



DOWNTOWN ALBANY
Business Improvement District

**Downtown Albany Business Improvement District
Board of Directors' Meeting
September 16, 2020
Zoom**

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Georgette Steffens
EXECUTIVE DIRECTOR

Daniel Fariello
PRESIDENT

Pamela Nichols
VICE-PRESIDENT

Frank O'Connor, III
TREASURER

David Sarraf
SECRETARY

ATTENDANCE:
Daniel Fariello
Frank O'Connor
Lisa Reddy Farrell
Elizabeth Young Jojo
Lena Hart
Lucas Rogers
Hon. Darius Shahinfar

ABSENT:
Pamela Nichols
David Sarraf
Louis Bannister
Leola Edelin
Mohamed Hemmid
Tracy Metzger
Chris Pratt
Tyler Wrightson

STAFF PRESENT:
Georgette Steffens
Kate Medhus
Rebecca Hughes
Jason Bonafide
Don Wilson

ADDITIONAL
ATTENDEES:
Robert Palmerino, CPA

The meeting commenced at 4:34 PM. A quorum was not established so no action was taken at the meeting.

CHAIRMAN'S REPORT

Audit

Mr. Palmerino, hired by the BID to complete the Audit, presented the draft of the 2019 Audit:

- The financial statements are the BID's representation. The only part of the Audit belonging to Mr. Palmerino is the report. The report is of the highest level, it is not a modified opinion, it says that everything is in accordance with generally accepted accounting principles in all material respects.
- As part of the Audit, Mr. Palmerino looks at amounts from prior years and looks for changes and inconsistencies in amounts and investigates and notes any variations.
- The Statement of Financial Position is a balance sheet and the 2019 is comparable to the 2018. Total assets are \$995,000 compared to \$979,000 in the previous year.
- Net assets are broken down into categories: Without Donor Restrictions and Board Designated. Each year the Board discusses and designates part of the Net Assets. These line items are shown on page 2.
- The Statement of Activities is an income statement. Nothing on the face of it is out of the ordinary in comparison to prior years, but there are a few items of note. In 2018 \$100,000 was disbursed as part of the Main Street Grant, but in 2019 it was \$185,000, so an increase is shown in the expense section. There was an auction of Nipper statues in 2018 as part of Sculpture in the Streets which did not occur in 2019 so there is a variance there. Visual Improvement was down due to wayfinding expenses that occurred in 2018, but not again in 2019.
- Management and General expenses increased 3%. In prior years it has been 13-14% and this year it was 17%. Part of that is due to salary increases as well as partial staffing in 2018 versus full staffing in 2019.
- Overall, there was an increase in net assets of \$700, which is basically breaking even. The increase in net assets last year was \$134,000 which is big swing. \$68,000 of this swing is due to SCO reserves reductions. In 2018 the Board realized the SCO reserves were too high, so they were reduced to \$50,000. That, along with the SCOs in 2018 created a negative expense, or income, of \$25,000. For 2019, the Board opted to keep the SCO reserves at \$50,000 and there were SCOs in the amount of \$44,000.
- The Statement of Functional Expenses breaks down the expenses in accordance with each program. The additional grant and wayfinding monies are shown here and everything else falls in line.
- The Statement of Cash Flows show where cash came from and what was done with it. Almost \$30,000 in cash was produced. Some of that was interest income which was put back into certificates of deposit and some was used for the purchase of a new computer for Staff, but most of it is still sitting in cash. The cash balance went from \$548,000 last year to \$574,000 this year.

- The remainder of the financial statements are footnote disclosures. Most of them are boiler plate from last year and are required disclosures. Significant estimates must be included in the footnotes, such as the reserves for SCOs.
- Assessment revenue recognition can be found on page 10.
- New accounting pronouncements are issued every year and the ones adopted this year are at the bottom of page 10. These did not have any material effect on the financial statements, but it is noted that they were officially adopted.
- Note 7 on page 13 addresses Liquidity. Liquidity is defined as what was cash as of December 31, 2019 and what will turn into cash over the next 12 months. Almost \$900,000 was designated for various projects and future reserves so there was \$47,000 available overall.
- A footnote had to be added regarding COVID-19, stating that it exists and that no one knows what the effect is going to be.
- As part of the Audit, Mr. Palmerino is required to issue two letters. One is a management comment letter and the other is a governance letter. The management comment letter deals with the BID's internal controls. If Mr. Palmerino finds that there are significant deficiencies or material weaknesses in internal controls, it must be mentioned in the management comment letter. The internal controls in a small organization are not at the level of those found in a large corporation. The segregation of duties is the main aspect of internal control so it must be mentioned in the management comment letter to emphasize the importance of it. The governance letter outlines the qualitative aspects of the Audit. It discusses how the new pronouncements have been adopted and how there were no difficulties or disagreements.
- Ms. Steffens and Mr. O'Connor will sign a management representation letter that puts the various aspects of the organization into writing.
- Tax returns are due on November 15th and the Board will need to approve the 990 and CHR500 before they can be filed. They will be presented at the next Board meeting.

Ms. Steffens added that without a quorum present the draft Audit will have to be distributed for review and approved via email in the morning.

With nothing further to discuss regarding the Audit, Mr. Palmerino left the meeting at 4:55 PM.

TREASURER'S REPORT

2021 Budget

Mr. O'Connor noted that:

- Staff is working on the draft of the 2021 Budget which will be presented at the next Board meeting. The total assessed value of the District has increased slightly over last year, but it is uncertain as to what the effects of COVID will be when we get to the 2022 assessments. Revenue should not be affected in 2021, but the estimates we make in the Budget should be conservative in order to anticipate the downturns that may come in the following year.
- 2 RFPs have gone out: one for the installation of the holiday decorations and one for the clean team services. The received proposals will be presented, and contract awards will be approved at the next Board meeting.

Ms. Steffens added that she spoke with the City Treasurer to discuss the potential impacts of COVID finances on the City and the county and how that would trickle down to the BIDS. She also secured information on the SCOs for next year. It was agreed that we should be conservative with the budget so that we have money that can be carried over into 2022. We anticipate a lot of property challenges in 2021 that will impact the 2022 budget.

EXECUTIVE DIRECTOR'S REPORT

District Updates

Ms. Steffens presented the following survey results:

- Since March 16th businesses have experienced an average of a 75% decrease in business. Now that many businesses have opened back up, we hope to see a decrease in this number. Staffing capacity in businesses is up to 66%.
- The New York State Restaurant Association is reporting that 55% of restaurants are worried that they will be forced to close their doors before November if there is no additional support from the federal government. Several restaurants in the District are saying that if business does not pick up by October, they may not be able to remain open.
- Staff sent out a survey at the end of June/ beginning of July to see how consumers are feeling and behaving now as opposed to before COVID. Another survey will be sent out soon to see if feelings have changed. Before COVID, 51% respondents were patronizing Downtown businesses weekly and now it's down to 22%, which is a significant hit for our businesses. 38% of respondents have not patronized any Downtown businesses since COVID, and the stores and restaurants are really feeling the impact. The top way respondents are supporting Downtown businesses is through restaurant take-out and delivery. Only 14% of respondents have dined indoors since restaurants re-opened and it is concerning if this does not change once the colder months come.
- CBRE did a market update and as of the first quarter in 2020 the vacancy rate in Downtown dropped to 12.2%, the lowest it has been in 10 years. That number continued to go down without removing any Class C office space for residential conversions. We have had the same amount of office square footage between 2018 and 2020 and the vacancy numbers continued to decrease. Most offices are not making any decisions regarding leases at this time, instead choosing to wait several months to see how things with COVID play out. Price per square footage has gone up almost a dollar which is positive as well.
- New businesses have continued to open or announce that they plan to open in Downtown despite the pandemic. The Yard has started Boozy Moo! which sells alcohol-infused ice cream and ice cream sandwiches. Queen Hustle Nation is a new business in The Coliseum on Pearl Street. River Garden Studio moved their plant and botanicals store from Troy into Downtown. The owner purchased 800 pots thinking that would last until the end of year and in about a month and a half since opening in their new location, he had already sold all of them. Paper Dragon had closed their location next to McGeary's, but they have now re-opened on Maiden Lane. The Cloud Kitchen is the revised, post-COVID concept for what would have been the Albany Kitchen food hall. Food can be ordered through an app and either picked up or delivered and they should be open in the next 2-3 weeks. Downtown Nutrition will move into the old Lerner location next to Cider Belly on the corner of Maiden Lane. They are slated to open in November.
- Staff sent out two office surveys; one as soon as Phase II opened and the second one in August. Just under half of offices currently have 50-100% of their staff working in their offices Downtown. This is a 20% increase from the first survey that was sent out in June. The Parking Authority says that the parking garages are at 45-50% occupancy, which is an increase from 35% the last time we spoke, and meters are up to 65% occupancy, up from 50%. Wednesdays seem to be busiest days both for the garages and the meters. The mail carrier has said that he is delivering to 90% of his customers at this point. 30% of survey respondents are fully staffed, 20% expect to be fully staffed by January 1st. Many offices are using different techniques such as staggering shifts or staggering days for their employees while 44% of respondents are operating as normal. 28% of respondents say they are waiting for school to open in order to be fully operational at the office and 68% say they are waiting for a vaccine to be released.

Reopening Grant

Ms. Steffens noted that 42 applications were received for the Downtown Albany Business Stabilization Grant. 3 applications were denied because they are from food trucks located outside of the District, 1 is currently pending and all others have been approved. \$85,000 has been given out to 38 businesses to date. 2 businesses are using the funds to repair damage sustained during the protests in May, 23 are using the grants to replace perishable inventory that was lost and 13 are using the funds for technology such as new or re-vamped websites, new marketing strategies, PPE and/or cleaning supplies. Only about one third of eligible businesses in the District have applied for the grant, but Staff will continue to advertise and encourage business owners to apply.

Additional COVID Support

Ms. Steffens stated that a portion of the money originally set aside for the Business Stabilization Grant has been used to purchase patio heaters for the restaurants that have outdoor patios. For every 1 heater that a restaurant purchases, the BID will provide them 1 for free, up to a maximum of 3 heaters.

Annual Meeting

Ms. Steffens noted that:

- The nomination process for the Board of Directors was supposed to end on March 30th, but the office closed down on March 16th and the Annual Meeting was put on hold.
- In lieu of a virtual Annual Meeting, Staff would like to create a three-minute video featuring the highlights and accomplishments of 2019 as well as a one pager showing all of the ways the BID is supporting our Downtown businesses during COVID that can be sent out to the membership.
- Voting for the new Board members will occur online. There are two property owner positions, 1 residential tenant position and 1 commercial tenant position vacant at this time. Staff will hold on to nominations that were already received but will also re-open the nomination process with nominations being due on October 2nd.
- The new Board members will be announced on November 2nd and the video and one pager will be released at that time.
- Current Board members are encouraged to nominate anyone they feel would be a good addition to the Board. We always look to diversify the Board by industry, age, gender, race, etc.

September Events

Ms. Steffens noted that:

- Many of our usual summer events were cancelled and Staff has been trying to understand what types of events could be beneficial to both residents and business owners. The Stretch, Shop and Savor event, occurring every Saturday in September, has included outdoor yoga, sidewalk sales and discounts at both shops and restaurants which has been a success thus far.
- This Saturday will be our virtual PearlPalooza and YogaPalooza events. This year we can only have about 100 people doing yoga together and participants will be split between Tricentennial Park and SUNY Plaza with yoga instructors from The Hot Yoga Spot. PearlPalooza will consist of local bands that have participated in the past who will perform at The Hollow with no guests between 1:00 and 6:00 PM. The concert will be livestreamed in partnership with WEQX and there are 9 restaurants in the District who will livestream the show for patrons to watch.
- The final Saturday of the month will be our Residential Open House. Tours of the participating buildings will take place in person, by appointment only.
- Hounds of Halloween will not be happening the way it usually does, but the costume contest will still take place online.
- There will be a Halloween-themed I Spy scavenger hunt happening in partnership with Discover Albany and Matt Mollett. That will take place on 2 Saturdays in October.



NEW BUSINESS

Ms. Steffens noted that she will meet with the Homeless and Travelers Aid Society (HATAS) to address the increase of homeless people in Downtown. HATAS has seen double the number of homeless people than they saw last year at this time. It is a big concern expressed by business owners, property owners and hotels Downtown. The Parking Authority has also had issues with people camping out in the parking garages. The objective of the meeting will be to find some creative solutions.

Ms. Steffens added that the next Board Meeting has been moved up to October 21st so that the Board may review the proposals received and award contracts for the holiday decorations and clean team contracts.

With no further business to discuss the meeting concluded at 5:22 PM.

Next Meeting

Wednesday, October 21, 2020 at 4:30PM.

Zoom