

**TO:** City of Albany Industrial Development Finance Committee

**FROM:** City of Albany Industrial Development Agency Staff

**RE:** RECKDE, LLC - IDA Application Summary

**DATE:** August 9, 2017

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**Applicant:** RECKDE, LLC

**Managing Members (% of Ownership):** Ronald Stein (100%)

**Project Location:** 79-91 Dana Avenue

**Project Description:** The project involves the revitalization of four vacant parcels and three condemned buildings on Dana Avenue. The proposed project includes the construction and installation of a 40,000 sq.ft. apartment building for market-rate, residential housing. The Applicant is proposing 30 one and two bedroom residential rental units. The Applicant has currently invested \$932,000 for land acquisition, demo prep, architect and engineering fees, survey, permits/fees, etc.

**Estimated Project Cost:** \$5,183,500 (est. amount spent to date: \$932,000)

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$2,405,468

**Estimated Total Mortgage Amount:** \$3,887,675

**Current Total Assessment:** \$333,200

**Estimated Improved Total Assessment:** \$2,870,000 (\$95,666.67 per unit)

**Requested PILOT:** The proposal entails the Applicant entering into a 20 year PILOT agreement with the IDA.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments: \$1,358,542 (vs. \$247,211 in estimated taxes if left status quo)

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$192,437.44
- Mortgage Recording Taxes: \$38,876
- Real Property Taxes: \$1,861,428
- Other: N/A

**Employment Impact:**

- Projected Permanent: 1 new FTE
- Projected Construction: 35 jobs

**Strategic Initiatives:**

- Albany 2030
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and historic buildings for employment and housing.
  - Provide a variety of housing types to meet the varied needs of Albany's households, including market, moderate and low income housing.
  - Encourage diverse intergenerational housing. Diverse housing includes options for residents throughout different stages of life (e.g. students, couples, families with children, seniors) in the same neighborhood.
- Revitalization and diversification of downtown - adaptive reuse of underutilized or vacant buildings
- Project site is identified directly in the Park South Neighborhood plan.

**Planning Board Actions:**

- Applicant received Site Plan Approval on November 17, 2016.

**Estimated IDA Fee**

- Fee amount: \$51,835

**Mission**

- The purpose of the Industrial Development Agency is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreation facilities. The Agency aims to protect and promote the health of the inhabitants of the City of Albany by the conservation, protection and improvement of the natural and cultural or historic resources and environment and to control land, sewer, water, air, noise or general environmental pollution derived from the operation of industrial development.