutory Basis – Restore NY Communities:

The funding was authorized in the 2017-2018 New York State budget and reappropriated in the 2018-2019, 2019-2020, 2020-2021, and 2021-2022 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

VI. Environmental Review

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

Due to the building's listing in the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law ("Section 14.09"). No further consultation is required.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprises (MWBES) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

VIII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

IX. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

X. Additional Submissions to Directors

Resolution
New York State Map
Project Photographs

