

Public Authorities Accountability Act of 2005

Filed pursuant to and in accordance with Subdivision (1) of Section 2800 of the Public  
Authorities Law:

# **Annual Report**

## **2018**

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**1. Operations and Accomplishments in 2018:**

During this past year, 2018, the Albany Convention Center Authority (“ACCA”) has proceeded pursuant to its enabling legislation to oversee the management of the Albany Capital Center which is located at 55 Eagle St, Albany NY 12207, adjacent to Howard and Wendell Streets and the Empire State Plaza, the EGG, the Times Union Center and directly connected to the Empire State Plaza Walkway.

In addition, the ACCA received and reviewed a presentation by Empire State Development on the highest and best use for the surplus land owned by the ACCA that comprises the former site of the convention facility. The ACCA undertook a process of reviewing and analyzing the most appropriate process for disposing of such land that would be in the best public interest. Comprehensive information on this can be found in the Management Discussion and Analysis section of the 2017 audit at the link below.

**2. Financial Reports:**

a.) Audited Financials:

Link: [http://www.albanycapitalcenter.com/acca/financial\\_information.cfm](http://www.albanycapitalcenter.com/acca/financial_information.cfm)

b.) Operating and Financial Risks:

The ACCA sole source of funding is from portions of the Albany County Hotel-Motel Occupancy Tax which renews every two years, and next expires on 12-31-2020. The ACCA utilizes these funds to meet its operational and financial obligations incurred in FY 2018. The ACCA’s efforts in 2018 were directed to the operation of the Albany Capital Center under the management of SMG and to maintain the surplus properties previously acquired for the former convention center site.

c.) Current ratings, if any, of bonds issued by recognized municipal bond rating agencies and notice of changes in such ratings:

N/A

d.) Long-term liabilities, including leases and employee benefits plans:

Lease obligations are the only long-term liabilities of the ACCA. As a result of the acquisitions, purchase of buildings and land made on August 24, 2010, the Authority was assigned ground leases relating to surface parking areas which contain development rights. These parcels were within the originally designated site for the building of the convention center. Assignment of these ground leases allows for the Authority to take the existing leases over from the original lessee with the same terms in place. The ground leases are accounted for as operating leases. The leases include a purchase option for two of the three properties during the final five years of the lease term. The surface parking areas to which these leases relate are being rented on a daily, monthly and event basis utilizing management agents. These activities will continue until a transfer of the property to an appropriate local development agency occurs.

**3. Mission statement and measurements including its most recent measurement report:**

a.) Mission Statement:

The New York state legislature found, determined and declared that a convention center facility located in downtown Albany will provide significant economic and social benefits to the City and County of Albany and the entire capital district region and that locating such convention center facility in the City of Albany is in the public interest, given the convenience and accessibility of the City, its significance in the history of the State, its stature as the capital city of the State and the seat of State government. It is therefore the purpose and mission of the Albany Convention Center Authority to design, develop, plan, finance, create, site, construct, renovate, administer, operate, manage, and maintain a convention center facility within the downtown area of the City of Albany.

b.) Measurement Report:

The performance of the Authority can be measured by it having operated within its allocated resources and in accordance with its approvals to oversee the management of the Albany Capital Center and support the effort to transfer the surplus land it controls to a local development agency.

**4. Schedule of bonds and notes Outstanding:**

- a.) As of December 31, 2018, the ACCA satisfied the balance due on a Master Equipment Lease/Purchase Agreement with M & T Bank.

**5. Compensation schedule for salaries in excess of \$100,000:**

- a.) Duncan Stewart, Executive Director/CEO.

**6. Biographical information for all persons with salaries in excess of \$100,000:**

- a.) Mr. Duncan Stewart has over 34 years of experience in commercial construction and development industries. His career includes employment with several Capital Region developers and contractors, including serving 12 years as vice president of operations for Zandri Construction in Cohoes. Project experience includes: the air-traffic control tower/Tracon Facility, air cargo and maintenance buildings at the Albany International Airport, renovations and additions to Albany Public Schools #20 and #27, new gymnasium and classroom additions to the St. Anne Institute in Albany, Woodland Hills Montessori School, renovations and additions to St. Pius X, St. Augustine's, and St. Mary's Crescent among other liturgical facilities.  
A resident of Averill Park, Mr. Stewart, is a native of Boston, having lived in the Capital Region since 1975. In his project work, he has served in both the capacity of an owner's representative and general contractor and has extensive experience with the construction management process both as advisor and as constructor.

**7. Projects undertaken during the past year:**

- a.) Pursuant to its enabling legislation, the ACCA is to design, develop, plan, finance, create, site, construct, renovate, administer, operate, manage, and maintain a convention facility located in the City of Albany. Therefore, the ACCA has a single statutorily mandated project related to the Albany Capital Center.

**8. Listing of all real property having a fair market value in excess of \$15,000:**

| <u>Parcel #</u> | <u>Address</u>     | <u>Owner</u>       |
|-----------------|--------------------|--------------------|
| 76.50-1-23      | 27 Dallius Street  | ACCA               |
| 76.50-1-15      | 62 Green Street    | ACCA               |
| 76.50-1-16      | 62.5 Green Street  | ACCA               |
| 76.50-1-17      | 64 Green Street    | ACCA               |
| 76.50-1-18      | 66 Green Street    | ACCA               |
| 76.50-1-19      | 72 Green Street    | ACCA               |
| 76.50-1-20      | 74 Green Street    | ACCA               |
| 76.50-1-21      | 46 Division Street | ACCA               |
| 76.50-1-22      | 44 Division Street | ACCA               |
| 76.50-1-31      | 346 Broadway       | ACCA               |
| 76.50-1-34      | 1 City Square      | ACCA               |
| 76.11-1-7       | 3 City Square      | ACCA               |
| 76.11-1-8       | 2 E-Comm           | ACCA               |
| 76.11-1-9       | 3 E-Comm           | ACCA               |
| 76.11-1-10      | 310 Broadway       | ACCA               |
| 76.11-1-13      | 5 Pryun Street     | ACCA               |
| 76.42-5-25      | 50 Hudson Avenue   | ACCA               |
| 76.50-1-24      | 14 Dallius Street  | PSC,LLC            |
| 76.50-1-25      | 22 Dallius Street  | PSC,LLC            |
| 76.50-1-26      | 39 Hamilton Street | PSC,LLC            |
| 76.50-1-27      | 37 Hamilton Street | PSC,LLC            |
| 76.50-1-28      | 31 Hamilton street | PSC,LLC            |
| 76.50-1-29      | 23 Liberty Street  | PSC,LLC            |
| 76.50-1-30      | 28 Division Street | PSC,LLC            |
| 76.50-1-32      | 342 Broadway       | PSC,LLC            |
| 76.50-1-33      | 338 Broadway       | PSC,LLC            |
| 76.50-1-35      | 330 Broadway       | PSC,LLC            |
| 76.11-1-12      | 298 Broadway       | JOHN CLARK,TRUSTEE |
| 76.42-5-21      | 58 Green Street    | JOHN CLARK,TRUSTEE |
| 76.42-5-22      | 54 Green Street    | JOHN CLARK,TRUSTEE |
| 76.42-5-23      | 50 Green Street    | JOHN CLARK,TRUSTEE |
| 76.42-5-24      | 52 Hudson Avenue   | JOHN CLARK,TRUSTEE |
| 76.42-5-27      | 46 Hudson Avenue   | JOHN CLARK,TRUSTEE |
| 76.42-5-28      | 37 Division Street | JOHN CLARK,TRUSTEE |
| 76.42-5-29      | 41 Division Street | JOHN CLARK,TRUSTEE |
| 76.42-5-30      | 43 Division Street | JOHN CLARK,TRUSTEE |
| 76.42-5-31      | 45 Division Street | JOHN CLARK,TRUSTEE |
| 76.42-5-32      | 47 Division Street | JOHN CLARK,TRUSTEE |

| <u>Parcel #</u> | <u>Address</u>     | <u>Owner</u>       |
|-----------------|--------------------|--------------------|
| 76.42-5-33      | 49 Division Street | JOHN CLARK,TRUSTEE |
| 76.50-1-3       | 56 Division Street | ACCA               |
| 76.50-1-4       | 54 Division Street | ACCA               |
| 76.50-1-5       | 52 Division Street | ACCA               |
| 76.50-1-6       | 57 Green Street    | ACCA               |
| 76.50-1-7       | 57.5 Green Street  | ACCA               |
| 76.50-1-9       | 61 Green Street    | ACCA               |
| 76.50-1-10      | 65 Green Street    | ACCA               |
| 76.50-1-12      | 65 Hamilton Street | ACCA               |
| 76.50-1-13      | 67 Hamilton Street | ACCA               |
| 76.42-5-44      | 358 Broadway       | ACCA               |
| 76.33-1-28.1    | 55 Eagle Street    | ACCA               |

**9.) Code of Ethics:**

a.) See attachment A

ACCA Website Link: [http://www.albanycapitalcenter.com/acca/financial\\_information.cfm](http://www.albanycapitalcenter.com/acca/financial_information.cfm)

**10.) Assessment of Internal Control Structure and Procedures:**

Our independent auditor found no material weakness in the Internal Control Structure and Procedures during the 2018 Audit. The Audit did note however, a GAAP departure related to the potential impairment of certain capital assets. Specifically, this GAAP departure results from the ACCA not having current appraised values of its surplus property that is under contract for sale with Capitalize Albany Corporation.

See attachment B for Management Assessment of Internal Controls.

ACCA Website Link: [http://www.albanycapitalcenter.com/acca/financial\\_information.cfm](http://www.albanycapitalcenter.com/acca/financial_information.cfm)

**11.) Enabling Legislation:**

a.) Link: [http://www.albanycapitalcenter.com/acca/About\\_83\\_pg.htm](http://www.albanycapitalcenter.com/acca/About_83_pg.htm)

**12.) Description of the Authority and its Board Structure:**

a.) The Albany Convention Center Authority (ACCA) has one full time employee and contracts for accounting, legal and certain administrative services including payroll. The activities of the ACCA are overseen by a 9 member Board of unpaid volunteers appointed by various levels of government.

b.) ACCA Board:

- Megan Daly, Chair. Appt. by the Governor
- Michael Skrebutenas, Vice-Chair. Appt. by the Governor
- Steven C. Lerner, Treasurer. Appt. by the Albany County Executive
- Michele Vennard, Secretary. Appt. by the Mayor of Albany
- Hon. John McDonald. Appt. by the Speaker of the NYS Assembly
- Sarah Reginelli. Appt. by the Mayor of Albany
- George Penn. Appt. by the Albany County Executive

Currently there are two vacancies, one an appointment to be made by the Governor, the other by the President Pro-Temp of the NYS Senate for which requests have been issued

c.) Committees and Members:

- Audit & Finance Committee – a committee of the Board
- Governance Committee – a committee of the Board
- Economic Impact Committee:
  - Michele Vennard, Chair
  - Megan Daly
  - Hon. John McDonald
  - Steven C. Lerner

d.) Board Meetings and Attendance:

Link: [http://www.albanycapitalcenter.com/acca/meeting\\_records.cfm](http://www.albanycapitalcenter.com/acca/meeting_records.cfm)

e.) Description of Major Authority Units or Subsidiaries:

-NA-

f.) Number of Employees:

The ACCA has one Fulltime Employee

**13.) Charter and by-laws:**

a.) See Attachment C

ACCA Website Link: [http://www.albanycapitalcenter.com/acca/About\\_83\\_pg.htm](http://www.albanycapitalcenter.com/acca/About_83_pg.htm)

**14.) Listing of material changes in operations and programs during the reporting year:**

a.) 2018 was the first full calendar year that the Albany Capital Center was in operation during which the Authority oversaw the operations of the Albany Capital Center under the management of SMG, the operator.

**15.) Minimum of a 4 year financial plan including: (i) current and projected capital budget, (ii) operating budget report, including an actual versus estimated budget with an analysis and measurements of financial and operating performance**

a.) See Attachments D-1 and D-2

ACCA Website Link: [http://www.albanycapitalcenter.com/acca/financial\\_information.cfm](http://www.albanycapitalcenter.com/acca/financial_information.cfm)

**16.) Board performance evaluations: provided, however, that such evaluations shall not be subject to disclosure under FOIL**

a.) See Attachment E

**17.) Description of the total amount of: assets, services or both assets and services bought or sold without competitive bidding including: (i) the nature of assets and services, (ii) names of the counterparts, (iii) where the contract price for the assets purchased exceed FMV or where the contract price for the assets sold is less than FMV, a detailed explanation of the justification for making purchase or sale without competitive bidding and a certification by the CEO and CFO that they have reviewed the terms of such purchase or sale and determined that it complies with applicable law and procurement guidelines:**

- a.) No land purchases occurred in 2018.
- b.) All qualifying services/equipment purchased in 2018 by the ACCA were competitively bid.

**18.) Description of material pending litigation**

Kasselman Electric initiated litigation against the ACCA and Gilbane for breach of contract. As of December 31, 2018, the suit remains open, and has not yet proceeded to a point where a potential liability, if any, can be determined.

I hereby certify the foregoing report is accurate to the best of my knowledge, based on the audited financial records of the Albany Convention Center Authority.

  
\_\_\_\_\_ Date: 3/27/2019  
Duncan Stewart  
Albany Convention Center Authority (ACCA)  
Executive Director/CEO