



CAPITALIZE ALBANY
CORPORATION

August 8, 2019

Authorities Budget Office

Hon. Jeffrey H. Pearlman
Director
State of New York
Authorities Budget Office
P.O. Box 2076
Albany, New York 12220-0076

AUG 15 2019

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Re: Notice of Disposition of Real Property by Negotiation Pursuant to New York Public Authorities Law §2897(6)(d)

Dear Sir or Madam:

Pursuant to §2987(6)(d) of the New York Public Authorities Law (“PAL”), the following explanatory statement is being provided at least ninety (90) days prior to the disposal of property by negotiation.

Explanatory Statement

As authorized by PAL §2897(6)(c), the Capitalize Albany Corporation (“CAC”) intends to dispose of property by negotiation to The Palace Performing Arts Center, Inc., (“The Palace”) not less than 90 days from the date of this notice. The proposed disposition is within the purpose, mission or governing statute of CAC and therefore, is exempted from publicly advertising for bids pursuant to PAL §2897(6)(c)(v).

- Description of the Parties involved in the Property Transaction:

CAC is a not-for-profit corporation (tax exempt IRC §501(c)(3) organization) with offices at 21 Lodge Street, Albany, New York, 12207. CAC’s corporate purpose is to facilitate the creation and retention of jobs, businesses and industry within the City of Albany, and CAC’s mission is to “facilitate strategic economic development and stimulate transformative investment throughout the City of Albany, making New York’s Capital a vibrant place to thrive.”

The Palace is a not-for profit corporation (tax exempt §IRC 501(c)(3) organization) with offices at 19 Clinton Avenue, Albany, New York, 12207. The Palace’s mission is to “bring world-class arts and entertainment to New York’s Capital Region, greatly enhancing the area’s cultural and economic development.” The Palace operates the historic “Palace Theatre” in downtown Albany and presents a broad range of performances for a diverse audience, and the venue is made available as a community center for public gatherings. Additionally, the Palace provides art education programming for young people from Albany and the Capital Region. Partnerships are forged between/among The Palace, local businesses and charitable organizations, making



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downtown Albany and the greater region a more vibrant destination for residents and visitors, and contributing positively to the area's continued economic development.

- Justification for Disposing of the Property by Negotiation: CAC's mission is to facilitate economic development in the City. As the leader in Albany's art/entertainment sector, the Palace's significantly contributes to economic development in Albany and throughout the Capital Region. The Palace is in the midst of making significant investments in its physical infrastructure (including expansion, renovation and new construction) which will enable the Palace to expand the diversity and quality of its cultural and entertainment offerings (the "Palace Revitalization Project"). The CAC properties which are the subject of this Explanatory Statement were strategically acquired by CAC with the awareness that the Palace Revitalization Project was being formulated – in order to effectively land-bank them until such time as plans and funds for the Palace Revitalization Project were in place. This property transfer will directly support CAC's mission.

- Identification of the Property: The real properties/improvements to be transferred to the Palace are located at 27 Clinton Avenue, 27 ½ Clinton Avenue, 29 ½ Clinton Avenue, 168 North Pearl Street, 170 North Pearl Street, and 174 North Pearl Street. These six lots are immediately adjacent to the Palace Theater property, and consist of approximately 0.34 acres in total. One of the lots (174 North Pearl Street) presently contains a three (3) story building; however, this existing structure was declared unstable/uninhabitable in March 2019 and CAC is in the process of completing its demolition. The other five (5) lots consist of unimproved land.

- Estimated Fair Market Value of the Property: A commercial appraisal estimated FMV at \$283,400 or a unitary value of \$310,000 in December 2015. However, this appraisal assumed the building at 174 North Pearl to be usable for residential purposes.

- Proposed Sale Price of the Property: \$283,400. Note that no real estate brokers are involved in the transaction and therefore, no portion of the purchase price amount will be deducted for brokerage fees.

- Size of the Property: Approximately 0.34 acres.

- Expected Date of the Sale of the Property: November 2019.



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As described above, publicly advertising for bids and obtaining fair market value is not required because the proposed disposition to the Palace satisfies the exemptions set forth in PAL §2897(6)(c)(v) as such disposition is within the mission and purposes of CAC to relieve and reduce unemployment, promote and provide for additional and maximum employment, bettering and maintaining job opportunities, by attracting new businesses and industries to the area, by encouraging the development/retention of businesses and industries in Albany and acting in the public interest.

Thank you. Please call the undersigned with any questions related to the proposed disposition at 518-434-2532.

Sincerely,

Sarah M. Reginelli
President, Capitalize Albany Corporation