

City of Albany Industrial Development Agency

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Tracy Metzger, *Chair*
Susan Pedo, *Vice Chair*
Darius Shahinfar, *Treasurer*
Lee Eck, *Secretary*
Dominick Calsolaro
Robert Schofield
Jahkeen Hoke

Sarah Reginelli, *Chief Executive Officer*
Mark Opalka, *Chief Financial Officer*
William Kelly, *Agency Counsel*

IDA MINUTES OF FINANCE COMMITTEE MEETING

Wednesday, May 8, 2019 at 12:15 PM

Attending: Darius Shahinfar, Tracy Metzger, Lee Eck, Susan Pedo, and Dominick Calsolaro

Also Present: Joe Scott, Nadene Zeigler, Sarah Reginelli, Mark Opalka, William Kelly, Joe Landy, Andy Corcione, Genevieve Zurowski, and Mike Bohne

Chair Darius Shahinfar called the Finance Committee meeting of the IDA to order at 12:16 p.m.

Roll Call

Chair Darius Shahinfar reported that all Committee members were present.

Reading of Minutes of the April 10, 2019 Finance Committee Meeting

Since the minutes of the previous meeting had been distributed to Committee members in advance for review, Chair Darius Shahinfar made a proposal to dispense with the reading of the minutes.

Approval of Minutes of the April 10, 2019 Finance Committee Meeting

Chair Darius Shahinfar proposed to approve the minutes of the Finance Committee meeting of April 10, 2019. Dominick Calsolaro moved and Tracy Metzger seconded to accept the minutes as presented. A vote being taken, the motion passed unanimously.

Report of Chief Financial Officer

None.

Unfinished Business

76 North Pearl, LLC

Staff provided an overview of the *76 North Pearl LLC project* to the Committee requesting a positive recommendation for the Approving Resolutions. The *76 North Pearl LLC* project involves the renovation of a 192,000 square foot commercial office building into 123 apartments, creating 113 construction jobs and 24 new FTE jobs. Staff discussed the uniform criteria, already distributed to the Committee. The Committee had a robust discussion related to the benefits and costs of the project in relation to the Mortgage Recording Tax and Sales Tax abatement being requested. A motion to advance the *76 North Pearl, LLC* project to the full board with a positive recommendation for Approving Resolutions was made by Tracy Metzger, and seconded by Susan Pedo. A vote being taken, the motion passed unanimously.

TRPS2, LLC (74-86 Dana Ave)

Staff provided an overview of the *TRPS2 LLC project* to the Committee and requested a positive recommendation for a Public Hearing Resolution. This project involves the construction of a 45,000 square foot building containing approximately 36-unit apartments and ground-level parking, and will create 160 construction jobs. The Applicant was present to answer any questions that the Committee members may have. The Committee discussed the additional third party analysis of the “appropriateness of the requested abatement” that has been completed by Camoin Associates. A motion to advance the *TRPS2, LLC* project to the full board with a positive recommendation for Public Hearing Resolution was made by Susan Pedo, and seconded by Dominick Calsolaro. A vote being taken, the motion passed unanimously.

FC 705 Boadway, LLC

Staff provided an overview of the *FC705 Broadway, LLC/705 Broadway Hotel, LLC project* to the Committee and requested a positive recommendation for a Public Hearing Resolution. The project involves the construction of an 84,534 square foot 132 room limited service hotel, creating 100 construction jobs and 25 new FTE jobs. The Applicant was present to provide a summary of the project and to answer any questions the Committee may have. The Applicant discussed various aspects of the project with the Committee, including the Brownfield tax credits and their coordination with National Grid. The operating proforma of the project, which was distributed to the Committee prior to the meeting, was discussed. A motion to advance the *FC 705 Broadway, LLC/705 Broadway Hotel, LLC project* to the full board with a positive recommendation for a Public Hearing was made by Tracy Metzger, and seconded by Dominick Calsolaro a vote being taken, the motion passed unanimously. While the Board had approved third-party analysis in 2018, Staff recommended selecting multiple firms to perform the analysis to increase efficiency. The Board agreed and directed staff to proceed.

New Business

Consultant Services

Staff left the room at 12:50 p.m. to facilitate an open discussion. Counsel provided an overview of the request for professional consultant services with regards to the potential Liberty Park project and a Capitalize Albany Corporation matter. The Committee discussed the likelihood of moving forward with condemnation proceedings. A motion to move the *Consultant Services* discussion to the full Board with a positive recommendation was made by Dominick Calsolaro, and seconded by Lee Eck. Susan Pedo abstained from the vote. A vote being taken, the motion passed with all other members voting aye.

Staff re-entered the room 1:20 p.m.

Other Business

Agency Update

Staff informed the Committee that the spring 2019 funding window for the Façade Improvement Program was announced earlier this month and applications will be accepted beginning in May. The application window will close on June 6, concluding the program’s third round.

Staff also informed the Committee about the possibility of contracting with the Agency’s current IT provider to create certain website enhancements that would increase the “searchabilty” of information on the Agency’s website. Staff will be obtaining a quote prepared from the company. A motion to move the website discussion to the full Board with a positive recommendation was made by Lee Eck, and seconded by Dominick Calsolaro. A vote being taken, the motion passed unanimously.

Staff updated the Board on various projects and other Capitalize Albany activity.

Legislative Update

Staff briefly discussed some proposed legislation being considered by New York State and Staff will update the Committee as necessary. There is currently no movement on the legislative bills.

Compliance Update

Staff informed the Board that the PARIS report was submitted on time. The Committee discussed the annual reporting for 960 Broadway, LLC, Nipper Apartments, LLC, and 581 Livingston Ave, LLC. These projects will continue to be closely monitored by the Agency.

Adjournment

There being no further business, the meeting was adjourned at 1:32 p.m.

Respectfully submitted,

Lee Eck, Secretary

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: TRPS2, LLC - IDA Application Summary
DATE: May 3, 2019

Applicant: TSRP2, LLC
Managing Members (% of Ownership): Ronald Stein (100%)
Project Location: 86 Dana Avenue, Albany, NY

Project Description: The project involves the revitalization of four vacant parcels on Dana Avenue. The proposed project includes the construction and installation of a 45,000 sq.ft. apartment building for market-rate, residential housing. The Applicant is proposing 36 one bedroom residential rental units.

Estimated Investment: \$5,583,500 (est)

Estimated Project Real Property Benefit Summary (20 Years):

	Status Quo Taxes (no project)	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$418,339	\$1,588,662	\$1,170,323

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$357,700	\$3,250,000	\$2,892,300

**Project Impact Assessed Value based on letter from the City of Albany Assessor dated 03-20-19*

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of \$232,454 based on an assessed value of **\$3,250,000** and an annual tax rate of 7.152%.

Community Benefits: Please see the attached CAIDA Project Evaluation and Assistance Framework Staff Analysis for more detail on the Community Benefits metrics below.

- *Revitalization:* The project is located in a Targeted Geography within the City, notably a high vacancy census tract.
- *Job Creation:* The project is committing to the creation of 1 permanent and 160 construction jobs.
- *Investment:* The project is anticipating a project cost of more than \$5.5 million, the applicant has also committed to the Community Commitments of regional labor and City of Albany labor guarantees.

Employment Impact:

- Projected Permanent: 1 FTE job
- Projected Retained: N/A
- Projected Construction: 160 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$2,405,463

Estimated Total Mortgage Amount: not to exceed \$4,483,500

Requested PILOT: See attached request

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$192,437
- Mortgage Recording Taxes: \$44,835
- Real Property Taxes: \$2,212,829
- Other: N/A

Baseline Requirements:

- Application: Complete
- Meets NYS/CAIDA Requirements: Yes
- Albany 2030 Alignment:
 - Increase job opportunities for all residents.
 - Encourage investment in urban land and buildings for employment and housing.
- Planning Approval Status: Full Planning Board approval
- Meets Project Use Definition: Yes
- Meets “But For” Requirement: Yes, affidavit signed.

Cost Benefit Analysis: See attached Exhibit A: Description of The Project Evaluation and Expected Public Benefits.

Estimated IDA Fee

- Fee amount: \$55,835

CAIDA 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.

EXHIBIT A

DESCRIPTION OF THE PROJECT EVALUATION AND EXPECTED PUBLIC BENEFITS

TRPS2, LLC PROJECT

Pursuant to the City of Albany Industrial Development Agency’s (the “Agency”) Uniform Criteria for the Evaluation of Projects Policy, the following general uniform criteria were utilized by the “Agency” to evaluate and select the project for which the Agency can provide financial assistance. In the discussions had between the Project Beneficiary and the Agency with respect to the Project Beneficiary’s request for Financial Assistance from the Agency with respect to the Project, the Project Beneficiary has represented to the Agency that the Project is expected to provide the following benefits to the Agency and/or to the residents of City of Albany, Albany County, New York (the “Public Benefits”):

Description of Evaluation Criteria/Benefit		Applicable to Project (indicate Yes or No)		Criteria Assessment/ Expected Benefit
1.	Retention direct and indirect of existing jobs	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>Project will increase the level of activity in the Park South neighborhood, thereby promoting the retention of existing jobs.</p> <p>The Company expects that the Project will result in the retention and creation of employment in the retail, restaurant, entertainment and office operations located in the surrounding area.</p>
2.	Creation of direct and indirect new permanent jobs	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>Project will increase the level of activity in the Park South neighborhood, thereby promoting the creation of new permanent jobs.</p> <p>The Project will create 1 new full time equivalent jobs.</p> <p>The Company expects that the Project will result in the retention and creation of employment in the retail, restaurant, entertainment, service and office operations located in the surrounding area.</p>

3.	Estimated value of tax exemptions	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>The exemptions have been weighed against the cumulative benefits of the Project.</p> <p>NYS Sales and Compensating Use Tax Exemption: \$192,437 Mortgage Recording Tax Exemption: \$44,835 Real Property Tax Exemption: \$2,212,829</p>
4.	Private sector investment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Project applicant expects to invest over \$5.5 million of private investment in the Project.
5.	Likelihood of Project being accomplished in a timely fashion	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>High likelihood that Project will be accomplished in a timely fashion.</p> <p>The Project has received a term sheet and letter of intent for Project Financing.</p> <p>The Applicant closed on the purchase of the property in 2018.</p>
6.	Extent of new revenue provided to local taxing jurisdictions.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>Project will result in new revenue to local taxing jurisdictions under the proposed PILOT program through the City of Albany IDA.</p> <p>Project will result in an increase in assessed value from the current total assessment: \$357,000 (Per City of Albany Commissioner of Assessment and Taxation 2018 Assessment Roll) to the estimated improved total assessment: \$3,250,000 (Per City of Albany Commissioner of Assessment and Taxation).</p>

7.	Other:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>The Project will develop a vacant property and create approximately 36 apartments.</p> <p>The Project has committed to Regional Labor for 90% of the construction work force and to City of Albany Labor for 15% of the construction work force.</p> <p>The Project will increase the consumer base to support local businesses and employers.</p> <p>The Project will have a positive revitalizing effect on the community by developing currently vacant parcels in a strategically identified neighborhood location.</p> <p>The Project meets the intent and furthers the implementation of the following City of Albany strategic initiatives: Albany 2030.</p>
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DRAFT

*****DRAFT - CAIDA Project Evaluation and Assistance Framework Staff Analysis**

Project:	TRPS2, LLC		
Total Score:	11		
*Qualifies for a PILOT Deviation?	YES	**Qualifies for Community Commitment Enhancement?	NO
Total Improved Assessed Value Estimate:	\$3,250,000	Units:	36
Notes/Applicable Program Restrictions:		Improved Assessed Value per Unit Estimate:	\$90,277.78

COMMENTS

Revitalization	Target Geography		
	Distressed Census Tract		Census tract 21 is contiguous to a distressed census tract
	High Vacancy Census Tract	1	Census tract 21 is a high vacancy census tract
	Downtown		
	BID		
	Neighborhood Plan	1	The project is located within the Park South Urban Renewal Plan
	Identified Priority		
	Downtown Residential		
	Tax Exempt/Vacant	1	The Project involves the construction of a building improvements on four vacant parcels
	Identified Catalyst Site	1	Project site is identified directly in the Park South neighborhood plan
	Historic Preservation		
	Community Catalyst	1	Project identified in the PSURP ratified by the Common Council
	Identified Growth Area		
	Manufacturing / Distribution		
	Technology		
Hospitality			
Existing Cluster	1	creation/retention perm jobs in industry cluster (medical)	
Conversion to Residential			
<i>Subtotal</i>	6		
Job Creation	Permanent Jobs		
	3 - 40		project will create 1 FTE
	41-80		
	81 - 120		
	121-180		
	>180		
	Retained Jobs		
	3 - 40	0	
	41-80		
	81 - 120		
	121-180		
	>180		
	Construction Jobs		
	6 - 80	1	
	81 - 160	1	project will create 160 construction jobs
161 - 240			
> 241			
<i>Subtotal</i>	2		
Investment	Financial Commitment		
	2.5M - 10M	1	Total project cost is anticipated to be \$5.83 Million
	10.1M-17.5M		
	17.6M-25M		
	25.1M-30M		
	<i>Subtotal</i>	1	
	Community Commitment		
	MWBE		
	EEO Workforce Utilization		
	Inclusionary Housing		
	Regional Labor	1	Developer commits to Regional Labor for 90% of construction jobs
	City of Albany Labor	1	Developer commits to City of Albany Labor for 15% of construction jobs
	Apprenticeship Program		
	<i>Subtotal</i>	2	**Must achieve subtotal of 3 and threshold of 13 to qualify for Community Commitment enhancement
	Total:	11	*Must achieve threshold of 10 to qualify for deviation
Baseline Requirements	Complete Application	1	
	Meets NYS/CAIDA Requirements	1	
	Albany 2030 Aligned	1	
	Planning Approval	1	
	Meet "Project Use" definition	1	
	"But For" Requirement	1	
	Total	6	

***This analysis is prepared by staff for Board discussion purposes only. The potential scoring represented has not been vetted, agreed upon or in any way approved by the CAIDA Board of Directors



CITY OF ALBANY
DEPARTMENT OF ASSESSMENT
24 EAGLE STREET-ROOM 302
ALBANY, NEW YORK 12207
TELEPHONE (518) 434-5155

KATHY SHEEHAN
MAYOR

TREY KINGSTON
CITY ASSESSOR

March 20, 2019

Joseph Landy
21 Lodge Street
Albany, New York 12207

Re: The Reserve at Park South 2 (74-86 Dana Ave)

Dear Mr. Landy:

At your request, we have reviewed the pro-forma and other spreadsheet data provided by the Applicant with respect to the above referenced project. The following are the salient features of the project:

- An 88-unit apartment complex consisting of:
 - 21 units measuring 940 SF each with monthly rents projected at \$1,300; and
 - 15 units measuring 740 SF each with monthly rents projected at \$1,100.

Based on the above and consistent with the income capitalization methodology utilized by this office for other apartment complex properties throughout the City, we are projecting the current total assessed value for the subject property, consistent with the assumption that the property was in an "as-stabilized" condition as of March 1, 2018 and its value estimate was as of July 1, 2017, to be:

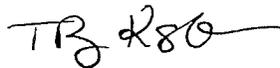
\$3,250,000

For greater clarity, it must be noted that the above total assessed value estimate is provided under the extraordinary assumptions that the improvements are completed as of the pro-forma projected date of completion and are leased to a stabilized occupancy at projected rents at the above date of valuation corresponding to the end of the projected absorption period after the projected date of completion.

As such, all such financial information provided by the Applicant is assumed to be true, correct and reliable and the total assessed value set forth above was predicated, in large measure, based on such data. However, it should be noted that this value may not be valid in other time periods or as conditions change. If new information of significance is brought to this office, the above total assessed value would be subject to change, consistent with such new information.

We trust that the foregoing is sufficient for the IDA's needs. If you have any questions and/or require additional clarification, please do not hesitate to contact us.

Sincerely,

Handwritten signature of Trey Kingston in black ink, featuring a stylized 'TK' and 'R80' followed by a horizontal flourish.

Trey Kingston, Esq.
Assessor

TRPS2, LLC - Analysis of Applicant's Proposed PILOT

PILOT Year	City & County Tax Year	School Tax Year	Tax Rate ⁽⁴⁾	Status Quo		Proposed Project											
				Estimated Total 2018 Assessment ⁽⁵⁾	Estimated Total Taxes ⁽⁶⁾	Base Assessment ⁽⁷⁾	Normal Tax			PILOT Payments to be the Greater of ⁽¹¹⁾							
							Estimated Total Improved Assessment ⁽⁸⁾	Estimated Total Taxes w/o PILOT ⁽⁹⁾	Estimated Total Taxes w/o PILOT Per Unit ⁽¹⁰⁾	Estimated PILOT Payments ⁽¹²⁾	Estimated PILOT Payments ⁽¹²⁾	Estimated Abatement ⁽¹³⁾	Estimated PILOT Payments Per Unit ⁽¹⁴⁾	Estimated Abatement Per Unit ⁽¹⁵⁾	% Abatement on Total Assessment ⁽¹⁶⁾	% Abatement on Improved Assessment ⁽¹⁷⁾	
Construction ⁽¹⁾	2019	2018/2019	\$47.19	\$357,700	\$16,880	-	-	-	-	-	-	-	-	-	-	-	-
1 ⁽²⁾	2020	2019/2020	\$48.13	\$357,700	\$17,217	\$357,700	\$3,250,000	\$156,435	\$4,345.41	\$31,139	Not Applicable	\$125,296	\$865	\$3,480	80.09%	90%	
2	2021	2020/2021	\$49.10	\$357,700	\$17,562	\$357,700	\$3,250,000	\$159,564	\$4,432.32	\$31,762	Not Applicable	\$127,802	\$882	\$3,550	80.09%	90%	
3	2022	2021/2022	\$50.08	\$357,700	\$17,913	\$357,700	\$3,250,000	\$162,755	\$4,520.97	\$32,397	Not Applicable	\$130,358	\$900	\$3,621	80.09%	90%	
4	2023	2022/2023	\$51.08	\$357,700	\$18,271	\$357,700	\$3,250,000	\$166,010	\$4,611.39	\$33,045	Not Applicable	\$132,965	\$918	\$3,693	80.09%	90%	
5	2024	2023/2024	\$52.10	\$357,700	\$18,637	\$357,700	\$3,250,000	\$169,330	\$4,703.61	\$33,706	Not Applicable	\$135,624	\$936	\$3,767	80.09%	90%	
6	2025	2024/2025	\$53.14	\$357,700	\$19,009	\$357,700	\$3,250,000	\$172,717	\$4,797.69	\$34,380	Not Applicable	\$138,337	\$955	\$3,843	80.09%	90%	
7	2026	2025/2026	\$54.21	\$357,700	\$19,390	\$357,700	\$3,250,000	\$176,171	\$4,893.64	\$35,068	Not Applicable	\$141,103	\$974	\$3,920	80.09%	90%	
8	2027	2026/2027	\$55.29	\$357,700	\$19,777	\$357,700	\$3,250,000	\$179,694	\$4,991.51	\$35,769	Not Applicable	\$143,925	\$994	\$3,998	80.09%	90%	
9	2028	2027/2028	\$56.40	\$357,700	\$20,173	\$357,700	\$3,250,000	\$183,288	\$5,091.34	\$36,485	Not Applicable	\$146,804	\$1,013	\$4,078	80.09%	90%	
10	2029	2028/2029	\$57.52	\$357,700	\$20,576	\$357,700	\$3,250,000	\$186,954	\$5,193.17	\$37,214	Not Applicable	\$149,740	\$1,034	\$4,159	80.09%	90%	
11	2030	2029/2030	\$58.67	\$357,700	\$20,988	\$357,700	\$3,250,000	\$190,693	\$5,297.03	\$46,444	Not Applicable	\$144,249	\$1,290	\$4,007	75.64%	85%	
12	2031	2030/2031	\$59.85	\$357,700	\$21,408	\$357,700	\$3,250,000	\$194,507	\$5,402.97	\$64,683	Not Applicable	\$129,824	\$1,797	\$3,606	66.75%	75%	
13	2032	2031/2032	\$61.05	\$357,700	\$21,836	\$357,700	\$3,250,000	\$198,397	\$5,511.03	\$83,632	11.5% of Project Gross Sales/Revenue	\$114,765	\$2,323	\$3,188	57.85%	65%	
14	2033	2032/2033	\$62.27	\$357,700	\$22,273	\$357,700	\$3,250,000	\$202,365	\$5,621.25	\$94,310	11.5% of Project Gross Sales/Revenue	\$108,056	\$2,620	\$3,002	53.40%	60%	
15	2034	2033/2034	\$63.51	\$357,700	\$22,718	\$357,700	\$3,250,000	\$206,412	\$5,733.68	\$114,565	11.5% of Project Gross Sales/Revenue	\$91,847	\$3,182	\$2,551	44.50%	50%	
16	2035	2034/2035	\$64.78	\$357,700	\$23,172	\$357,700	\$3,250,000	\$210,541	\$5,848.35	\$135,593	11.5% of Project Gross Sales/Revenue	\$74,947	\$3,766	\$2,082	35.60%	40%	
17	2036	2035/2036	\$66.08	\$357,700	\$23,636	\$357,700	\$3,250,000	\$214,752	\$5,965.32	\$157,417	11.5% of Project Gross Sales/Revenue	\$57,335	\$4,373	\$1,593	26.70%	30%	
18	2037	2036/2037	\$67.40	\$357,700	\$24,109	\$357,700	\$3,250,000	\$219,047	\$6,084.63	\$180,059	11.5% of Project Gross Sales/Revenue	\$38,988	\$5,002	\$1,083	17.80%	20%	
19	2038	2037/2038	\$68.75	\$357,700	\$24,591	\$357,700	\$3,250,000	\$223,427	\$6,206.32	\$183,660	11.5% of Project Gross Sales/Revenue	\$39,767	\$5,102	\$1,105	17.80%	20%	
20	2039	2038/2039	\$70.12	\$357,700	\$25,083	\$357,700	\$3,250,000	\$227,896	\$6,330.45	\$187,333	11.5% of Project Gross Sales/Revenue	\$40,563	\$5,204	\$1,127	17.80%	20%	
Permanent ⁽³⁾	2040	2039/2040	\$71.52	\$357,700	\$25,584	\$357,700	\$3,250,000	\$232,454	\$6,457.05	\$232,454		\$0			0.00%	0%	
Estimated Total⁽¹⁸⁾					\$418,339			\$3,800,955		\$1,588,662		\$2,212,294					

Notes:

(1) Project would likely close with Agency in Fall of 2019.

(2) Estimated start of PILOT payments.

(3) Property returns to full taxable status.

(4) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City/County 2018 tax year and School 2017/2018 tax year with estimated escalation of 2.0% thereafter.

(5) Assessment value of based on current 2018 City of Albany assessment rolls

(6) Estimated taxes if proposed project did not occur (i.e. left status quo).

(7) Assessment value of based on purchase price of the parcels indicated on the application

(8) Per letter from the City of Albany Assessor dated 03-20-19

(9) Estimated taxes if proposed project occurred without PILOT assistance.

(10) Estimated taxes Per Unit if proposed project occurred without PILOT assistance.

(11) PILOT Payments in Years 1-12 will be calculated by the schedule listed for Percent Abatement on Improved Assessment. Starting in Year 13 the PILOT Payments will be calculated as the greater of the Percent Abatement on Improved Assessment or 11.5% of Gross Sales/Revenue (*needs to be finalized).

(12) Estimated PILOT Payments.

(13) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT.

(14) Estimated PILOT Payments Per Unit.

(15) Difference of Estimated PILOT Payments Per Unit from Estimated Total Taxes w/o PILOT Per Unit.

(16) Percent Abatement on Total Assessment via PILOT.

(17) Percent Abatement on Improved Assessment via PILOT.

(18) Totals for comparison and analysis during PILOT agreement period only.

GOLDMAN ATTORNEYS PLLC

Attorneys and Counselors at Law

210 WASHINGTON AVENUE EXTENSION
ALBANY, NEW YORK 12203

TELEPHONE: (518) 431-0941
FAX: (518) 694-4821

Paul J Goldman, Esq.
pgoldman@goldmanpllc.com

April 5, 2019

VIA EMAIL

Mr. Joseph Landy
Senior Economic Developer II
Capitalize Albany Corporation
21 Lodge Street
Albany, New York 12207

RE: IDA Application

Dear Mr. Landy:

In furtherance of the discussion that was had between yourself and Mr. Ronald Stein of TRPS2 LLC, I am enclosing the revised Application, as well as the appropriate supplementary material required by Project Evaluation and Assistance Framework (the "Framework").

Specifically, my client believes that it has satisfied all of the Baseline Requirements since the proposed Project has received final site Planning Board Approval as it is consistent with the Park South Urban Renewal / Redevelopment Plan. I have enclosed the required "But For" statement.

We believe the Project satisfies eleven (11) of the Community Benefit Metrics outlined in the IDA's Project Evaluation and Assistance Framework; (i) High Vacancy Census Tract, (ii) Neighborhood Plan, (iii) Tax Exempt/Vacant, (iv) Identified Catalyst, (v) Existing Cluster, (vi, vii) 81-160 Construction Jobs, (satisfies 2 items), (viii) Financial Commitment \$5.3M (satisfies 1 item), (ix) Regional Labor, and x) City of Albany Labor.

If you have any questions, do not hesitate to call me.

Very truly yours,

GOLDMAN ATTORNEYS PLLC

Paul J. Goldman

PJG
Enclosures

cc: Ronald Stein (w/o encls.)

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the City of Albany Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

This application by applicant respectfully states:

APPLICANT: TRPS2 LLC

APPLICANT'S ADDRESS: 204 Winding Brook Road

CITY: New Rochelle STATE: New York ZIP CODE: 10804

PHONE NO.: 1-917-885-7108 FAX NO.: NA E-MAIL: Ronald.stein@att.net

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION:

Ron Stein (owner/developer) and Paul Goldman (attorney)

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: Paul J. Goldman, Esq. (Goldman Attorneys PLLC)

ATTORNEY'S ADDRESS: 255 Washington Ave Extension, Suite 108

CITY: Albany STATE: New York ZIP CODE: 12205

PHONE NO.: 518-431-0941 FAX NO.: 518-694-4821 E-MAIL: pgoldman@goldmanpllc.com

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THIS FORM.

INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using “none” or “not applicable” or “N/A” where the question is not appropriate to the project which is the subject of this application (the “Project”).
3. If an estimate is given as the answer to a question, put “(est)” after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return one (1) copy of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant’s competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency’s bonds issued to finance the Project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel/special counsel to the Agency. The costs incurred by the Agency, including the Agency’s general counsel and bond counsel, may be considered as a part of the Project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of One Thousand Five Hundred Dollars (\$1,500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**
10. The Agency has also established an administrative fee equal to (A) one percent (1%) of the cost of the Project in the case of an Agency Straight Lease Transaction, and (B) one percent (1%) of the aggregate principal amount of the bonds to be

issued by the Agency in the case of an Agency Bond Transaction. The Agency has also established an administrative fee for the issuance of refunding bonds for Agency Bond Transactions. The formula for the calculation of the administrative fee for the issuance of refunding bonds is outlined in the Agency's Policy Manual. THESE FEES ARE PAYABLE ON THE CLOSING DATE.

FOR AGENCY USE ONLY

1. Project Number	_____
2. Date application Received by Agency	_____, 20____
3. Date application referred to attorney for review	_____, 20____
4. Date copy of application mailed to members	_____, 20____
5. Date notice of Agency meeting on application posted	_____, 20____
6. Date notice of Agency meeting on application mailed	_____, 20____
7. Date of Agency meeting on application	_____, 20____
8. Date Agency conditionally approved application	_____, 20____
9. Date scheduled for public hearing	_____, 20____
10. Date Environmental Assessment Form (“EAF”) received	_____, 20____
11. Date Agency completed environmental review	_____, 20____
12. Date of final approval of application	_____, 20____

Provide estimates for the following:

Number of Full Time Employees at the Project Site before IDA Status:	<u>NA</u>
Estimate of Jobs to be Created:	<u>.5 (Permanent) and</u> <u>100+ (Construction)</u>
Estimate of Jobs to be Retained:	<u>NA</u>
Average Estimated Annual Salary of Jobs to be Created:	<u>\$45,000</u>
Annualized Salary Range of Jobs to be Created:	<u>\$35,000 - \$50,000</u>
Estimated Average Annual Salary of Jobs to be Retained:	<u>NA</u>

I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER, THE "COMPANY").

A. Identity of Company:

1. Company Name: TRPS2 LLC

Present Address: 343 Trenor Drive

Zip Code: New Rochelle, NY 10804

Employer's ID No.: 83-0561126

2. If the Company differs from the Applicant, give details of relationship: Same

3. Indicate type of business organization of Company:

a. NA Corporation (If so, incorporated in what country?

What State? _____ Date Incorporated? _____ Type of Corporation? _____ Authorized to do business in New York? Yes ____; No ____).

b. NA Partnership (if so, indicate type of partnership _____, Number of general partners ____, Number of limited partners ____).

c. X (NYS) Limited liability company, Date created? May 14, 2018.

d. NA Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship: No

B. Management of Company:

1. List all owners, officers, members, directors and partners (complete all columns for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
Ronald Stein 204 Winding Brook Road New Rochelle, NY 10804	Sole Member	NA

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes ____ ; No X

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ____; No X.

4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes ____; No X. (If yes to any of the foregoing, furnish details in a separate attachment).

5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment. NA

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Yes ____; No X. If yes, list exchanges where stock traded:

2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
Ronald Stein	204 Winding Brook Road New Rochelle, NY 10804	100%

D. Company's Principal Bank(s) of account: CHASE

II. DATA REGARDING PROPOSED PROJECT

A. Summary: (Please provide a brief narrative description of the Project.)

Construction and installation of a 36-unit apartment building with 21 one bedroom and 15 studio apartments (approximately 15,000 sqft per floor) and will include a ground level parking garage and 3 residential floors above.

B. Location of Proposed Project:

1. Street Address: 74 – 86 Dana Avenue
2. City of: Albany
3. Town of: NA
4. Village of: NA
5. County of: Albany
6. Tax Map ID(s): 76.22.4. 9, 10, 11, 13, 14, 15

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: 15,000 sqft
Is a map, survey, or sketch of the project site attached? Yes ; No ____.
2. Are there existing buildings on project site? Yes ; No ____.
 - a. If yes, indicate number and approximate size (in square feet) of each existing building:
- 3 (2 family) homes: 1,600 sqft each condemned and to be demolished as part of project
 - b. Are existing buildings in operation? Yes ____; No (Condemned).
If yes, describe present use of present buildings:
 - c. Are existing buildings abandoned? Yes ; No _____. About to be abandoned? Yes ____; No _____. If yes, describe:

Condemned and they have been abandoned since at least September 2018.
Vacant - unoccupied parcels of land and buildings that were at least 90% vacant.
 - d. Attach photograph of present buildings.

See existing Site Plan attached.

3. Utilities serving project site:
 - Water-Municipal: Municipal – City of Albany
Other (describe)
 - Sewer-Municipal: Municipal – City of Albany
Other (describe)
 - Electric-Utility: National Grid
Other (describe)
 - Heat-Utility: National Grid
Other (describe)

4. Present legal owner of project site: The company (TRPS2 LLC) now owns the entire project site, which was acquired at different times..

- a. If the Company owns project site, indicate date of purchase: from March 2018 through October 2018 ; Purchase price: \$1,063,100.
- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes ____; No _____. If yes, indicate date option signed with owner: _____, 20____; and the date the option expires: _____, 20____.
- c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes ____; No _____. If yes, describe:

5. a. Zoning District in which the project site is located: R-2A within the Park South Planned Development Overlay District.

b. Are there any variances or special permits affecting the site? Yes ____; No X . If yes, list below and attach copies of all such variances or special permits:

All Approved by Planning Board.

D. Buildings:

1. Does part of the Project consist of a new building or buildings? Yes X ; No _____. If yes, indicate number and size of new buildings: New Building to be constructed

2. Does part of the Project consist of additions and/or renovations to the existing buildings? Yes ____; No X . If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed, or expanded: Residential Living and Parking.

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes X ; No _____. If yes, describe the Equipment:

Equipment incidental to the installation of the project, such as, without limitation: plumbing, electrical, HVAC, elevators, sprinklers, etc.

2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes ____; No X . If yes, please provide detail:

3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:

Equipment will be used in conjunction with the residential living spaces and parking

F. Project Use:

1. What are the principal products to be produced at the Project? NA

2. What are the principal activities to be conducted at the Project?

Residential living and parking

3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes X ; No _____. If yes, please provide detail: Will be providing 36 Residential Units

4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? 100%

5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:

- a. Will the Project be operated by a not-for-profit corporation? Yes ____; No X . If yes, please explain:
- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes ____; No X . If yes, please explain:
- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes ____ ; No X . If yes, please explain:
- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes X ; No ____ . If yes, please provide detail: Will be providing market rate apartments where there is demand
- e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes ____; No X . If yes, please explain: _____

Project is part of the Park South Urban Renewal Plan

6. If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes X ; No ____ . If yes, please explain:

The project will retain existing and create new jobs as people move to good, reliable housing, thus either staying or relocating to the City of Albany.

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one

area of the State of New York to another area of the State of New York? Yes ____; No X .
If yes, please explain:

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes ____; No X . If yes, please provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

a. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes ____; No ____.
If yes, please provide detail: NA

b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes ____; No ____ . If yes, please provide detail: NA

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

- Planning Commission (Site Plan Approval)
- Zoning Board of Appeals (Area Variance)

2. Describe the nature of the involvement of the federal, state, or local agencies described above:

None other than set forth above

H. Construction Status:

1. Has construction work on this Project begun? Yes ____; No X . If yes, please discuss in detail the approximate extent of construction and the extent of completion.

Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

2. Please indicate amount of funds expended on this Project by the Company in the past three (3) years and the purposes of such expenditures:

Approximately \$1,100,000 for the acquisition of the properties and project planning expenses.

3. Please indicate the date the applicant estimates the Project will be completed: Summer 2020.

I. Method of Construction After Agency Approval:

1. If the Agency approves the Project which is the subject of this application, there are two methods that may be used to construct the Project. The applicant can construct the Project privately and sell the Project to the Agency upon completion. Alternatively, the applicant can request to be appointed as “agent” of the Agency, in which case certain laws applicable to public construction may apply to the Project. Does the applicant wish to be designated as “agent” of the Agency for purposes of constructing the Project? Yes X ; No ____.

2. If the answer to question 1 is yes, does the applicant desire such “agent” status prior to the closing date of the financing? Yes X ; No ____.

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT. (PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes X ; No ____ . If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee name: Market Rate Apartments
Present Address:
City: _____ State: _____ Zip:
Employer’s ID No.:
Sublessee is: ____ Corporation: ____ Partnership: ____ Sole Proprietorship
Relationship to Company:

Percentage of Project to be leased or subleased:
Use of Project intended by Sublessee:
Date of lease or sublease to Sublessee:
Term of lease or sublease to Sublessee:
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes____; No____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

2. Sublessee name: NA
Present Address:
City: _____ State: _____ Zip:
Employer's ID No.:
Sublessee is:
_____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company:
Percentage of Project to be leased or subleased:
Use of Project intended by Sublessee:
Date of lease or sublease to Sublessee:
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes____; No____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

3. Sublessee name: NA
Present Address:
City: _____ State: _____ Zip:
Employer's ID No.:
Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company:
Percentage of Project to be leased or subleased:
Use of Project intended by Sublessee:
Date of lease or sublease to Sublessee:
Term of lease or sublease to Sublessee:
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes____; No____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? None.

IV. Employment Impact

A. Indicate the number of people presently employed at the Project site and the **additional** number that will be employed at the Project site at the end of the first and second years after the Project has been completed, using the tables below for (1) employees of the Applicant, (2) independent contractors, and (3) employees of independent contractors. (Do

not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT Employees of Applicant					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					0
Present Part Time					0
Present Seasonal					0
First Year Full Time		.5			.5
First Year Part Time					0
First Year Seasonal					0
Second Year Full Time					0
Second Year Part Time			.5		.5
Second Year Seasonal					0

TYPE OF EMPLOYMENT Independent Contractors					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					0

Present Part Time					0
Present Seasonal					0
First Year Full Time					0
First Year Part Time					0
First Year Seasonal					0
Second Year Full Time					0
Second Year Part Time					0
Second Year Seasonal					0

TYPE OF EMPLOYMENT					
Employees of Independent Contractors					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					0
Present Part Time					0
Present Seasonal					0
First Year Full Time					0
First Year Part Time					0
First Year Seasonal					0
Second Year Full Time					0

Second Year Part Time					0
Second Year Seasonal					0

- B. Indicate below (1) the estimated salary and fringe benefit averages or ranges and (2) the estimated number of employees residing in the Capital Region Economic Development Region for all the jobs at the Project site, both retained and created, listed in the tables described in subsection A above for each of the categories of positions listed in the chart below.

RELATED EMPLOYMENT INFORMATION				
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges	\$50,000 to \$100,000	\$35-60 / hour	\$15-20 / hour	\$10-14 / hour
Estimated Number of Employees Residing in the Capital Region Economic Development Region ¹		.5	.5	

- C. Please describe the projected timeframe for the creation of any new jobs with respect to the undertaking of the Project: .5 in Initial year during creation and 1 in year 2 after occupied

- D. Please prepare a separate attachment describing in detail the types of employment at the Project site. Such attachment should describe the activities or work performed for each type of employment.

¹ The Capital Region Economic Development Region consists of the following counties: Albany, Schenectady, Rensselaer, Greene, Columbia, Saratoga, Warren and Washington.

V. Project Cost and Financing Sources

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ <u>1,063,100.00</u>
Buildings	\$ <u>3,876,000.00</u>
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ <u>150,000.00</u>
Costs of Bond Issue (legal, financial and printing)	\$ _____
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	
<u>Demolition, Site Prep, Insurance, Bank Costs,</u>	\$ <u>494,400.00</u>
<u>Landscaping, Marketing, etc.</u>	\$ _____
	\$ _____
TOTAL PROJECT COSTS	\$ <u>5,583,500.00</u>

B. Anticipated Project Financing Sources. State the sources reasonably necessary for the financing of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Sources</u>	<u>Amount</u>
Private Sector Financing	\$ <u>4,483,500.00</u> <u>(Bank Loan)</u>
Public Sector	
Federal Programs	\$ _____
State Programs	\$ _____
Local Programs	\$ _____
Applicant Equity	\$ 1,100,000.00
Other (specify, e.g., tax credits)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL AMOUNT OF PROJECT FINANCING SOURCES	\$ <u>5,583,500.00</u>

C. Have any of the above expenditures already been made by the applicant? Yes X; No _____. If yes, indicate particulars.

\$1,100,000 to date - - property acquisition, survey and engineering fees, insurance, permits, etc.

D. Amount of loan requested: \$4,483,500.00;

Maturity requested: 25 years.

E. Has a commitment for financing been received as of this application date, and if so, from whom?

Yes _____.; No X. Institution Name: _____

Provide name and telephone number of the person we may contact.

Name: _____ Phone: _____

- F. The percentage of Project costs to be financed from public sector sources is estimated to equal the following: NA %
- G. The total amount estimated to be borrowed to finance the Project is equal to the following: \$4,483,500.00.

VI. BENEFITS EXPECTED FROM THE AGENCY

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the Project? Yes ____; No X. If yes, indicate:
 - a. Amount of loan requested: ____ Dollars;
 - b. Maturity requested: ____ Years.

2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes ____; No ____ . NA

3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes: NA
 - a. retail food and beverage services: Yes ____; No ____
 - b. automobile sales or service: Yes ____; No ____
 - c. recreation or entertainment: Yes ____; No ____
 - d. golf course: Yes ____; No ____
 - e. country club: Yes ____; No ____
 - f. massage parlor: Yes ____; No ____
 - g. tennis club: Yes ____; No ____
 - h. skating facility (including roller skating, skateboard and ice skating): Yes ____; No ____
 - i. racquet sports facility (including handball and racquetball court): Yes ____; No ____
 - j. hot tub facility: Yes ____; No ____
 - k. suntan facility: Yes ____; No ____
 - l. racetrack: Yes ____; No ____

4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment. NA

5. Is the Project located in the City's federally designated Enterprise Zone? Yes ____; No X.

6. Is the applicant requesting the Agency to issue federally tax-exempt Enterprise Zone bonds? Yes ____; No X.

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption that would be available to a project that did not involve the Agency? Yes ___; No X.

2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes X; No ____. If yes, what is the approximate amount of financing to be secured by mortgages? \$4,483,500.00.

3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes X; No ____. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$2,405,463.00.

4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

a.	N.Y.S. Sales and Compensating Use Taxes:	\$ <u>192,437</u>
b.	Mortgage Recording Taxes:	\$ <u>44,835</u>
c.	Real Property Tax Exemptions:	\$2,212,829
d.	Other (please specify):	\$NA
	_____	\$ _____
	_____	\$ _____

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax Exemption Policy? Yes ___; No X. If yes, please explain.

6. Does the Project involve a minimum investment of \$25 million dollars, a minimum of fifteen (15) acres, or a full service hotel? Yes ___; No X. If yes, please provide detail and whether the applicant is seeking a real property tax abatement outside of the Agency's Project Evaluation and Assistance Framework.

7. Is the Project located in the City's state designated Empire Zone? Yes ___; No X.

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, community benefits (including community commitment as described in the Agency's Project Evaluation and Assistance Framework), etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VII. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency as follows:

A. Job Listings. Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the “DOC”) and with the administrative entity (collectively with the DOC, the “JTPA Entities”) of the service delivery area created by the federal job training partnership act (Public Law 97-300) (“JTPA”), as replaced by the Workforce Investment Act of 1998 (Public Law 105-220), in which the Project is located.

B. First Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. City Human Rights Law. The applicant has reviewed the provisions of Chapter 48, Article III of the City Code, entitled “The Omnibus Human Rights Law” and agrees to comply with such provisions to the extent that such provisions are applicable to the applicant and the Project.

D. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

E. Annual Employment Reports. The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the Project site, including (1) the NYS-45 – Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the “NYS-45”), and (2) the US Dept. of Labor BLS 3020 Multiple Worksite report if applicable. The applicant also agrees, whenever requested by the Agency, to provide and certify or cause to be provided and certified such information concerning the participation of individuals from minority groups as employees or applicants for employment with regard to the project.

F. Local Labor Information. The applicant is aware of and understands the provisions of Part 24 of the Policy Manual of the Agency. Pursuant to Part 24 of the Policy Manual of the Agency, the applicant agrees to provide information, in form and substance satisfactory to the Agency, relating to construction activities for projects; specifically: (i) the Company’s contact person responsible and accountable for providing information about the bidding for and awarding of construction contracts relative to this Application and the Project, (ii) the nature of construction jobs created by the Project, including the number, type, and duration of construction positions; and (iii) submit to the Agency a “Construction Completion Report” listing the names and business locations of prime contractors, subcontractors, and vendors who were engaged in the construction phase of the Project.

G. Additional Fee for Low Income Housing/Tax Credit (9% only) Projects. An annual administrative fee equal to \$10,000 shall be payable annually by the applicant on each January 1 for a term equal to ten (10) years. This annual administrative fee is in addition to the standard administrative fee for Agency Straight Lease Transactions and Agency Bond Transactions and is applicable to Projects which provide for low income housing/tax credit (9% only) projects.

H. Project Benefits Agreement. The applicant agrees to enter into a project benefits agreement with the Agency where the applicant agrees that (1) the amount of Financial Assistance to be received shall be contingent upon, and shall bear a direct relationship to the success or lack of success of such project in delivering certain described public benefits (the "Public Benefits") and (2) the Agency will be entitled to recapture some or all of the Financial Assistance granted to the applicant if the project is unsuccessful in whole or in part in delivering the promised Public Benefits.

I. Assignment of Agency Abatements. In connection with any Agency Straight Lease Transaction or Agency Bond Transaction, the Agency may grant to the applicant certain exemptions from mortgage recording taxes, sales and use taxes and real property taxes. The applicant understands that the grant of such exemptions by the Agency is intended to benefit the applicant. Subsequently, if the applicant determines to convey the Project and, in connection with such conveyance to assign such exemptions to the purchaser, the applicant understand that any such assignment is subject to review and consent by the Agency, together with the satisfaction of any conditions that may be imposed by the Agency.

J. Post Closing Cost Verification. The applicant agrees (1) the scope of the Project will not vary significantly from the description in the public hearing resolution for the project and (2) to deliver to the Agency within sixty (60) days following the completion date of a project an affidavit providing the total costs of the project. In the event that the amount of the total project costs described in the affidavit at the completion date exceeds the amount described in an affidavit provided by the applicant on the closing date of the project, the applicant agrees to adjust the amounts payable by the applicant to the Agency by such larger amount and to pay to the Agency such additional amounts. In the event that the amount described is less, there shall not be any adjustment to the Agency fees.

K. Representation of Financial Information. Neither this Application nor any other agreement, document, certificate, project financials, or written statement furnished to the Agency or by or on behalf of the applicant in connection with the project contemplated by this Application contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact within the special knowledge of any of the officers of the applicant which has not been disclosed herein or in writing by them to the Agency and which materially adversely affects or in the future in their opinion may, insofar as they can now reasonably foresee, materially adversely affect the business, properties, assets or condition, financial or otherwise, of the applicant.

L. Agency Financial Assistance Required for Project. The Project would not be undertaken but for the Financial Assistance provided by the Agency or, if the Project could be undertaken

without the Financial Assistance provided by the Agency, then the Project should be undertaken by the Agency for the following reasons: _____.

M. Compliance with Article 18-A of the General Municipal Law: The Project, as of the date of this Application, is in substantial compliance with all provisions of article 18-A of the General Municipal including, but not limited to, the provisions of Section 859-a and subdivision one of Section 862; and the provisions of subdivision one of Section 862 of the General Municipal Law will not be violated if Financial Assistance is provided for the Project.

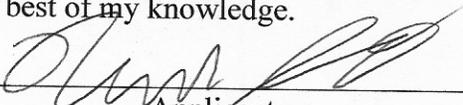
N. Compliance with Federal, State, and Local Laws. The applicant is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

O. False or Misleading Information. The applicant understands that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.

P. Absence of Conflicts of Interest. The applicant acknowledges that the members, officers and employees of the Agency are listed on the Agency's website. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described: _____.

Q. Additional Information. Additional information regarding the requirements noted in this Application and other requirements of the Agency is included the Agency's Policy Manual which can be accessed at www.albanyida.com.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.


Applicant

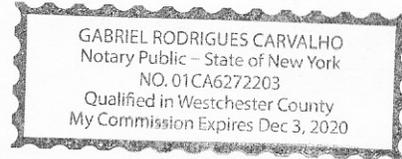
By: Ronald Stein, TRPS2 LLC

Title: Sole Member

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 27 THROUGH 30 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 31.

STATE: NEW YORK }
 } 55:
COUNTY: WESTCHESTER }

X 



NOTARY PUBLIC 04.05.19

VERIFICATION

(If Applicant is a Corporation)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____deposes and says that he is the
(Name of chief executive of applicant)

_____of _____,
(Title) (Company Name)

the corporation named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. Deponent further says that the reason this verification is made by the deponent and not by said company is because the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

(officer of applicant)

Sworn to before me this
____day of _____, 20__.

(Notary Public)

VERIFICATION

(If applicant is limited liability company)

STATE OF NEW YORK)
) SS.:
COUNTY OF WESTCHESTER)

RONALD STEIN, deposes and says
(Name of Individual)

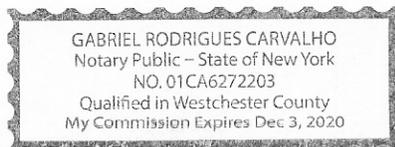
that he is one of the members of the firm of TRPS2 LLC, a New York
(Limited Liability Company)

the limited liability company named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said limited liability company.

TRPS2 LLC



Sworn to before me this
5 day of April, 2019.


(Notary Public)

VERIFICATION

(If applicant is partnership)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____, deposes and says

(Name of Individual)

that he is one of the members of the firm of _____,

(Partnership Name)

the partnership named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said partnership.

Sworn to before me this
___ day of _____, 20__.

(Notary Public)

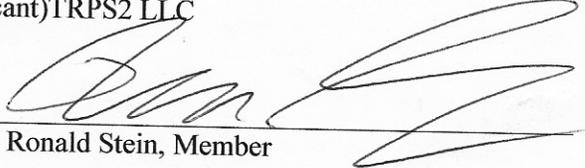
NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD
HARMLESS AGREEMENT APPEARING ON PAGE 31 IS SIGNED BY THE APPLICANT.

HOLD HARMLESS AGREEMENT

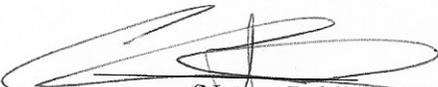
Applicant hereby releases City of Albany Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issue of bonds requested therein are favorably acted upon by the Agency, and (ii) the Agency's financing of the Project described therein; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

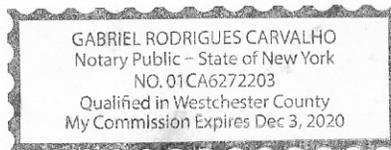
(Applicant) TRPS2 LLC

BY:


Ronald Stein, Member

Sworn to before me this
5 day of April, 2019


(Notary Public)



TO: Project Applicants
 FROM: City of Albany Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for the City of Albany Industrial Development Agency (the “Agency”) to prepare a Cost/Benefit Analysis for a proposed project (the “Project”), the Applicant must answer the questions contained in this Project Questionnaire (the “Questionnaire”) and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

This Questionnaire must be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary (“Company”):	TRPS2 LLC
2. Brief Identification of the Project:	Construction and installation of a 36-unit apartment building with 21 one bedroom and 15 studio apartments (approximately 15,000 sqft per floor) and will include a ground level parking garage and 3 residential floors above.
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ NA
B. Value of Sales Tax Exemption Sought	\$ 192,427
C. Value of Real Property Tax Exemption Sought	\$2,212,829
D. Value of Mortgage Recording Tax Exemption Sought	\$ 44,835
4. Likelihood of accomplishing the Project in a timely fashion (please explain):	Yes <input checked="" type="checkbox"/> No _____. Similar building to The Reserve at Park South located at 85 Dana Ave, Albany NY 12208 that was successfully completed according to the IDA Application. Same Team being used again.

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$1,063,100
2. Site preparation	\$ 494,400_____
3. Landscaping	\$ _____
4. Utilities and infrastructure development	\$ _____
5. Access roads and parking development	\$ _____
6. Other land-related costs (describe)	\$ _____

B.	Building-Related Costs	
1.	Acquisition of existing structures	\$ _____
2.	Renovation of existing structures	\$ _____
3.	New construction costs	\$3,876,000 _____
4.	Electrical systems	\$ _____
5.	Heating, ventilation and air conditioning	\$ _____
6.	Plumbing	\$ _____
7.	Other building-related costs (describe)	\$ _____
C.	Machinery and Equipment Costs	
1.	Production and process equipment	\$ _____
2.	Packaging equipment	\$ _____
3.	Warehousing equipment	\$ _____
4.	Installation costs for various equipment	\$ _____
5.	Other equipment-related costs (describe)	\$ _____
D.	Furniture and Fixture Costs	
1.	Office furniture	\$ _____
2.	Office equipment	\$ _____
3.	Computers	\$ _____
4.	Other furniture-related costs (describe)	\$ _____
E.	Working Capital Costs	
1.	Operation costs	\$ _____
2.	Production costs	\$ _____
3.	Raw materials	\$ _____
4.	Debt service	\$ _____
5.	Relocation costs	\$ _____
6.	Skills training	\$ _____
7.	Other working capital-related costs (describe)	\$ _____
F.	Professional Service Costs	
1.	Architecture and engineering	\$150,000 _____
2.	Accounting/legal	\$ _____
3.	Other service-related costs (describe)	\$ _____
G.	Other Costs	
1.	_____	\$ _____
2.	_____	\$ _____
H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$1,557,500 _____
2.	Total Building-Related Costs	\$3,876,000 _____
3.	Total Machinery and Equipment Costs	\$ _____
4.	Total Furniture and Fixture Costs	\$ _____
5.	Total Working Capital Costs	\$ _____
6.	Total Professional Service Costs	\$ 150,000 _____
7.	Total Other Costs	\$ _____

PROJECTED PROFIT

I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization:

YEAR	Without IDA benefits	With IDA benefits
1	\$ -105,962	\$19,634
2	\$ -95,464	\$32,368
3	\$ -84,900	\$45,489
4	\$ -73,987	\$59,010
5	\$ -62,713	\$72,944

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	80	\$ _____ TBD _____	\$ _____ TBD _____
Year 1	80	\$ _____ TBD _____	\$ _____ TBD _____
Year 2		\$ _____	\$ _____
Year 3		\$ _____	\$ _____
Year 4		\$ _____	\$ _____
Year 5		\$ _____	\$ _____

PROJECTED PERMANENT EMPLOYMENT IMPACT

I. Estimates of the total number of existing permanent jobs to be preserved or retained as a result of the Project are described in the tables in Section IV of the Application.

II. Estimates of the total new permanent jobs to be created at the Project are described in the tables in Section IV of the Application.

III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

IV. Provide the projected percentage of employment that would be filled by City of Albany residents:

A. Provide a brief description of how the project expects to meet this percentage:

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$ _____
Additional Sales Tax Paid on Additional Purchases	\$ _____
Estimated Additional Sales (1 st full year following project completion)	\$ _____
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ _____

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes (“Pilot Payments”): (See Annexed Worksheet)

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year	\$16,800	\$0	\$0
Year 1	\$156,435	\$31,109	\$125,326
Year 2	\$159,564	\$31,731	\$127,832
Year 3	\$162,755	\$32,366	\$130,389
Year 4	\$166,010	\$33,013	\$132,997
Year 5	\$169,330	\$33,673	\$135,657
Year 6	\$172,717	\$34,347	\$138,370
Year 7	\$176,171	\$35,034	\$141,137
Year 8	\$179,694	\$35,734	\$143,960
Year 9	\$183,288	\$36,449	\$146,839
Year 10	\$186,954	\$37,178	\$149,776
Year 11	\$190,693	\$46,409	\$144,284
Year 12	\$194,507	\$64,651	\$129,856
Year 13	\$198,397	\$83,605	\$114,793
Year 14	\$202,365	\$94,283	\$108,082
Year 15	\$206,412	\$114,543	\$91,869
Year 16	\$210,541	\$135,575	\$74,965
Year 17	\$214,752	\$157,403	\$57,349
Year 18	\$219,047	\$180,050	\$38,997
Year 19	\$223,427	\$183,651	\$39,777
Year 20	\$227,896	\$187,324	\$40,573
PERMANENT	\$232,454	\$232,454	\$0

III. Please indicate which of the below described community commitments (as defined in the Agency's Project Evaluation and Assistance Framework) will be provided as a result of the Project, and please provide a detailed description of such commitments, together with any other economic benefits and community benefits expected to be produced as a result of the Project (attach additional pages as needed for a complete and detailed response): (See Attached Worksheet and Summary Page)

- MWBE/DBE Participation
- EEO Workforce Utilization
- Inclusionary Housing
- Regional Labor
- City of Albany Labor
- Apprenticeship Program

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge; such responses are true, correct, and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.

Date Signed: April 5, 2019.	Name of Person Completing Project Questionnaire on behalf of the Company. Name: Ron Stein Title: Member Phone Number: 917-885-7108 Address: 204 Winding Brook Road, New Rochelle NY Signature: 
------------------------------------	---

BUT FOR STATEMENT

The Company has submitted its CAIDA Application for Financial Assistance including an exemption from sales and use taxes for the construction of the Project, a payment in lieu of tax under Multi-family Commercial section of the Project Evaluation and Assistance Framework and an exemption from mortgage recording taxes.

The proforma provided by the Company confirms that but for the financial assistance provided by the CAIDA the project would not be financeable as a result of the following factors:

- 1) Project Pro Forma attach hereto as Exhibit A demonstrates that without the PILOT, the Project has a negative debt service coverage ratio ranging from .51 to .71 on the five proforma. This make the Project incapable of obtaining financing. In addition, without the PILOT under the Multi-family Commercial section, the project applicant will be exposed to assessment risk which substantially increases the risk for the construction lender making the Project unfinanceable and unable to receive an appraisal.
- 2) The construction costs at the subject location are necessarily more expensive because the staging of the project is more complicated and the construction must safeguard the existing building improvements on Dana Avenue that are not part of the Project.
- 3) The exemption from sales and use taxes is a critical component of keeping the Project construction costs manageable.

TRPS2, LLC -PILOT Request

Proposed Project							
PILOT Year	Tax Rate	Normal Tax					% Abatement on Improved Assessment
		Base Assessment	Estimated Total Improved Assessment	Estimated Total Taxes w/o PILOT	Estimated PILOT Payments	Estimated Abatement	
Construction ⁽¹⁾	\$47.19	-	-	-	-	-	-
1 ⁽²⁾	\$48.13	\$357,000	\$3,250,000	\$156,435	\$31,109	\$125,326	90%
2	\$49.10	\$357,000	\$3,250,000	\$159,564	\$31,731	\$127,832	90%
3	\$50.08	\$357,000	\$3,250,000	\$162,755	\$32,366	\$130,389	90%
4	\$51.08	\$357,000	\$3,250,000	\$166,010	\$33,013	\$132,997	90%
5	\$52.10	\$357,000	\$3,250,000	\$169,330	\$33,673	\$135,657	90%
6	\$53.14	\$357,000	\$3,250,000	\$172,717	\$34,347	\$138,370	90%
7	\$54.21	\$357,000	\$3,250,000	\$176,171	\$35,034	\$141,137	90%
8	\$55.29	\$357,000	\$3,250,000	\$179,694	\$35,734	\$143,960	90%
9	\$56.40	\$357,000	\$3,250,000	\$183,288	\$36,449	\$146,839	90%
10	\$57.52	\$357,000	\$3,250,000	\$186,954	\$37,178	\$149,776	90%
11	\$58.67	\$357,000	\$3,250,000	\$190,693	\$46,409	\$144,284	85%
12	\$59.85	\$357,000	\$3,250,000	\$194,507	\$64,651	\$129,856	75%
13	\$61.05	\$357,000	\$3,250,000	\$198,397	\$83,605	\$114,793	65%
14	\$62.27	\$357,000	\$3,250,000	\$202,365	\$94,283	\$108,082	60%
15	\$63.51	\$357,000	\$3,250,000	\$206,412	\$114,543	\$91,869	50%
16	\$64.78	\$357,000	\$3,250,000	\$210,541	\$135,575	\$74,965	40%
17	\$66.08	\$357,000	\$3,250,000	\$214,752	\$157,403	\$57,349	30%
18	\$67.40	\$357,000	\$3,250,000	\$219,047	\$180,050	\$38,997	20%
19	\$68.75	\$357,000	\$3,250,000	\$223,427	\$183,651	\$39,777	20%
20	\$70.12	\$357,000	\$3,250,000	\$227,896	\$187,324	\$40,573	20%
Permanent	\$71.52	\$357,000	\$3,250,000	\$232,454	\$232,454	\$0	0%
Estimated Total				\$3,800,955	\$1,588,126	\$2,212,829	

COMMUNITY BENEFITS METRICS

- 1) High Vacancy Census Tract. The location of the Project at 74-86 Dana Avenue is located in a High Vacancy Census Tract.
- 2) Neighborhood Plan. The Project is subject to the Park South Urban Renewal Plan.
- 3) Tax Exempt/Vacant. The Project involves the construction of building improvements on four vacant parcels of land known as 74 Dana Avenue (SBL #76.22-4-9), 76 Dana Avenue (SBL # 76.22-4-10), 78 Dana Avenue (SBL #76.22-4-11), 82 Dana Avenue (SBL#76.22-4-13), 84 Dana Avenue (SBL#76.22-4-14), and 86 Dana Avenue (SBL#76.22-4-15).
- 4) Identified Catalyst Site. The Proposed Project is located on Dana Avenue which is an area that contains poor quality housing stock. As part of the Park South area it is subject to the Park South Urban Renewal Plan, the Park South neighborhood development plan and compliment the improvements in that are that have been installed. The Project will accelerate redevelopment in the Park South Area
- 5) Community Catalyst. The Proposed Project is located on Dana Avenue which is an area that contains poor quality housing stock. As part of the Park South area redevelopment area, the Project will accelerate the redevelopment under the Park South Urban Renewal Plan and compliment the improvements in that are that have been installed.
- 6) Existing Cluster. The Proposed Project will create decent and safe housing stock that will facility the educational facilities on New Scotland Avenue (Albany Law School, Albany Medical School and Albany College of Pharmacy) as well providing ancillary benefits for the regional medical facilities such as Albany Medical College and St. Peter's Hospital and the VA Hospital.
- 7) Investment. Per the attached project budget, the Project has an estimated cost of approximately \$5,583,500.
- 8) Regional Labor. The Company will comply with the Regional Labor requirement of the CAIDA Project Evaluation and Assistance Framework.
- 9) City of Albany Labor. The Company will comply with the City of Albany Labor requirement of the CAIDA Project Evaluation and Assistance Framework.
- 10) Employment Construction Jobs. 6-80. The Project will satisfy this requirement for construction jobs.
- 11) Employment Construction Jobs. 81-160. The Project will satisfy this requirement for construction jobs

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: FC705 Broadway, LLC/705 Broadway Hotel, LLC - IDA Application Summary
DATE: June 5, 2019

Applicant: FC705 Broadway, LLC
Managing Members (% of Ownership): Melissa F. Zell (50%) and Michael P. Falcone (50%)
Project Location: 705 Broadway, Albany, NY

Project Description: The project involves the construction of a 132 room, limited service hotel at 705 Broadway in Albany. The hotel is an eight story building consisting of 84,534 SF. The hotel will include a guest fitness center and pool, small meeting areas as well as guest dining areas and outdoor seating areas.

Estimated Investment: \$30.4 Million (est)

Estimated Project Real Property Benefit Summary (10 Years):

	Status Quo Taxes (no project)	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$72,327	\$2,782,728	\$2,710,401

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$134,550	\$16,000,000	\$15,865,450

**Project Impact Assessed Value based on letter from the City of Albany Assessor dated 11-05-18*

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of \$957,498 based on an assessed value of **\$16,000,000** and an annual tax rate of 5.984%.

Community Benefits: Please see the attached CAIDA Project Evaluation and Assistance Framework Staff Analysis for more detail on the Community Benefits metrics below.

- *Revitalization:* The project is located in a Targeted Geography within the City, notably Downtown and in a high vacancy census tract.
- *Job Creation:* The project is committing to the creation of 20 permanent and 100 construction jobs.
- *Investment:* The project is anticipating a project cost of more than \$30.4 million.

Economic Impact Analysis:

Economic Impact - Construction Phase			
	Direct	Indirect	Total
Jobs*	42	8	50
Earnings	\$ 3,292,968	\$ 455,089	\$ 3,748,058
Sales	\$ 8,922,452	\$ 1,330,304	\$ 10,252,755

Source: EMSI, Camoin 310

*The Applicant estimates 100 direct construction jobs, however we estimate 42 based on the \$8,922,452 of net new spending in the City.

Annual Economic Impact - Occupation Phase			
	Direct	Indirect	Total
Jobs	3	-	3
Earnings	\$ 105,000	\$ 35,639	\$ 140,639
Sales	\$ 399,521	\$ 95,432	\$ 494,952

Source: EMSI, Camoin 310

**excerpt from Camoin 310 Economic Impact Analysis Report dated May 2019*

Employment Impact:

- Projected Permanent: 25 FTE jobs
- Projected Retained: N/A
- Projected Construction: 100 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$10,000,000

Estimated Total Mortgage Amount: not to exceed \$22,000,000

Requested PILOT: See Attached

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$800,000
- Mortgage Recording Taxes: \$220,000
- Real Property Taxes: \$5,818,076
- Other: N/A

Baseline Requirements:

- Application: Complete
- Meets NYS/CAIDA Requirements: Yes
- Albany 2030 Alignment:
 - Increase job opportunities for all residents.
 - Encourage investment in urban land and buildings for employment and housing.

- Planning Approval Status: Full Planning Board approval
- Meets Project Use Definition: Yes
- Meets “But For” Requirement: Yes, affidavit signed.

Cost Benefit Analysis: See attached Exhibit A: Description of The Project Evaluation and Expected Public Benefits.

Estimated IDA Fee

- Fee amount: \$304,150

CAIDA 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.

EXHIBIT A

DESCRIPTION OF THE PROJECT EVALUATION AND EXPECTED PUBLIC BENEFITS

FC705 BROADWAY, LLC PROJECT

Pursuant to the City of Albany Industrial Development Agency’s (the “Agency”) Uniform Criteria for the Evaluation of Projects Policy, the following general uniform criteria were utilized by the “Agency” to evaluate and select the project for which the Agency can provide financial assistance. In the discussions had between the Project Beneficiary and the Agency with respect to the Project Beneficiary’s request for Financial Assistance from the Agency with respect to the Project, the Project Beneficiary has represented to the Agency that the Project is expected to provide the following benefits to the Agency and/or to the residents of City of Albany, Albany County, New York (the “Public Benefits”):

Description of Evaluation Criteria/Benefit		Applicable to Project (indicate Yes or No)		Criteria Assessment/ Expected Benefit
1.	Retention direct and indirect of existing jobs	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>Project will increase the level of activity Downtown, thereby promoting the retention of existing jobs.</p> <p>The Company expects that the Project will result in the retention and creation of employment in the retail, restaurant, entertainment and office operations located in the surrounding area.</p>
2.	Creation of direct and indirect new permanent jobs	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>Project will increase the level of activity Downtown, thereby promoting the creation of new permanent jobs.</p> <p>The Project will create 25 new full time equivalent jobs.</p> <p>The Company expects that the Project will result in the retention and creation of employment in the retail, restaurant, entertainment, service and office operations located in the surrounding area.</p>

3.	Estimated value of tax exemptions	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>The exemptions have been weighed against the cumulative benefits of the Project.</p> <p>NYS Sales and Compensating Use Tax Exemption: \$800,000 Mortgage Recording Tax Exemption: \$220,000 Real Property Tax Exemption: \$5,818,076</p>
4.	Private sector investment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Project applicant expects to invest over \$30.4 million of private investment in the Project.
5.	Likelihood of Project being accomplished in a timely fashion	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>High likelihood that Project will be accomplished in a timely fashion.</p> <p>The Project has received a term sheet and letter of intent for Project Financing.</p> <p>The Applicant closed on the purchase of the property in 2016.</p>
6.	Extent of new revenue provided to local taxing jurisdictions.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>Project will result in new revenue to local taxing jurisdictions under the proposed PILOT program through the City of Albany IDA.</p> <p>Project will result in an increase in assessed value from the current total assessment: \$384,000 (Per City of Albany Commissioner of Assessment and Taxation 2018 Assessment Roll) to the estimated improved total assessment: \$16,000,000 (Per City of Albany Commissioner of Assessment and Taxation).</p>

7.	Other:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<p>The Project will develop a vacant property and create approximately 25 FTEs.</p> <p>The Project will increase the consumer base to support local businesses and employers.</p> <p>The Project will have a positive revitalizing effect on the community by developing currently vacant parcels in a strategically identified neighborhood location.</p> <p>The Project meets the intent and furthers the implementation of the following City of Albany strategic initiatives: Albany 2030.</p>
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DRAFT



CITY OF ALBANY
DEPARTMENT OF ASSESSMENT
24 EAGLE STREET-ROOM 302
ALBANY, NEW YORK 12207
TELEPHONE (518) 434-5155

KATHY SHEEHAN
MAYOR

TREY KINGSTON
CITY ASSESSOR

November 5, 2018

Joseph Landy
21 Lodge Street
Albany, New York 12207

Re: Hyatt Place Quackenbush Square

Dear Mr. Landy:

At your request, we have reviewed the pro-forma and other spreadsheet data provided by the Applicant with respect to the above referenced project. The following are some of the salient features of the project used to calculate the value below:

- A 132 room hotel;
- 365 days of operation annually;
- \$138.00 average daily rental rate; and
- 65% occupancy rate.

Based on the above and consistent with the income capitalization methodology utilized by this office for other hotel properties throughout the City, we are projecting the current total assessed value for the subject property, consistent with the assumption that the property was in an "as-stabilized" condition as of March 1, 2018 and its value estimate was as of July 1, 2017, to be:

\$16,000,000

For greater clarity, it must be noted that the above total assessed value estimate is provided under the extraordinary assumptions that the improvements are completed as of the pro-forma projected date of completion and are leased to a stabilized occupancy at projected rents at the above date of valuation corresponding to the end of the projected absorption period after the projected date of completion.

As such, all such financial information provided by the Applicant is assumed to be true, correct and reliable and the total assessed value set forth above was predicated, in large measure, based on such data. However, it should be noted that this value may not be valid in other time periods or as

conditions change. If new information of significance is brought to this office, the above total assessed value would be subject to change, consistent with such new information.

We trust that the foregoing is sufficient for the IDA's needs. If you have any questions and/or require additional clarification, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Trey Kingston', with a long horizontal flourish extending to the right.

Trey Kingston, Esq.
Assessor, City of Albany

705 Broadway, LLC - Analysis of Applicant's Proposed PILOT

PILOT Year	City & County Tax Year	School Tax Year	Tax Rate ⁽⁴⁾	Status Quo		Proposed Project								
				Estimated Total 2018 Assessment ⁽⁵⁾	Estimated Total Taxes ⁽⁶⁾	Base Assessment ⁽⁷⁾	Normal Tax		Estimated PILOT Payments ⁽¹⁰⁾	Estimated Abatement ⁽¹¹⁾	Estimated PILOT Payments Per Square Foot (84,538) ⁽¹²⁾	% Abatement on Total Assessment ⁽¹³⁾	% Abatement on Improved Assessment ⁽¹⁴⁾	
							Estimated Total Improved Assessment ⁽⁸⁾	Estimated Total Taxes w/o PILOT ⁽⁹⁾						
Construction ⁽¹⁾	2019	2019/2020	\$48.13	\$134,550	\$6,476	-	-	-	-	-	-	-	-	-
1 ⁽²⁾	2020	2020/2021	\$49.09	\$134,550	\$6,605	\$134,550	\$16,000,000	\$785,482	\$82,001	\$703,481	\$0.97	89.56%	90.32%	
2	2021	2021/2022	\$50.07	\$134,550	\$6,738	\$134,550	\$16,000,000	\$801,191	\$82,052	\$719,140	\$0.97	89.76%	90.52%	
3	2022	2022/2023	\$51.08	\$134,550	\$6,872	\$134,550	\$16,000,000	\$817,215	\$82,072	\$735,143	\$0.97	89.96%	90.72%	
4	2023	2023/2024	\$52.10	\$134,550	\$7,010	\$134,550	\$16,000,000	\$833,559	\$82,060	\$751,499	\$0.97	90.16%	90.92%	
5	2024	2024/2025	\$53.14	\$134,550	\$7,150	\$134,550	\$16,000,000	\$850,231	\$166,745	\$683,485	\$1.97	80.39%	81.07%	
6	2025	2025/2026	\$54.20	\$134,550	\$7,293	\$134,550	\$16,000,000	\$867,235	\$169,220	\$698,015	\$2.00	80.49%	81.17%	
7	2026	2026/2027	\$55.29	\$134,550	\$7,439	\$134,550	\$16,000,000	\$884,580	\$343,472	\$541,108	\$4.06	61.17%	61.69%	
8	2027	2027/2028	\$56.39	\$134,550	\$7,588	\$134,550	\$16,000,000	\$902,271	\$435,873	\$466,399	\$5.16	51.69%	52.13%	
9	2028	2028/2029	\$57.52	\$134,550	\$7,739	\$134,550	\$16,000,000	\$920,317	\$530,920	\$389,397	\$6.28	42.31%	42.67%	
10	2029	2029/2030	\$58.67	\$134,550	\$7,894	\$134,550	\$16,000,000	\$938,723	\$808,314	\$130,409	\$9.56	13.89%	14.01%	
Permanent ⁽³⁾	2030	2030/2031	\$59.84	\$134,550	\$8,052	\$134,550	\$16,000,000	\$957,498	\$957,498	\$0		0.00%	0%	
Estimated Total⁽¹⁵⁾					\$72,327			\$8,600,804	\$2,782,728	\$5,818,076				

Notes:

- (1) Project would likely close with Agency in August 2019.
- (2) Estimated start of PILOT payments.
- (3) Property returns to full taxable status.
- (4) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City/County 2018 tax year and School 2018/2019 tax year with estimated escalation of 2.0% thereafter.
- (5) Assessment value of based on the 2018 Assessed Value (\$585,000)
- (6) Estimated taxes if proposed project did not occur (i.e. left status quo).
- (7) Assessment value of based on the \$4,500,000 acquisition cost
- (8) Per letter from the City of Albany Assessor dated 11 05 2018
- (9) Estimated taxes if proposed project occurred without PILOT assistance.
- (10) Estimated PILOT Payments.
- (11) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT.
- (12) Estimated PILOT Payments Per SF. Please note that the current minimum threshold is \$0.97 per SF
- (13) Percent Abatement on Total Assessment via PILOT.
- (14) Percent Abatement on Improved Assessment via PILOT.
- (15) Totals for comparison and analysis during PILOT agreement period only.

Analysis is ONLY an estimate

December 6, 2018

Tracy Metzger
Chair
City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207

RE: Request for IDA Assistance for FC 705 Broadway, LLC Quackenbush Hotel Project

Dear Ms. Metzger:

Attached is a completed application, as well as the appropriate supplementary material required by the City of Albany Industrial Development Agency for the consideration of financial assistance associated with the FC 705 Broadway, LLC Quackenbush Hotel project.

This application is for the first phase of the Quackenbush Square Development; the 132 room Hotel. In 2015 principals of the Pioneer Companies, a full service real estate company with over 40 years of experience, located in Syracuse, NY, purchased 1.67 acres of vacant land bounded by Broadway to the west, Spencer Street to the north, Montgomery Street to the east and the historic Quackenbush Square buildings to the south. The site had previously been accepted into the New York State Brownfield Cleanup Program. Pioneer completed the site remediation in 2017 at a cost of \$6,000,000 and received a Certificate of Completion in December 2017.

The site's development had gone through numerous iterations prior to our involvement and we have tried several different approaches to create a successful economically sustainable program. Pioneer intends to develop a 132 room select service hotel with construction to begin in spring of 2019. The investment in the hotel will be approximately \$30.4MM.

We are requesting assistance with the hotel project in the form of sales tax exemption; mortgage tax exemption and a Payment in Lieu of Taxes. The project investment is greater than \$25,000,000 and therefore qualifies for a PILOT structure that may be outside of the Project Evaluation and Assistance Framework; this request recognizes that treatment.

To develop a project of this size, scope, complexity and cost in an urban location that is a Targeted Distressed Community presents many challenges. The first hurdle faced was the remediation of the site itself; the significant investment into which was made in good faith and prior to the commitment of any public financial enhancements. The very act of returning the property to a shovel ready, clean site is already a substantial benefit to the community. The hotel will create 25-30 new jobs in a distressed area; the majority of which we hope to fill with local individuals. With the recent redevelopment of historic assets and new construction along Broadway, the established businesses in Quackenbush Square and the new Skyway project this site sits as a focal point to the area's emergence as a thriving urban setting which will act to draw additional investment to the area. The project will add significant usage to the under-utilized Quackenbush garage which will be a direct benefit the City. The hotel will



service events at the Palace Theater and other local venues, the convention center, as well as area businesses.

With construction costs increasing dramatically, the major investment into the remediation of the site and the relative difficulty in attracting both equity and financing providers to a challenging area that is still an untested market, has created economic limitations that require public financial assistance. Without this assistance the project is not economically viable.

We are very excited about this project and working with you and your community. Please do not hesitate to contact me if you should have any questions or find additional information is needed. We look forward to working with the Agency on this project. Thank you.

Sincerely,



Mark W. Roney
Chief Financial Officer

Enclosures

IDA Application
IDA Application Attachment
Operating Proforma
Project Sources & Uses
Project Budget
Request PILOT schedule and comparison
Photos (4) of existing site
Photo of Proposed Lobby
Floor Plans and Architectural Renderings
Planning Board Letter
Site Plan
NYS DEC Certificate of Completion for the Brownfield
Survey
EAF Summary (13 pages)
Subdivision Map-Merger of 16 parcels into one
City of Albany Assessor Letter of Assessment (As Completed)
NYS Attorney General No Action Condominium Letter

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the City of Albany Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

This application by applicant respectfully states:

APPLICANT: FC 705 Broadway, LLC / 705 Broadway Hotel, LLC

APPLICANT'S ADDRESS: 333 West Washington Street, Suite 600

CITY: Syracuse STATE: New York ZIP CODE: 13202

PHONE NO.: (315) 471-2181 FAX NO.: (315) 471-1154 E-MAIL: mark.roney@pioneerco.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: Mark W. Roney

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: Ms. Cornelia Cahill, Barclay Damon LLP

ATTORNEY'S ADDRESS: 80 State Street

CITY: Albany STATE: New York ZIP CODE: 12207

PHONE NO.: (518) 429-4296 FAX NO.: (518) 533-2926 E-MAIL: mcahill@barclaydamon.com

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THIS FORM.

INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using “none” or “not applicable” or “N/A” where the question is not appropriate to the project which is the subject of this application (the “Project”).
3. If an estimate is given as the answer to a question, put “(est)” after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return one (1) copy of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant’s competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency’s bonds issued to finance the Project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel/special counsel to the Agency. The costs incurred by the Agency, including the Agency’s general counsel and bond counsel, may be considered as a part of the Project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of One Thousand Five Hundred Dollars (\$1,500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**
10. The Agency has also established an administrative fee equal to (A) one percent (1%) of the cost of the Project in the case of an Agency Straight Lease

Transaction, and (B) one percent (1%) of the aggregate principal amount of the bonds to be issued by the Agency in the case of an Agency Bond Transaction. The Agency has also established an administrative fee for the issuance of refunding bonds for Agency Bond Transactions. The formula for the calculation of the administrative fee for the issuance of refunding bonds is outlined in the Agency's Policy Manual. THESE FEES ARE PAYABLE ON THE CLOSING DATE.

FOR AGENCY USE ONLY

1. Project Number	
2. Date application Received by Agency	, 20
3. Date application referred to attorney for review	, 20
4. Date copy of application mailed to members	, 20
5. Date notice of Agency meeting on application posted	, 20
6. Date notice of Agency meeting on application mailed	, 20
7. Date of Agency meeting on application	, 20
8. Date Agency conditionally approved application	, 20
9. Date scheduled for public hearing	, 20
10. Date Environmental Assessment Form ("EAF") received	, 20
11. Date Agency completed environmental review	, 20
12. Date of final approval of application	_____, 20____

I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER, THE "COMPANY").

A. Identity of Company:

1. Company Name: **705 Broadway Hotel, LLC (ultimate owner of hotel condo)**

Present Address: **c/o Pioneer Companies
333 West Washington Street
Syracuse, NY**

Zip Code: **13202**

Employer's ID No.: **82-0765221**

2. If the Company differs from the Applicant, give details of relationship:
The property is currently owned by FC 705 Broadway, LLC, which is owned 45.0% by Melissa F. Zell, 45.0% by Michael P. Falcone and 10% by Mark W. Roney; Melissa F. Zell and Michael P. Falcone are and will continue to be the controlling owners of the entity that will ultimately own the hotel condominium. The details of that entity are indicated above. The transfer to the 705 Broadway Hotel entity will take place at the time of closing the IDA lease and the financing for the hotel.

3. Indicate type of business organization of Company:

a. _____ Corporation (If so, incorporated in what country?
What State? _____ Date Incorporated? _____ Type of
Corporation? _____ Authorized to do business in New York?
Yes ____; No ____).

b. ___ Partnership (if so, indicate type of partnership _____,
Number of general partners ____, Number of limited partners ____).

c. Limited liability company,
Date created? **April 26, 2016.**

d. _____ Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:

B. Management of Company:

1. List all owners, officers, members, directors and partners (complete all columns for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
Melissa F. Zell	Member, Manager	Pioneer Real Estate Companies
Michael P. Falcone	Member, Manager	Pioneer Real Estate Companies
Mark W. Roney	CFO	Pioneer Real Estate Companies

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes ____; No X.

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ____; No X.

4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes ____; No X. (If yes to any of the foregoing, furnish details in a separate attachment).

5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment.

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Yes ____; No X.
If yes, list exchanges where stock traded:

2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
Melissa F. Zell	1265 Oak Bluff Skaneateles, NY 13152	45.0
Michael P. Falcone	3047 West Lake Road Skaneateles, NY 13152	45.0
Mark W. Roney	2405 Wave Way Skaneateles, NY 13152	10.0

D. Company's Principal Bank(s) of account: **M&T Bank**

II. DATA REGARDING PROPOSED PROJECT

A. Summary: (Please provide a brief narrative description of the Project.)

Principals of the Pioneer Companies of Syracuse NY purchased the 1.67 acre site that is part of historic Quackenbush Square bounded by Broadway, Spencer and Montgomery streets. The site had been accepted into New York State's Brownfield program prior to Pioneer's involvement. The entire site was remediated at a cost of \$6,000,000 during 2017 and a Certificate of Completion was issued by the NYS Department of Environmental Conservation in December 2017. This project application is for a 132 key Hyatt Place hotel on the corner of Montgomery Street and Spencer Street at a total project cost of approximately \$30,500,000 financed with a combination of owner equity, investor equity, conventional debt and grants. For a more thorough description of the project, please refer to Exhibit B, Section II-A attached.

B. Location of Proposed Project:

1. Street Address: **705 Broadway (Bounded by Spencer & Montgomery)**
2. City of: **Albany**
3. Town of: **N/A**
4. Village of: **N/A**
5. County of: **Albany**
6. Tax Map ID(s): **All parcels have been merged into one: 76.27-1-18. Ultimately upon completion of construction each commercial condominium will have a distinct tax map number.**

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: .39 acres
Is a map, survey, or sketch of the project site attached? Yes ; No .
2. Are there existing buildings on project site? Yes ; No .
- a. If yes, indicate number and approximate size (in square feet) of each existing building: **N/A**
- b. Are existing buildings in operation? Yes ; No .
- If yes, describe present use of present buildings: **N/A**
- c. Are existing buildings abandoned? Yes ; No . About to be abandoned? Yes ; No . If yes, describe: **N/A**
- d. Attach photograph of present buildings. **N/A**
3. Utilities serving project site:
Water-Municipal: **City of Albany Water Board**
Other (describe) **Albany County Water Purification District**
Sewer-Municipal: **City of Albany Water Board**
Other (describe) **Albany County Water Purification District**
Electric-Utility: **National Grid**
Heat-Utility: **National Grid**

4. Present legal owner of project site: **FC 705 Broadway, LLC**
- a. If the Company owns project site, indicate date of purchase: **December 2015**; Purchase price: **\$4,500,000**.
- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes ___; No ___. If yes, indicate date option signed with owner: ____, 20 __; and the date the option expires: ____, 20 __.
- c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes ___; No ___. If yes, describe:
5. a. Zoning District in which the project site is located:
DT-MU (Downtown Mixed-Use)
- b. Are there any variances or special permits affecting the site? **No**. If yes, list below and attach copies of all such variances or special permits:

Planning Board Approval-Received 4/23/19

D. Buildings:

1. Does part of the Project consist of a new building or buildings? Yes **X**; No ____. If yes, indicate number and size of new buildings:

When completed the hotel will be a single building of eight stories, 84,538 sf, the footprint will be 10,567 sf and the condominium site will occupy a total of .39 acres.

2. Does part of the Project consist of additions and/or renovations to the existing buildings? Yes ___; No **X**. If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:
3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed, or expanded: **Hotel**

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes **X**; No ____. If yes, describe the Equipment:
The facility will have HVAC, elevators and full mechanical systems. Each of the 132 hotel rooms will be fully furnished with bed, chairs, sofas, small appliances, television, desk, tables and night stands. Additionally the hotel will have fitness equipment, a small commercial kitchen, guest dining tables and chairs, lobby furniture, computers, a small commercial laundry for all on-site linens, and various equipment and furniture throughout the facility.

2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes ___; No **X**. If yes, please provide detail:

3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:
The building will have HVAC, elevators and full mechanical systems in support of its use as a hotel. The hotel will be equipped as described in section E.1. above, which is consistent with hotels in the select service class. Primary use of equipment and furnishings will be by hotel guests staying in the facility.

F. Project Use:

1. What are the principal products to be produced at the Project?
Hospitality

2. What are the principal activities to be conducted at the Project?
Hospitality

3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes **X**; No _____. If yes, please provide detail:
In addition to the hotel rooms, the Project will include private meeting, dining and bar areas offering regionally based breakfast, light dinner options, coffee and drinks for guests and visitors. There will also be a small market in the hotel lobby selling incidentals such as snacks and essential toiletries.

4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? **100%**

5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:
 - a. Will the Project be operated by a not-for-profit corporation? Yes ___; No **X**. If yes, please explain:

 - b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes **X**; No _____. If yes, please explain:
The project, a hotel with 132 rooms, will draw visitors from outside the region to take advantage of the convention center, the Palace Theater and other downtown offices and attractions.

- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes ; No . If yes, please explain:
The development contemplated could be undertaken in any of the markets in which the developer operates including other states.
- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes ; No . If yes, please provide detail:
- e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes ; No . If yes, please explain: _____

6. If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes ; No . If yes, please explain:

The hotel will require at least 20 full time and 10 part time new jobs ranging from management and sales positions to housekeeping and building maintenance employees.

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes ; No . If yes, please explain:

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes ; No . If yes, please provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

- a. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes ; No . If yes, please provide detail: N/A

- b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes ___; No ___. If yes, please provide detail: N/A

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

- **State of New York: Department of Environmental Conservation; Empire State Development; Office of Parks, Recreation, and Historic Preservation; Department of Health; and Department of Transportation.**
- **City of Albany: Board of Zoning Appeals; Planning Board; Building & Regulatory Compliance; Parking Authority; Industrial Development Agency; Fire Department; and Water Board.**
- **Other: National Grid; Albany County Water Purification District**

2. Describe the nature of the involvement of the federal, state, or local agencies described above:

Most of the agencies listed above will be involved in reviewing drawings and contract documents for code compliance and infrastructure capability associated with the granting of building permits.

H. Construction Status:

1. Has construction work on this Project begun? Yes X; No ___. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

After purchasing the site, the company remediated the contaminated soils and hazardous materials from the site during 2017 and received a Certificate of Completion from the DEC in December 2017. In November of 2018, a combination of site grading, soil improvements, and structural fill work began to improve the site drainage and appearance and to prepare for potential vertical construction after winter. Site grading and stabilization work was temporarily suspended due to National Grid supply lines to the Pump Station transformer requiring relocation. This work is ongoing and should be complete by the end of June 2019.

2. Please indicate amount of funds expended on this Project by the Company in the past three (3) years and the purposes of such expenditures:

FC 705 Broadway, LLC has spent approximately \$6,000,000 during the last three years on remediation and stabilization work. Additionally, approximately \$1,000,000 has been spent by the company on engineering and design fees within the prior three years.

3. Please indicate the date the applicant estimates the Project will be completed:
Third Quarter of 2020.

I. Method of Construction After Agency Approval:

1. If the Agency approves the Project which is the subject of this application, there are two methods that may be used to construct the Project. The applicant can construct the Project privately and sell the Project to the Agency upon completion. Alternatively, the applicant can request to be appointed as “agent” of the Agency, in which case certain laws applicable to public construction may apply to the Project. Does the applicant wish to be designated as “agent” of the Agency for purposes of constructing the Project? Yes ; No .

2. If the answer to question 1 is yes, does the applicant desire such “agent” status prior to the closing date of the financing? Yes ; No .

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT. (PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes ; No . If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee name:
Present Address:
City: _____ State: _____ Zip:
Employer’s ID No.:
Sublessee is: Corporation: Partnership: Sole Proprietorship
Relationship to Company:
Percentage of Project to be leased or subleased:
Use of Project intended by Sublessee:
Date of lease or sublease to Sublessee:
Term of lease or sublease to Sublessee:
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ; No . If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

2. Sublessee name:
Present Address:

City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is:
_____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ___; No ___. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

3. Sublessee name: _____
Present Address: _____
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ___; No ___. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? **0%**

IV. Employment Impact

- A. Indicate the number of people presently employed at the Project site and the **additional** number that will be employed at the Project site at the end of the first and second years after the Project has been completed, using the tables below for (1) employees of the Applicant, (2) independent contractors, and (3) employees of independent contractors. (Do not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT Employees of Applicant					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	0	0	0	0	0
Present Part Time	0	0	0	0	0
Present Seasonal	0	0	0	0	0
First Year Full Time	3	5	5	7	20
First Year Part Time	0	0	0	10	10
First Year Seasonal	0	0	0	0	0
Second Year Full Time	3	5	5	7	20
Second Year Part Time	0	0	0	10	10
Second Year Seasonal	0	0	0	0	0

TYPE OF EMPLOYMENT Independent Contractors					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	0	0	0	0	0
Present Part Time	0	0	0	0	0
Present Seasonal	0	0	0	0	0
First Year Full Time	0	0	0	0	0
First Year Part Time	0	0	0	0	0
First Year Seasonal	0	0	0	0	0
Second Year Full Time	0	0	0	0	0
Second Year Part Time	0	0	0	0	0
Second Year Seasonal	0	0	0	0	0

TYPE OF EMPLOYMENT Employees of Independent Contractors					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	0	0	0	0	0
Present Part Time	0	0	0	0	0
Present Seasonal	0	0	0	0	0

First Year Full Time	0	0	0	0	0
First Year Part Time	0	0	0	0	0
First Year Seasonal	0	0	0	0	0
Second Year Full Time	0	0	0	0	0
Second Year Part Time	0	0	0	0	0
Second Year Seasonal	0	0	0	0	0

B. Indicate below (1) the estimated salary and fringe benefit averages or ranges and (2) the estimated number of employees residing in the Capital Region Economic Development Region for all the jobs at the Project site, both retained and created, listed in the tables described in subsection A above for each of the categories of positions listed in the chart below.

RELATED EMPLOYMENT INFORMATION				
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges	\$85,000-\$42,000	\$42,000-\$35,000	\$35,000-\$30,000	\$30,000-\$25,000
Estimated Number of Employees Residing in the Capital Region Economic Development Region ¹	3	5	5	7 FTE 10 PTE

C. Please describe the projected timeframe for the creation of any new jobs with respect to the undertaking of the Project:

Hotel – 3rd Quarter 2020. Most positions will be filled one to two months prior to the opening of the hotel.

¹ The Capital Region Economic Development Region consists of the following counties: Albany, Schenectady, Rensselaer, Greene, Columbia, Saratoga, Warren and Washington.

D. Please prepare a separate attachment describing in detail the types of employment at the Project site. Such attachment should describe the activities or work performed for each type of employment.

V. Project Cost and Financing Sources

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ 1,058,898
Buildings	\$ 20,879,000
Machinery and equipment costs	\$ 2,503,000
Utilities, roads and appurtenant costs	\$ 0
Architects and engineering fees	\$ 955,000
Costs of Bond Issue (legal, financial and printing)	\$ 0
Construction loan fees and interest (if applicable)	\$ 482,500
Other (specify) Site Work	\$ 2,341,102
Financing (including IDA fees)	\$ 493,000
Legal & Other Soft	\$ 439,000
Project Management	\$ 1,263,500
TOTAL PROJECT COSTS	\$ 30,415,000

B. Anticipated Project Financing Sources. State the sources reasonably necessary for the financing of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Sources</u>	<u>Amount</u>
Private Sector Financing	\$ 22,000,000
Public Sector	\$ 0
Federal Programs	\$ 0
State Programs	\$ 1,200,000
Local Programs	\$ 0
Applicant Equity	\$ 7,215,000
Other (specify, e.g., tax credits)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL AMOUNT OF PROJECT FINANCING SOURCES	\$ 30,415,000

C. Have any of the above expenditures already been made by the applicant? Yes X; No _____. If yes, indicate particulars.

To date there have been significant expenditures made primarily on architectural, structural, and mechanical design work.

D. Amount of loan requested: \$0;
Maturity requested: N/A years.

E. Has a commitment for financing been received as of this application date, and if so, from whom?

Yes ____; No X. Institution Name: M&T Bank

Provide name and telephone number of the person we may contact.

Name: Jonathan Leister Phone: 315-424-5064

- F. The percentage of Project costs to be financed from public sector sources is estimated to equal the following: 3.9%
- G. The total amount estimated to be borrowed to finance the Project is equal to the following: \$ 22,000,000

VI. BENEFITS EXPECTED FROM THE AGENCY

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the Project? Yes ___; No X. If yes, indicate:
 - a. Amount of loan requested: ___ Dollars;
 - b. Maturity requested: ___ Years.

2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes ___; No ___.

3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes:
 - a. retail food and beverage services: Yes ___; No ___
 - b. automobile sales or service: Yes ___; No ___
 - c. recreation or entertainment: Yes ___; No ___
 - d. golf course: Yes ___; No ___
 - e. country club: Yes ___; No ___
 - f. massage parlor: Yes ___; No ___
 - g. tennis club: Yes ___; No ___
 - h. skating facility (including roller skating, skateboard and ice skating): Yes ___; No ___
 - i. racquet sports facility (including handball and racquetball court): Yes ___; No ___
 - j. hot tub facility: Yes ___; No ___
 - k. suntan facility: Yes ___; No ___
 - l. racetrack: Yes ___; No ___

4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment.

5. Is the Project located in the City's federally designated Enterprise Zone? Yes ___; No X.

6. Is the applicant requesting the Agency to issue federally tax-exempt Enterprise Zone bonds? Yes ___; No X.

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency? Yes X; No ___.

2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes ; No _____. If yes, what is the approximate amount of financing to be secured by mortgages? **\$ 22,000,000.**

3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes ; No _____. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? **\$ 10,000,000.**

4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

a.	N.Y.S. Sales and Compensating Use Taxes:	<u>\$ 800,000</u>
b.	Mortgage Recording Taxes:	<u>\$ 220,000</u>
c.	Real Property Tax Exemptions:	<u>\$ 5,818,076</u>
d.	Other (please specify):	
	_____	\$ _____
	_____	\$ _____

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax Exemption Policy? Yes ; No _____. If yes, please explain.

Major Project PILOT request.

6. Does the Project involve a minimum investment of \$25 million dollars, a minimum of fifteen (15) acres, or a full service hotel? Yes ; No _____. If yes, please provide detail and whether the applicant is seeking a real property tax abatement outside of the Agency's Project Evaluation and Assistance Framework.

Total project cost is approximately \$30.415MM and therefore exceeds the \$25MM threshold, as a result and due to the economic need of the development we will be seeking a tax abatement structure outside of the Framework.

7. Is the Project located in the City's state designated Empire Zone? Yes ____; No .

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, community benefits (including community commitment as described in the Agency's Project Evaluation and Assistance Framework), etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VII. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency as follows:

A. Job Listings. Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the “DOC”) and with the administrative entity (collectively with the DOC, the “JTPA Entities”) of the service delivery area created by the federal job training partnership act (Public Law 97-300) (“JTPA”), as replaced by the Workforce Investment Act of 1998 (Public Law 105-220), in which the Project is located.

B. First Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. City Human Rights Law. The applicant has reviewed the provisions of Chapter 48, Article III of the City Code, entitled “The Omnibus Human Rights Law” and agrees to comply with such provisions to the extent that such provisions are applicable to the applicant and the Project.

D. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

E. Annual Employment Reports. The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the Project site, including (1) the NYS-45 – Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the “NYS-45”), and (2) the US Dept. of Labor BLS 3020 Multiple Worksite report if applicable. The applicant also agrees, whenever requested by the Agency, to provide and certify or cause to be provided and certified such information concerning the participation of individuals from minority groups as employees or applicants for employment with regard to the project.

F. Local Labor Information. The applicant is aware of and understands the provisions of Part 24 of the Policy Manual of the Agency. Pursuant to Part 24 of the Policy Manual of the Agency, the applicant agrees to provide information, in form and substance satisfactory to the Agency, relating to construction activities for projects; specifically: (i) the Company’s contact person responsible and accountable for providing information about the bidding for and awarding of construction contracts relative to this Application and the Project, (ii) the nature of construction jobs created by the Project, including the number, type, and duration of construction positions; and (iii) submit to the Agency a “Construction Completion Report” listing the names and business locations of prime contractors, subcontractors, and vendors who were engaged in the construction phase of the Project.

G. Additional Fee for Low Income Housing/Tax Credit (9% only) Projects. An annual administrative fee equal to \$10,000 shall be payable annually by the applicant on each January 1 for a term equal to ten (10) years. This annual administrative fee is in addition to the standard administrative fee for Agency Straight Lease Transactions and Agency Bond Transactions and is applicable to Projects which provide for low income housing/tax credit (9% only) projects.

H. Project Benefits Agreement. The applicant agrees to enter into a project benefits agreement with the Agency where the applicant agrees that (1) the amount of Financial Assistance to be received shall be contingent upon, and shall bear a direct relationship to the success or lack of success of such project in delivering certain described public benefits (the "Public Benefits") and (2) the Agency will be entitled to recapture some or all of the Financial Assistance granted to the applicant if the project is unsuccessful in whole or in part in delivering the promised Public Benefits.

I. Assignment of Agency Abatements. In connection with any Agency Straight Lease Transaction or Agency Bond Transaction, the Agency may grant to the applicant certain exemptions from mortgage recording taxes, sales and use taxes and real property taxes. The applicant understands that the grant of such exemptions by the Agency is intended to benefit the applicant. Subsequently, if the applicant determines to convey the Project and, in connection with such conveyance to assign such exemptions to the purchaser, the applicant understand that any such assignment is subject to review and consent by the Agency, together with the satisfaction of any conditions that may be imposed by the Agency.

J. Post Closing Cost Verification. The applicant agrees (1) the scope of the Project will not vary significantly from the description in the public hearing resolution for the project and (2) to deliver to the Agency within sixty (60) days following the completion date of a project an affidavit providing the total costs of the project. In the event that the amount of the total project costs described in the affidavit at the completion date exceeds the amount described in an affidavit provided by the applicant on the closing date of the project, the applicant agrees to adjust the amounts payable by the applicant to the Agency by such larger amount and to pay to the Agency such additional amounts. In the event that the amount described is less, there shall not be any adjustment to the Agency fees.

K. Representation of Financial Information. Neither this Application nor any other agreement, document, certificate, project financials, or written statement furnished to the Agency or by or on behalf of the applicant in connection with the project contemplated by this Application contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact within the special knowledge of any of the officers of the applicant which has not been disclosed herein or in writing by them to the Agency and which materially adversely affects or in the future in their opinion may, insofar as they can now reasonably foresee, materially adversely affect the business, properties, assets or condition, financial or otherwise, of the applicant.

L. Agency Financial Assistance Required for Project. The Project would not be undertaken but for the Financial Assistance provided by the Agency or, if the Project could be undertaken without the Financial Assistance provided by the Agency, then the Project should be undertaken by the Agency for the following reasons: _____.

M. Compliance with Article 18-A of the General Municipal Law: The Project, as of the date of this Application, is in substantial compliance with all provisions of article 18-A of the General Municipal including, but not limited to, the provisions of Section 859-a and subdivision one of Section 862; and the provisions of subdivision one of Section 862 of the General Municipal Law will not be violated if Financial Assistance is provided for the Project.

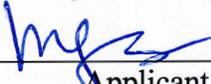
N. Compliance with Federal, State, and Local Laws. The applicant is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

O. False or Misleading Information. The applicant understands that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.

P. Absence of Conflicts of Interest. The applicant acknowledges that the members, officers and employees of the Agency are listed on the Agency's website. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described: _____.

Q. Additional Information. Additional information regarding the requirements noted in this Application and other requirements of the Agency is included the Agency's Policy Manual which can be accessed at www.albanyida.com.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.



Applicant
By: Melissa F. Zell
Title: Member

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 27 THROUGH 30 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 31.

VERIFICATION

(If applicant is limited liability company)

STATE OF New York)
) SS.:
COUNTY OF Onondaga

Melissa F. Zell, deposes and says
(Name of Individual)

that he is one of the members of the firm of FC 705 Broadway, LLC,
(Limited Liability Company)

the limited liability company named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said limited liability company.



Sworn to before me this
5th day of June, 2019

Christine L. Sawkins-Davis
(Notary Public)

CHRISTINE L. SAWKINS -Davis
Notary Public, State of New York
No. 01SA6151729
Qualified in Onondaga County
Commission Expires August 21, 2022

VERIFICATION

(If applicant is partnership)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____, deposes and says

(Name of Individual)

that he is one of the members of the firm of _____,

(Partnership Name)

the partnership named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said partnership.

Sworn to before me this
__ day of _____, 20__.

(Notary Public)

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD
HARMLESS AGREEMENT APPEARING ON PAGE 31 IS SIGNED BY THE APPLICANT.

HOLD HARMLESS AGREEMENT

Applicant hereby releases City of Albany Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issue of bonds requested therein are favorably acted upon by the Agency, and (ii) the Agency's financing of the Project described therein; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

(Applicant)

BY: _____



Sworn to before me this
5th day of June, 2019

Christine L. Sawkins - Davies
(Notary Public)

CHRISTINE L. SAWKINS - Davies
Notary Public, State of New York
No. 01SA6151729
Qualified in Onondaga County
Commission Expires August 21, 20 22

TO: Project Applicants
 FROM: City of Albany Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for the City of Albany Industrial Development Agency (the “Agency”) to prepare a Cost/Benefit Analysis for a proposed project (the “Project”), the Applicant must answer the questions contained in this Project Questionnaire (the “Questionnaire”) and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

This Questionnaire must be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary (“Company”):	FC 705 Broadway, LLC / 705 Broadway Hotel, LLC
2. Brief Identification of the Project:	Quackenbush Square Development
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ 0
B. Value of Sales Tax Exemption Sought	\$ 800,000
C. Value of Real Property Tax Exemption Sought	\$ 5,818,076
D. Value of Mortgage Recording Tax Exemption Sought	\$ 220,000
4. Likelihood of accomplishing the Project in a timely fashion (please explain):	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>. Project sponsor has significant experience with major real estate development projects including six hotels and has already made a substantial commitment in terms of dollars and time into the project.

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ 1,058,898
2. Site preparation	\$ 3,169,309
3. Landscaping	-
4. Utilities and infrastructure development	-
5. Access roads and parking development	-
6. Other land-related costs (describe)	\$ 32,500

B.	Building-Related Costs	
1.	Acquisition of existing structures	-
2.	Renovation of existing structures	-
3.	New construction costs	-
4.	Electrical systems	\$ 20,005,793
5.	Heating, ventilation and air conditioning	-
6.	Plumbing	-
7.	Other building-related costs (describe)	-
C.	Machinery and Equipment Costs	
1.	Production and process equipment	-
2.	Packaging equipment	-
3.	Warehousing equipment	-
4.	Installation costs for various equipment	-
5.	Other equipment-related costs (describe)	-
D.	Furniture and Fixture Costs	
1.	Office furniture	-
2.	Office equipment	-
3.	Computers	-
4.	Other furniture-related costs (describe)	\$ 2,503,000
E.	Working Capital Costs	
1.	Operation costs	\$ 335,000
2.	Production costs	-
3.	Raw materials	-
4.	Debt service	-
5.	Relocation costs	-
6.	Skills training	-
7.	Other working capital-related costs (describe)	-
F.	Professional Service Costs	
1.	Architecture and engineering	\$ 955,000
2.	Accounting/legal	\$ 71,500
3.	Other service-related costs (describe) Financing/Legal	\$ 510,500
G.	Other Costs	
1.	CPI/Insurance/Taxes/MRT	\$ 510,000
2.	Project Mgt	\$1,263,500
H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$ 4,260,707
2.	Total Building-Related Costs	\$ 20,005,793
3.	Total Machinery and Equipment Costs	-
4.	Total Furniture and Fixture Costs	\$ 2,503,000
5.	Total Working Capital Costs	\$ 335,000
6.	Total Professional Service Costs	\$ 1,537,000
7.	Total Other Costs	\$ 1,773,500
		\$ 30,415,000

PROJECTED PROFIT

I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization:

YEAR	Without IDA benefits	With IDA benefits
1	\$ (516,721)	\$ (104,481)
2	\$ 144,053	\$ 565,468
3	\$ 237,719	\$ 668,513
4	\$ 308,724	\$ 749,102
5	\$ 331,926	\$ 732,449

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	0	\$ 0	\$ 0
Year 1	70	\$ 3,000,000	\$ 240,000
Year 2	30	\$ 1,300,000	\$ 100,000
Year 3	0		
Year 4	0		
Year 5	0		

PROJECTED PERMANENT EMPLOYMENT IMPACT

I. Estimates of the total number of existing permanent jobs to be preserved or retained as a result of the Project are described in the tables in Section IV of the Application.

II. Estimates of the total new permanent jobs to be created at the Project are described in the tables in Section IV of the Application.

III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

IV. Provide the projected percentage of employment that would be filled by City of Albany residents: **50%**

A. Provide a brief description of how the project expects to meet this percentage:

The company will actively recruit City residents through a variety of methods including job fairs and interacting with local agencies.

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$ 500,000
Additional Sales Tax Paid on Additional Purchases	\$ 40,000
Estimated Additional Sales (1 st full year following project completion)	\$ 2,000,000
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ 160,000

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes (“Pilot Payments”):

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year			
Year 1	\$6,605	\$82,001	\$75,395
Year 2	\$6,738	\$82,052	\$75,314
Year 3	\$6,872	\$82,072	\$75,200
Year 4	\$7,010	\$82,060	\$75,051
Year 5	\$7,150	\$166,745	\$159,595
Year 6	\$7,293	\$169,220	\$161,927
Year 7	\$7,439	\$343,472	\$336,033
Year 8	\$7,588	\$435,873	\$428,285
Year 9	\$7,739	\$530,920	\$523,181
Year 10	\$7,894	\$808,314	\$800,420
	\$72,327	\$2,782,728	\$2,710,401

III. Please indicate which of the below described community commitments (as defined in the Agency's Project Evaluation and Assistance Framework) will be provided as a result of the Project, and please provide a detailed description of such commitments, together with any other economic benefits and community benefits expected to be produced as a result of the Project (attach additional pages as needed for a complete and detailed response):

- MWBE/DBE Participation
- EEO Workforce Utilization
- Inclusionary Housing
- Regional Labor
- City of Albany Labor
- Apprenticeship Program

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge; such responses are true, correct, and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.

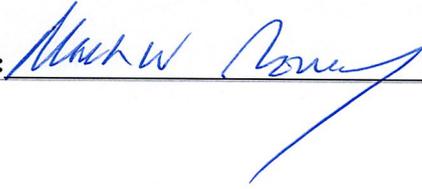
Date Signed: June 5, 2019.	Name of Person Completing Project Questionnaire on behalf of the Company. Name: Mark W. Roney Title: CFO Phone Number: 315.200.1851 Address: 333 West Washington Street Syracuse, NY 13202 Signature: 
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EXHIBIT B

ATTACHMENT TO CAIDA APPLICATION

APPLICANT: FC 705 BROADWAY, LLC

II-A : Proposed Project Summary

This application is for the first phase of the Quackenbush Square Development; the 132 room Hotel. The proposed project is located on a 1.67 acre parcel of vacant land bounded by Broadway to the west, Spencer Street to the north, Montgomery Street to the east and the historic Quackenbush Square buildings to the south.

The project ownership will be structured as a commercial condominium. The hotel is a limited service, eight-story building, consisting of 84,534 SF, with 132 guestrooms located at the corner of Montgomery and Spencer Streets along the east end of the site. The hotel will generally serve business and leisure travelers visiting the Capital District from outside the area. The main drop off and entrance will be at the Montgomery Street elevation with the main lobby one level above Montgomery at the Plaza/Broadway level. The hotel will include a guest fitness center and pool, small meeting areas as well as guest dining areas and outdoor seating areas adjacent to the plaza.

Architecturally, the project has been designed to be compatible with the rich history of Quackenbush Square. High performance metal panels have been selected not only for maximum durability and energy efficiency but also for compatibility and enhancement of the surrounding buildings. As an in-fill development wedged between buildings of very different scales, this project provides the opportunity to bridge that gap. The overall massing of the project is sympathetic to the varied scales of the surrounding structures but prioritizes the human and pedestrian scale of the Quackenbush neighborhood.

The project is located in a downtown high vacancy census tract and has been directly identified in the Clinton Square DRI Plan. As stated in various areas of this application the hotel investment will be \$30.415MM and will create 20-30 permanent jobs and 100 temporary construction jobs. Our intention is to fill those positions from the City of Albany and certainly the direct region; additionally we will encourage the use of Minority and Women Owned Businesses.

IV - A : Employment Impact

We estimate that 20 full time and 10 part time permanent jobs at the hotel and at least 100 temporary construction jobs will be created.

IV - D : Types of Employment

(M)General Manager - Oversight of entire hotel with focus on guest satisfaction, financial performance, cleanliness and food quality. Monitors schedules, workloads and supervises all department heads.

(M)Assistant GM - Assists general manager with inventory management, financials, overall department performance, administrative duties

(M)Director of Sales – Responsible for revenue generation throughout the hotel in various market segments. DOS goes on outside sales calls, books groups/room blocks, and maintains relationships with current guests.

(M)Front Office Manager - Responsible for operation of the front office. Guest welcome, inventory management, posting of room charges, service recovery

(M)Executive Housekeeper - Oversees the entire housekeeping/house-porter operation. Responsible for the cleanliness of the hotel and the guest perception of facilities. Schedules team members and coordinates cleaning of rooms in the hotel

(S)Chief Engineer - Oversees the maintenance operation of the hotel by instituting preventative maintenance programs, fixing HVAC, Mechanicals, Plumbing, Electrical. Ensures good working order of hotel assets.

(S)Front office supervisor - Assists front office manager in overseeing line level staff at the hotel in the absence of the FOM. Assists in scheduling, inventory balancing, administrative duties, light accounting

(S)Housekeeping Supervisor – Assists executive housekeeper in cleaning rooms, assigning duties to line level staff, scheduling and assigning rooms to line level to clean

(SS) Maintenance Tech - - at the direction of Chief Engineer, executes preventative maintenance programs, fixing HVAC, Mechanicals, Plumbing, Electrical. Ensures good working order of hotel assets.

(SS) Front Office – Checks in/out guests, assigns rooms, takes cash/credit for rents, ensures guest satisfaction

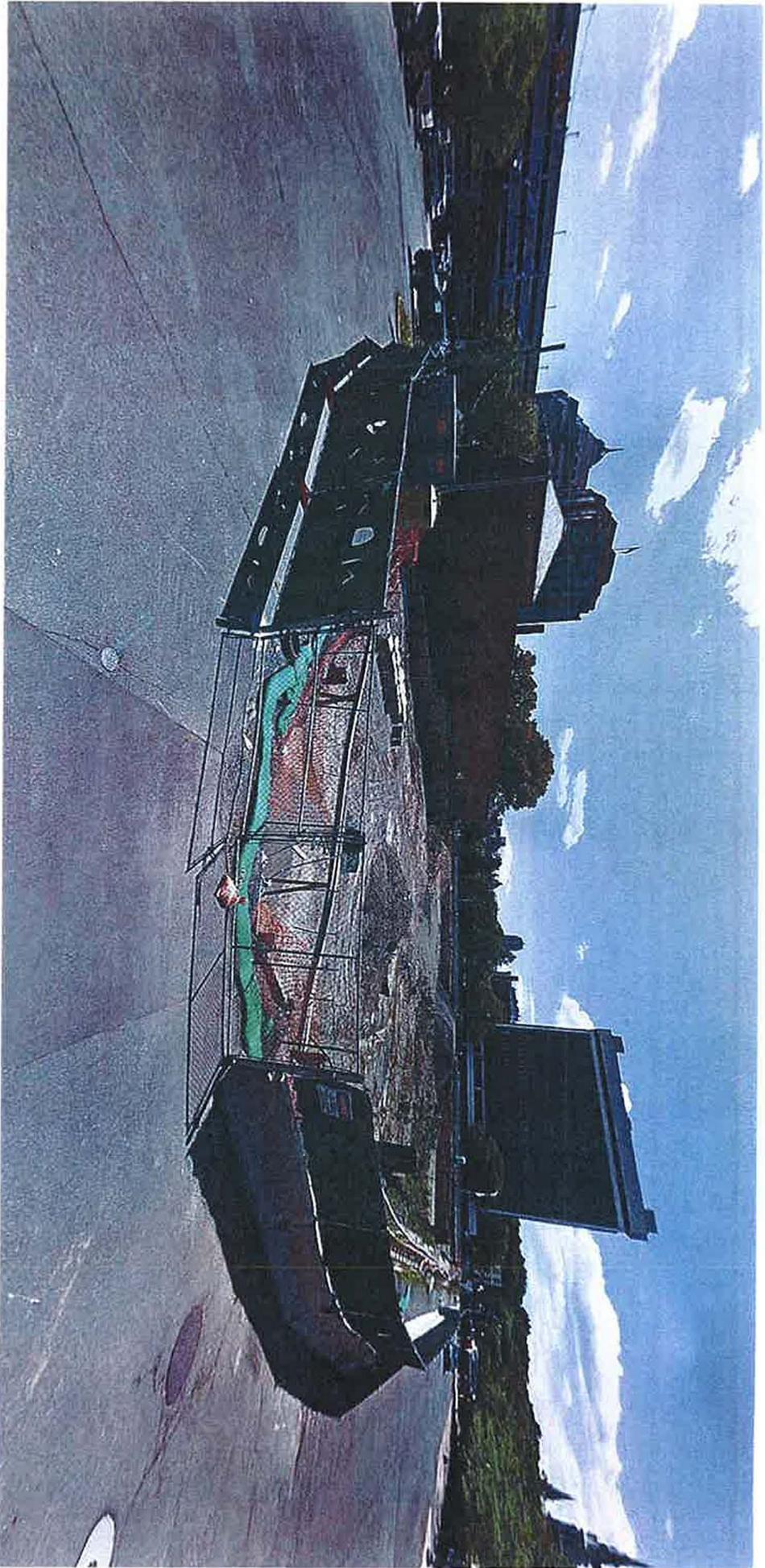
(SS) Housekeeping – Cleans guest rooms/Bathrooms

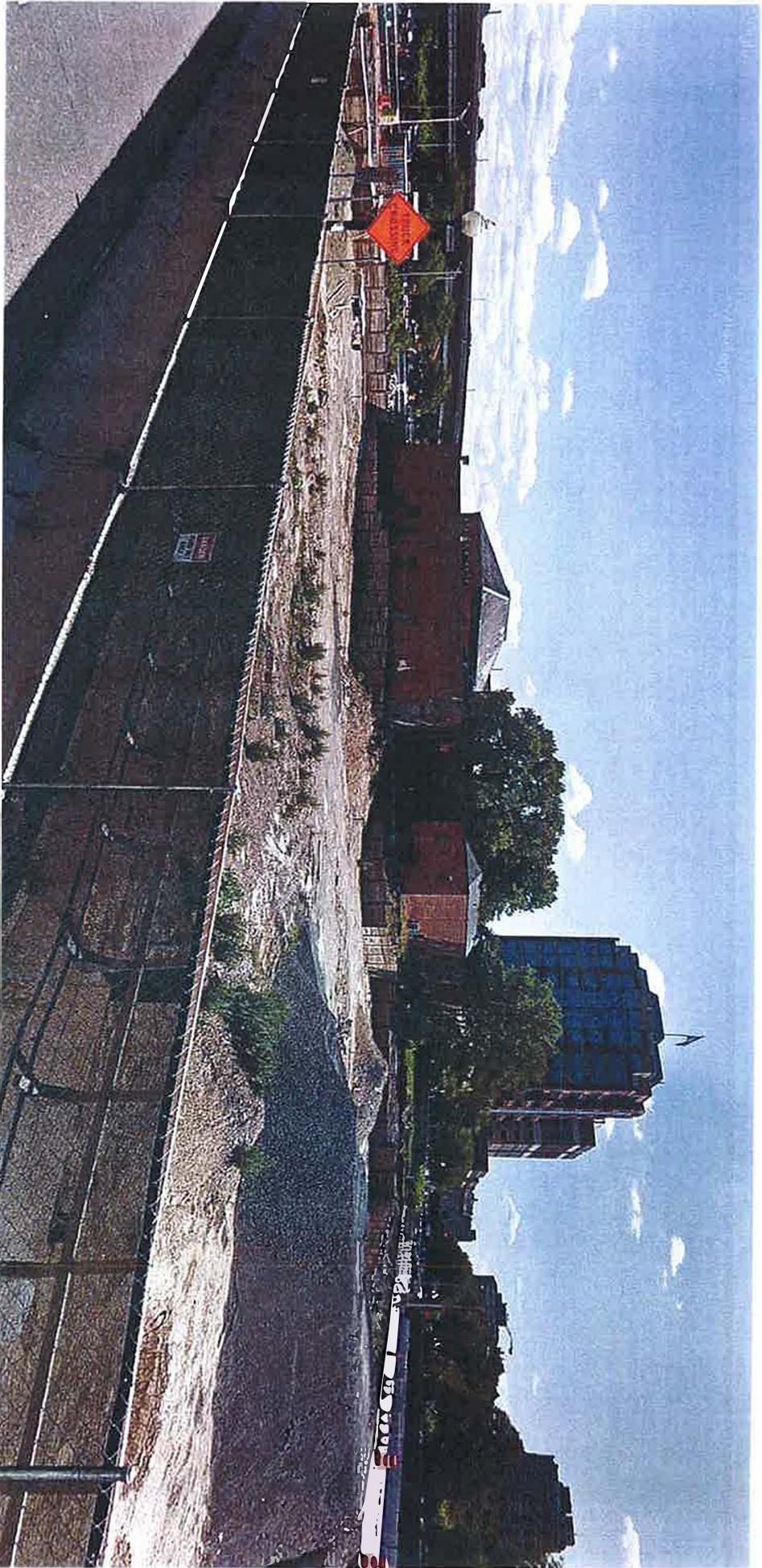
(US)Laundry – Washes linen/terry

(US)Breakfast Attendant – Serves breakfast to guests, busses tables, cleans breakfast area

APPLICANT'S PILOT "ASK"

YEAR	Property Tax Projections Without Proposed Project	Proposed PILOT Payments	Total of Additional Payments	Proposed Reduction on a Percentage Basis
Year 1	\$6,726	\$82,016	\$75,290	96.07%
Year 2	\$6,860	\$82,060	\$75,200	96.28%
Year 3	\$6,997	\$82,073	\$75,076	96.49%
Year 4	\$7,137	\$80,255	\$73,118	96.70%
Year 5	\$7,280	\$166,729	\$159,449	86.45%
Year 6	\$7,426	\$169,203	\$161,777	86.56%
Year 7	\$7,574	\$343,507	\$335,933	66.28%
Year 8	\$7,726	\$435,878	\$428,152	56.34%
Year 9	\$7,880	\$530,894	\$523,014	46.50%
Year 10	\$8,038	\$808,306	\$800,268	16.67%
TOTALS:	\$73,644	\$2,780,921	\$2,707,277	









LAW OFFICE OF NADINE F. SHADLOCK
12 Van Rensselaer Blvd.
Albany, New York 12204-1609
518-432-3310
nadine@nadineshadlock.com
nadineshadlock.com
NYS Certified Women Owned Business Enterprise
NYC Certified WBE - NYSUCP DBE - SBA WOSB
SBA HUB Zone Certified SBC

Nadine Feiden Shadlock, Esq.

June 6, 2019

VIA ELECTRONIC MAIL

Tracy Metzger, Chair
City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207

RE: Request for IDA Assistance for 90 State Street

Dear Ms. Metzger:

Attached is a completed application, as well as the appropriate supplementary material required by the City of Albany Industrial Development Agency for the consideration of financial assistance associated with the 90 State Street project.

Description of the Proposed Project:

90 State Street is a 14 story historic building, which has been continuously occupied and used for office and commercial purposes since constructed in 1929. This conversion is the first large scale residential conversion of an existing, occupied office building in the Capital Region. 90 State Street has received Site Plan approval for conversion of the top 11 floors into 154 apartments from the City of Albany Planning Board. We are also in possession of the demolition and building permits for the 11th floor, the first floor to be converted.

90 State Street is the type of trailblazing project that Downtown Albany has long needed to help its residential market achieve critical mass. Once enough people move downtown, supermarkets and other retail will open, that will lead to other buildings converting to residential. 90 State is at the epicenter of the Downtown CBD with a key location at the intersection of State and Pearl Streets, midway to the Capitol. It features panoramic views, and is located in close proximity to government offices, including the Capitol, Federal and NYS Agencies, professional offices, and Federal and NYS Courts.

Importantly, in addition to bringing a significant high end tenant population to the center of the City, by effecting this conversion, we are removing 148,489 square feet of office space from the market. We believe this will benefit neighboring office space property owners by removing 5.2% of the existing office space inventory, thereby increasing competition for the remaining space and encouraging landlord investment. No other residential project in the Albany CBD is contributing this strong impact on the Downtown office space, because all other residential projects are either vacant buildings or new construction, with 90 State alone providing this important benefit.

Description of the Assistance Being Sought:

90 State Street seeks benefits which consistent with the CAIDA Project Evaluation and Assistance Framework as follows:

- NYS Sales Tax & Compensating Use Tax: \$925,400
- Mortgage Recording Taxes: \$173,512
- Real Property Tax Exemption: \$6,930,175
 - This PILOT is consistent with the Multifamily Community Commitment Project Assistance at the level of \$90,000- \$99,000 assessed value per unit.

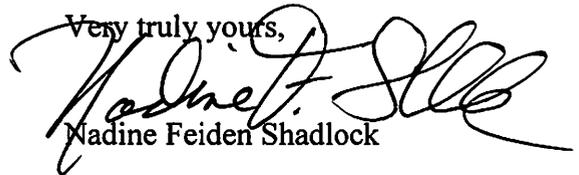
With respect to Community Commitments, we believe the project meets the following Community Commitment Metrics:

- Downtown
- Located in the BID
- Downtown Residential
- Historic Preservation
- Existing Cluster
- Conversion to Residential
- Retained jobs
- Construction job creation
- Financial Commitment of \$23,135,000
- MWBE
- Regional Labor
- City of Albany Labor

Reason for the Assistance Being Sought:

As indicated, this is the first residential conversion of a high rise in Albany. This is also an historic structure which was never designed nor constructed for residential use. Efforts to date have revealed the need to substantially upgrade or replace building wide infrastructure including: the heating system, relocate and redesign of the chillers for year round A/C, electric, plumbing, fire and security systems, steam pipe extensions, installation of a new stormwater line under State Street plus installation of a building wide sprinkler system. Absent the grant of the exemptions requested above, this Project is not feasible from a financial nor loan underwriting perspective, with assessment risk further making this proposed Project infeasible. We are most grateful for the IDA's consideration of this important Project.

We look forward to working with the Agency on this project.
Thank you.

Very truly yours,

Nadine Feiden Shadlock

Enclosure

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the City of Albany Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

This application by applicant respectfully states:

APPLICANT: **Harmony Mills South LLC**

APPLICANT'S ADDRESS: **90 State Street**

CITY: **Albany** STATE: **New York** ZIP CODE: **12207**

PHONE NO.: **917-453-3384** E-MAIL: urikaufman50@gmail.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: **Uri Kaufman, Nadine Shadlock, Esq.**

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: **Nadine F. Shadlock, Esq.**

ATTORNEY'S ADDRESS: **12 Van Rensselaer Blvd.**

CITY: **Albany** STATE: **New York** ZIP CODE: **12204-1609**

PHONE NO.: **518-432-3310** E-MAIL: nadine@nadineshadlock.com

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THIS FORM.

INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using “none” or “not applicable” or “N/A” where the question is not appropriate to the project which is the subject of this application (the “Project”).
3. If an estimate is given as the answer to a question, put “(est)” after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return one (1) copy of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant’s competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency’s bonds issued to finance the Project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel/special counsel to the Agency. The costs incurred by the Agency, including the Agency’s general counsel and bond counsel, may be considered as a part of the Project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of One Thousand Five Hundred Dollars (\$1,500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**
10. The Agency has also established an administrative fee equal to (A) one percent (1%) of the cost of the Project in the case of an Agency Straight Lease Transaction, and (B) one percent (1%) of the aggregate principal amount of the bonds to be issued by the Agency in the case of an Agency Bond Transaction. The Agency has also established

an administrative fee for the issuance of refunding bonds for Agency Bond Transactions. The formula for the calculation of the administrative fee for the issuance of refunding bonds is outlined in the Agency's Policy Manual. THESE FEES ARE PAYABLE ON THE CLOSING DATE.

FOR AGENCY USE ONLY

1. Project Number	_____
2. Date application Received by Agency	_____, 20____
3. Date application referred to attorney for review	_____, 20____
4. Date copy of application mailed to members	_____, 20____
5. Date notice of Agency meeting on application posted	_____, 20____
6. Date notice of Agency meeting on application mailed	_____, 20____
7. Date of Agency meeting on application	_____, 20____
8. Date Agency conditionally approved application	_____, 20____
9. Date scheduled for public hearing	_____, 20____
10. Date Environmental Assessment Form ("EAF") received	_____, 20____
11. Date Agency completed environmental review	_____, 20____
12. Date of final approval of application	_____, 20____

Attachment “A”

Description of Project

This Project proposes to convert the upper 11 stories of this 15-story structure into 154 residential dwelling units. This property is presently primarily used for office space, with commercial/ retail space at the street level floors. Post conversion, a portion of the office space as well as the existing commercial uses will remain. The residential units will be a mix of 22 two (2) bedroom, 88 one (1) bedroom and 44 studio units of between 450 and 1,295 square feet. Each floor of residential units will be substantially identical to the other in layout. The conversion will be phased, and will occur on a floor by floor basis, working around existing lease expirations, with the conversion to be substantially complete by not later than December 31, 2022.

This Project represents the first high rise residential conversion in the City of Albany and first substantial conversion of downtown office space into residential. This transformative Project will not only bring the residents of these 154 units into the very center of the Central Business District, it will also remove 148,489 square feet of office space from the Downtown market, which presently has vacancy rate in excess of 20%.

This concentration of residents, at the center of Downtown, will provide the necessary numbers to support the establishment of new retail, as well as goods and services Downtown. With such a substantial enhancement in amenity, a live/ work environment will at last exist, thereby encouraging a thriving and vibrant 24/7 Downtown Albany.

This Project's conversion of 148,489 square feet of office space to residential dwellings will shift the Downtown office space equilibrium and enhance the opportunity for competing office space to be rented. This will create an impetus for landlords to make improvements to existing space, both vacant and occupied. By reducing office space vacancy, the value of these office properties will be enhanced, benefitting the property owners as well as enhancing the City of Albany tax base.

This Project will change everything Downtown, and will place Albany on the trajectory to be a vibrant and thriving Capital of the State of New York.

Attachment “B”

Summary of Employment Impact

This Project will create direct new jobs at 90 State Street in construction activities, and thereafter positions in property management, leasing, facilities and maintenance support. Numerous construction and project development related positions have been, and will continue to be, directly generated by this residential conversion, as well as not less than 4 permanent positions.

Additionally, we anticipate the strongest employment impact will result from bringing the residents of these 154 units into the heart of Downtown, plus this Project’s removal of nearly 150,000 square feet of downtown office space from the market, which presently has a vacancy rate in excess of 20%.

This Project, and its residents, will be fundamentally transformative in for Downtown, and will drive the need for retail including, for example: grocery stores, specialty shops, wine and liquor stores, restaurants, including breakfast, and access to goods and personal services. This population will support the strong need for retail, causing retail establishments to open and expand, with the result being stable and permanent job creation.

Likewise, this Project’s impact on existing office space, removing 148,489 square feet of office space from the market, will facilitate a re-population of long vacant office space in other Downtown buildings. Increases in rent will be supported by a reduction in supply, competition for tenants will encourage landlord investment in their properties. Such investment will enhance values and City tax base. Jobs will be created in support of these efforts as well as the employment of individuals in these formerly vacant offices.

This Project will spark these fundamental changes, all of which will make the difference driving the evolution of Downtown Albany.

Annualized Salary Range of Jobs to be Created:
Estimated Average Annual Salary of Jobs to be Retained:

\$22,000-\$50,000
\$ 40,000.

I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER, THE "COMPANY").

A. Identity of Company:

1. Company Name: **Harmony Mills South LLC**

Present Address: **90 State Street, Albany, New York**

Zip Code: **12207**

Employer's ID No.: **43-1964982**

2. If the Company differs from the Applicant, give details of relationship:

The Company is the applicant

3. Indicate type of business organization of Company:

a. _____ Corporation (If so, incorporated in what country?
What State? _____ Date Incorporated? _____ Type of
Corporation? _____ Authorized to do business in New York?
Yes ____; No ____).

b. ____ Partnership (if so, indicate type of partnership _____,
Number of general partners ____, Number of limited partners ____).

c. NY Limited liability company,
Date created? **June 20, 2002**_____.

d. _____ Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship: **No**

B. Management of Company:

1. List all owners, officers, members, directors and partners (complete all columns for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
Uri Kaufman	Manager	Developer of Historic Residential Multifamily properties.

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation*? Yes **X**; No ____.

* **The response is Yes, but no criminal litigation, only civil litigation, as per Attachment "C".**

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ____; No **X**.

4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes ____; No **X**. (If yes to any of the foregoing, furnish details in a separate attachment).

5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment. **See Attachment "C": "Notes on Pending Litigation".**

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Yes ____; No **X**. If yes, list exchanges where stock traded:

2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
Mohawk Trust	191 Harbor View South Lawrence, NY 11559	50%
HM Trust	220-46 73rd Avenue Queens, NY 11364	50%

Attachment "C"

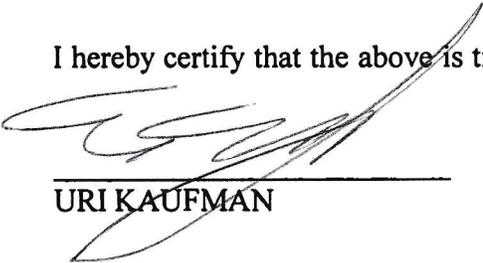
Notes on Pending Litigation

NOTES ON PENDING LITIGATION

Uri Kaufman is being sued in two actions:

1. Grant McKay – Uri Kaufman represented, Evergreen Power LLC and Asnat Realty LLC ("E&A"), the owners of a former power plant called English Station, located in New Haven, Connecticut. E&A hired the Grant McKay Demolition Company ("GM") to demolish the buildings on the site. The GM remediation job was shut down by the Connecticut Department of Energy and Environmental Protection ("DEEP") for various alleged regulatory violations. The GM job was insured with a payment and performance bond. To date, the bonding company has paid over \$750,000 to satisfy a subcontractor. E&A brought action against GM and its bonding company for breach of contract and negligence in the remediation of the English Station site. The bonding company and GM have counterclaimed against E&A as well as Uri Kaufman personally for various causes of action sounding in fraud. It is the position of E&A and Uri Kaufman that the counterclaims are frivolous. Recently, the parties arrived verbally at a settlement. The papers are being finalized at the present time. GM has agreed to issue a general release in favor of Uri Kaufman and to pay an undisclosed sum E&A. There is almost no chance that Uri Kaufman will be found liable.
2. Rockaway ASC – Uri Kaufman has been sued together with the sponsor entity of the Courthouse project, Harmony Rockaway LLC ("HR"), by a group of doctors for various causes of action related to the termination of a lease. HR in turn is suing the doctors to enforce the lease. Following a trial held in the summer of 2017, a decision was handed down in favor of the doctors against HR, but not Kaufman. HR is appealing the decision. The entire judgment amount together with projected statutory interest, has been filed with the Court.

I hereby certify that the above is true to best of my knowledge.



URI KAUFMAN

D. Company's Principal Bank(s) of account:

TD Bank

II. DATA REGARDING PROPOSED PROJECT

A. Summary: (Please provide a brief narrative description of the Project.)

This Project convert the upper 11 stories of this 15 story concrete and masonry structure, presently used as office space into 154 residential dwelling units. This phased conversion would occur on a floor by floor basis, working around existing leases expirations, with conversion to be substantially complete by 2022.

B. Location of Proposed Project:

1. Street Address **90 State Street**
2. **City of Albany**
3. Town of **N/A**
4. Village of **N/A**
5. **County of Albany**
6. Tax Map ID(s): **76.42-1-5**

C. Project Site:

1. Approximate size (in acres or square feet) of Project site:
Is a map, survey, or sketch of the project site attached? Yes ; No ____.
2. Are there existing buildings on project site? Yes ; No ____.

See Attachment "D": Survey & Legal Description.

a. If yes, indicate number and approximate size (in square feet) of each existing building: **90 State Street is the sole existing building and is a 15 story concrete and masonry structure of 233,753 gross square feet.**

b. Are existing buildings in operation? Yes ; No ____.
If yes, describe present use of present buildings:

Office: 196,848 gross square feet
Retail: 36,905 gross square feet

c. Are existing buildings abandoned? Yes ____; No . About to be abandoned? Yes ____; No _____. If yes, describe:

d. Attach photograph of present buildings.
See Attachment "E": Photographs.

Attachment “D”

Survey and Legal Description

90 State Street

Legal Description

LEGAL DESCRIPTION

ALL that tract, piece or parcel of land, situate, lying and being in the Fifth Ward in the City of Albany, County of Albany and State of New York, more particularly bounded and described as follows:

BEGINNING at the intersection of the Southerly line of State Street with the Westerly line of South Pearl Street; and

RUNNING THENCE Southerly along the Westerly line of South Pearl Street 128.95 feet (actual 129.20 feet) to the intersection of said line with the Northerly line of Howard Street;

THENCE along said Northerly line of Howard Street Westerly 124.43 feet (actual 124.49 feet) to the corner of the lot now or formerly owned by the City and County Savings Bank;

THENCE Northerly along the Easterly boundary line of the property now or formerly of the said City and County Savings Bank 164.22 feet (actual 164.98 feet) to the Southerly line of State Street;

THENCE Easterly along the Southerly line of State Street 108.06 feet (actual 108.10 feet) to the point or place of BEGINNING.

The premises are also described as all that parcel of land situated in the City of Albany, County of Albany and State of New York bounded and described as follows:

BEGINNING at the intersection of the Southerly bounds of State Street with the Westerly bounds of South Pearl Street;

THENCE Southerly along said Westerly bounds a distance of 129.20 feet to the intersection with the Northerly bounds of Howard Street;

THENCE Westerly along said Northerly bounds, making an interior angle of 101 degrees 33 minutes 38 seconds, a distance of 124.49 feet to a point;

THENCE Northerly along the common bounds with lands now or formerly of the City of Albany Industrial Development Agency as described in Book 2311 of Deeds at Page 779, making an interior angle of 73 degrees 27 minutes 08 seconds a distance of 164.98 feet to a point in the Southerly bounds of State Street;

THENCE Easterly along said Southerly bounds, making an interior angle of 89 degrees 34 minutes 09 seconds with the last described course, a distance of 108.10 feet to the point of beginning, the last course making an interior angle of 95 degrees 25 minutes 05 seconds with the first course herein described.

Subject to all easements, restrictions and rights-of-way of record

Attachment “E”

Photographs





FOYER



COMMON ROOMS



BROWN STAIN CABINETS



BACKSPLASH



COUNTERTOPS



CONCRETE FLOORING



ISLAND PENDANTS



GENERAL UNIT LIGHTING



BEDROOM PENDANT



KITCHEN FAUCET



SHOWER SURROUND



BATHROOM CABINET



COUNTERTOPS



FLOORING



MEDICINE CABINET AND WALL SCONCES



FAUCET



CURVED SHOWER ROD



TOWEL BAR



TOILET PAPER HOLDER



GRAB BAR



ROUND SHOWER TRIM



GREY STAIN CABINETS



BACKSPLASH



COUNTERTOPS



MID LIMED OAK FLOORING



ISLAND PENDANTS



GENERAL UNIT LIGHTING

BEDROOM PENDANT



KITCHEN FAUCET



SHOWER SURROUND



BATHROOM CABINET



COUNTERTOPS



FLOORING



MEDICINE CABINET AND WALL SCONCES



FAUCET



CURVED SHOWER ROD



TOWEL BAR



TOILET PAPER HOLDER



GRAB BAR



SQUARE SHOWER TRIM





3. Utilities serving project site:
Water-Municipal: Yes
 Other (describe)
Sewer-Municipal: Yes
 Other (describe)
Electric-Utility: Yes
 Other (describe)
Heat-Utility: Yes
 Other (describe)
4. Present legal owner of project site: **Harmony Mills South LLC**
- a. If the Company owns project site, indicate date of purchase:
January 24, 2007; Purchase price: \$9,750,000.
- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes ____; No N/A.
 If yes, indicate date option signed with owner: _____, 20____; and the date the option expires: _____, 20____.
- c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes ____; No N/A. If yes, describe:
5. a. Zoning District in which the project site is located:
MU-DT: Mixed Use Downtown
- c. Are there any variances or special permits affecting the site? Yes **X**; No __. If yes, list below and attach copies of all such variances or special permits:
See Attachment "F": Use Variances for: Child Day Care and Adult Day Care.

D. Buildings:

1. Does part of the Project consist of a new building or buildings? Yes ____; No **X**__. If yes, indicate number and size of new buildings:
2. Does part of the Project consist of additions and/or renovations to the existing buildings? Yes **X**____; No _____. If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:
Residential Conversion of 148,489 square feet of existing Central Business District Office Space.
3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed, or expanded: **The upper 11 floors of 90 State Street will be converted into 154 multifamily residential dwelling units, with this conversion to occur on a phased floor by floor basis, working around existing leases expirations.**

Attachment “F”

Use Variances for:
Child Day Care & Adult Day Care

- Use Variance Child Day Care: July 25, 2012
- Use Variance Adult Day Care: January 8, 2014

- *See Attached* -

NOTIFICATION OF LOCAL ACTION
DECISION OF THE CITY OF ALBANY BOARD OF ZONING APPEALS

► Important Note: This is not a building permit. All building permits must be approved and issued by the Division of Building & Codes prior to the start of any construction.

ADDRESS OF SUBJECT PROPERTY: 90 State St.

IN THE MATTER OF: Use Variance to allow for the establishment of a day care center.

APPLICANT: Harmony Mills, LLC c/o Kurzon Architects

ADDRESS: 90 State St., Albany, NY 12207

CASE NUMBER: 7-12, 3076

DATE APPLICATION RECEIVED: 6/13/12

DATE OF HEARING: 7/11/12

DATE OF DECISION: 7/25/12

WARD: 3

DECISION: Approved

N.A.: N/A

HISTORIC/ SPECIAL DISTRICT(S): Downtown Albany Historic District; Downtown Albany Business Improvement District

The request is Approved, by the following vote:

For: 4	Apostol: Y	Ray: Y
Against: 0	Cronin: NIA	Tucker-Ross: Y
Abstain: 0	Moran: Y	Viele: NIA

Site Description

The site in question is located at the southwest corner of State and North Pearl Streets in a C-3 Central Business zoning district, the Downtown Albany Historic District and the Downtown Albany Business Improvement District. The 114' x 147' lot is improved with a fifteen-story, 212,528 square foot commercial office structure.

Relevant Considerations

The applicant is proposing to operate a day care center in a former bank located on the first and second floor of the subject building. The building is currently occupied by offices, personal and business service outlets and a restaurant/tavern. The City Zoning Ordinance permits day-care centers as an accessory use in the applicable C-3 zoning district. However, an accessory use is defined in the ordinance as follows:

ACCESSORY USE OR STRUCTURE -- A structure or use which:

- (1) Is subordinate to and serves a principal building or principal use;*
- (2) Is subordinate in area, extent and purpose to the principal structure or principal use served;*
- (3) Contributes to the comfort, convenience and/or necessity of the occupants; and*
- (4) Is located on the same lot as the principal structure or principal use served, except as otherwise expressly authorized by provisions stated herein.*

The proposed day care center is proposed to be open to the public and therefore will not be operating as a defined accessory use. Being that day care centers are not a principal or special permit use in the C-3 district, a Use Variance is required in order to permit the use.

The applicant indicates that the building was constructed in 1929 for National Savings Bank and features a

magnificent, 12,142 square foot, bank space with abundant natural light and high ceilings on the ground floor. The space is no longer utilized as a bank, having been last occupied by the New York State Comptroller's Office. It has since been vacant for over two years. The applicant has aggressively marketed the space through Weichert Realtors along with 3,728 square feet of additional space on the second floor, which has been vacant for 5 ½ years. The applicant has received only a single offer to lease the ground floor space since it was vacated in February 2010. That offer was for a banquet facility that did not come to fruition. The applicant purchased the property for \$9,570,000 in January of 2007.

The applicant is currently evaluating an offer to lease the aforementioned floor space for use as a day care center. The applicant believes that despite the zoning prohibition of the day care center operating as an independent use, it will fulfill a need within the central business district. There are currently no children's day care centers located within the downtown area that are open to the public. Given the existing circumstances relating to the banking sector, the applicant does not foresee the space being reoccupied by a bank branch in the near future.

The proposed day care center would operate from 7AM – 6PM, Monday – Friday. The day care is to be licensed by the New York State Office of Child and Family Services (NYSOCFS) and will accommodate 22 infants and toddlers (6 wks – 2 ½ yrs) as well as 24 children (2 ½ - 5 yrs), with an option of an additional 32 children. The latter would occupy the second floor space and be subject to additional demand. The facility would be staffed at levels mandated by NYSOCFS. The applicant believes that the proposed use will provide a desirable service for downtown workers in the adjacent vicinity and will enhance the appeal of surrounding properties. He states that prepaid parking meter spaces will be reserved for parents wishing to drop off children directly rather than walk from their parking spaces.

The building at 90 State Street currently has a vacancy rate of 22.5% and operates at a negative rate of return. The day care center would occupy approximately 9% of the space within the building thereby decreasing the vacancy rate to a more fiscally manageable 13.5%. The applicant cites a loss of \$526,984 related to the space in question since his purchase of the building in 2007. The tenant fit-up is expected to cost \$22,000.

Findings

When considering a request for a use variance, the Board shall require a showing by the applicant that applicable zoning regulations and restrictions have caused unnecessary hardship. In order to prove such unnecessary hardship, the applicant shall demonstrate to the Board that for each and every permitted use under the zoning regulations for the particular district where the property is located:

[1] The applicant cannot realize a reasonable return, provided that lack of return is substantial as demonstrated by competent financial evidence.

The applicant is contending with an unreasonable high vacancy rate at the property in question that is at least partially related to the historic configuration of the ground level building space. Being unable to find a suitable tenant to occupy the space, the property owner is subject to a hardship of being unable to achieve revenue for a significant area of the floor area within the building.

[2] The alleged hardship relating to the property in question is unique and does not apply to a substantial portion of the district or the neighborhood.

The hardship in question is unique as it relates to a portion of the floor area within the building at the premise that is uniquely designed for a particular use that no longer demands the location of the space or level of ornate detail contained within it. The former bank space is historically significant and relatively

unique in the context of the district in question.

[3] The requested use variance, if granted, will not alter the essential character of the neighborhood.

The proposed use will not alter the character of the neighborhood in a negative way. To a certain degree the use is prohibited only as a result of a certain technical specificity of the language contained within the City Zoning Ordinance.

[4] The alleged hardship has not been self-created.

The hardship is not self-created and is a result of unique circumstances relating to this particular property.

The Board, when granting a use variance, shall grant the minimum variance that it shall deem necessary and adequate to address the unnecessary hardship proven by the applicant and that also will preserve and protect the character of the neighborhood and the health, safety and welfare of the community.

The variance granted is the minimum variance and will preserve and protect the character of the neighborhood and the health, safety and welfare of the community.

The Board finds that, in accordance with §375-26(B)(2)(a), the variance granted is the minimum necessary, and that:

- a. The applicant has demonstrated an unnecessary hardship, in that they cannot realize a reasonable return with a permitted use of the building.
- b. This hardship is unique to this property.
- c. Granting the variance will not alter the essential character of the neighborhood.
- d. The hardship was not self-created.

The Board hereby issues a negative declaration under SEQR for this unlisted action, as the proposed construction will not result in any significant adverse environmental impacts.

I, G. Michael Apostol, representing the Board of Zoning Appeals of the City of Albany, hereby certify that the foregoing is a true copy of a decision of the Board made at a meeting thereof duly called and held on July 25, 2012.

Signed: G. Michael Apostol Date: 7/25/12

► Important Note: Unless otherwise specified by the Board, this decision shall expire and become null and void if the applicant fails to obtain any necessary zoning, building, or other permits or comply with the conditions of such decision within six (6) months of the date of signature.

**NOTIFICATION OF LOCAL ACTION
DECISION OF THE CITY OF ALBANY BOARD OF ZONING APPEALS**

► Important Note: This is not a building permit. All building permits must be approved and issued by the Division of Building & Codes prior to the start of any construction.

ADDRESS OF SUBJECT PROPERTY: 90 State St.

IN THE MATTER OF: Special Use Permit to allow an adult day care center to occupy +/- 2,100 square feet of floor space of the 11th floor of the building at the premises.

APPLICANT: Harmony Mills South, LLC c/o Nadine Feiden Shadlock, Esq.

ADDRESS: 12 Van Rensselaer Blvd., Albany, NY 12204

CASE NUMBER: 11-13, 4148

DATE APPLICATION RECEIVED: 10/18/13

DATE OF HEARING: 11/13/13

DATE OF DECISION: 1/8/14

WARD: 3

DECISION: Approved

N.A.: N/A

HISTORIC/ SPECIAL DISTRICT(S): Downtown Albany Historic District; Downtown Albany Business Improvement District

The request is Approved, by the following vote:

For: 5	Apostol: Y	Ray: Y
Against: 0	Cronin: Y	Tucker-Ross: Y
Abstain: 1	Moran: AB	Viele: Y

Site Description

The property in question is located on the southwest corner of State and South Pearl Streets in a C-3 Central Business zoning district, the Downtown Albany Historic District and the Downtown Albany Business Improvement District. The 114' x 147' lot is improved with a 14-story, 212,528 square foot commercial structure.

Relevant Considerations

The applicant is seeking to operate an adult day care facility at the subject property. It is proposed that the adult day care would occupy +/- 2,100 square feet within the building, either on the ground level or the 11th floor of the building. The Administrator has determined that the proposed use requires a Special Use Permit in the applicable C-3 zoning district.

The applicant states that the "purpose of this use is to provide peer interaction and engagement for seniors, with stimulating daily activities to enhance their quality of life." Activities will include a "book club, fitness / exercise, crafts, painting, knitting / needlework, speakers on nutrition or current events, or storytelling." The intent is to begin by enrolling forty individuals in the program and thereafter increase to as many as sixty individuals. The program will be staffed by an Adult Care Director and five additional employees. Hours of operation will be 7AM – 6AM, Monday – Friday, identical to those of a children's day care center recently established within the building. The practice of having clients walk from adjacent parking garages or drop off in designated areas will continue, as is currently practiced with the day care.

The applicant feels that the use will provide an added service to the downtown area and will be wholly compatible with surrounding uses and not more objectionable than permitted uses. It states: "It is believed that adult care would likely be included as a principal permitted use, were the Zoning Law revised in

consideration of the realities of the present day, including not just the aging population, but also that both working age adults in a family now work.”

Findings

The Board finds that the special use is in accordance with the following standards set forth in §375-27(B)(1):

- a. Is as a permitted special use in the appropriate zoning district., as determined by the administrator.
- b. Will conform to the standards and conditions specified in §375 for that use.
- c. Will not have an undue adverse affect upon adjacent property, the character of the neighborhood and surrounding areas, traffic conditions, parking, utility facilities or other matters affecting the public health, safety, welfare or convenience.
- d. Operations in connection with the proposed use will not be more objectionable to nearby properties by reason of noise, fumes, vibration, illumination, etc., than the operations of any permitted use not requiring a special use permit.
- e. Will be served adequately by essential public facilities and services such as highways, streets, parking spaces, police and fire protection, drainage structures, refuse disposal, water and sewer and schools; or that the persons or agencies responsible for the establishment of the proposed use will provide adequately for such additional services as the board deems appropriate.
- f. Complies with all additional requirements imposed on it by the provisions of §375.
- g. Will be in harmony with the applicable zoning district and will not adversely affect the neighborhood and the surrounding areas.

The Board hereby issues a negative declaration under SEQR for this unlisted action, as the proposed construction will not result in any significant adverse environmental impacts.

I, G. Michael Apostol, representing the Board of Zoning Appeals of the City of Albany, hereby certify that the foregoing is a true copy of a decision of the Board made at a meeting thereof duly called and held on January 8, 2014.

Signed: G. Michael Apostol Date: 1/8/14

► Important Note: Unless otherwise specified by the Board, this decision shall expire and become null and void if the applicant fails to obtain any necessary zoning, building, or other permits or comply with the conditions of such decision within six (6) months of the date of signature.

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes X____; No _____. If yes, describe the Equipment:

Diesel fire pump for sprinkler system, heating and cooling system infrastructure upgrade and replacement/ redesign, expansion of sprinkler system, expansion and upgrade of fire and building security/ access systems and elevator upgrades.

2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes____; No X____. If yes, please provide detail:

3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:

Supportive of the use of the property for residential multifamily dwelling units.

F. Project Use:

1. What are the principal products to be produced at the Project?

Products to be produced will be the conversion of established office space in the Central Business District into residential dwelling units.

2. What are the principal activities to be conducted at the Project? **The 154 residential dwelling units will be home to the tenants residing there. In addition to residential dwelling units, 90 State Street will include state of the art exercise facilities, Co-Work space, and gathering areas, with this in addition to the remaining office and established retail uses presently in place.**

3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes X; No _____. If yes, please provide detail:

4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? 100 %

5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:

- a. Will the Project be operated by a not-for-profit corporation? Yes____; No X____. If yes, please explain:

b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes X; No _____. If yes, please explain: **This is the first high rise residential conversion in the Region. We expect that 90 State's intrinsic beauty, panoramic views and high-end finishes will attract visitors from outside the area. Such visitors will include developers, to see an example of what can be achieved with an aging office tower, with vision and commitment, as well as tenant prospects considering moving to the NYS Capital. Quality high end, market rate housing is essential to support the housing needs of this growing City.**

d. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes X; No _____. If yes, please explain:
Absent IDA assistance, this building will not be converted from office space to high end residential. Key to this is the fact 90 State is the only residential conversion or housing project proposed in the City which will remove 148,489 SF of existing office space from the market due. This very significant elimination of office space from the City office rental market will drive upgrades and re-occupancy of now vacant and under-utilized offices, thereby bringing jobs and employees to the City's revitalized office accommodations. This will enhance office rental values per SF, and, in so doing, increase assessments and City tax base. Additionally, live/ work will take root.

d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes X; No _____. If yes, please provide detail:

e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes X; No _____. If yes, please explain: _____

6. If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes X; No _____. If yes, please explain:

This is the first high rise residential conversion in Albany as well as the very first substantial residential conversion of existing office space. To eliminate 148,489 SF of existing Downtown office space, creating a stimulus to Downtown office vacancy and jobs, plus bringing the residents of these 154 apartments to downtown to live, shop and work, thereby driving retail. The synergies and impact of this Project will be significant.

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes ____; No X _____. If yes, please explain:

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes ____; No X _____. If yes, please provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

a. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes ____; No N/A _____. If yes, please provide detail:

b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes ____; No N/A _____. If yes, please provide detail:

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

City of Albany Planning Board (Major Development Plan Approval granted November 16, 2017): City Buildings and Regulatory Compliance: City Water & Water Supply.

2. Describe the nature of the involvement of the federal, state, or local agencies described above:

City Planning Board: Major Development Plan Review and Approval of this project renovation and change in use. City Building Department: Building Permits. City Water Department approved the Project Sewer Engineer's Report and the Project Stormwater Management Report.

H. Construction Status:

1. Has construction work on this Project begun? Yes X ____; No _____. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

Demolition activities on the 11th floor, which is the first floor to be converted to residential dwelling commenced in early January 2018, with the City Building Department's issuance of a demolition permit. The building permit for the 11th Floor was issued on April 18, 2018, with preliminary work and MEP drawings in process.

2. Please indicate amount of funds expended on this Project by the Company in the past three (3) years and the purposes of such expenditures: **This Project secured its Major Development Plan Approval on November 16, 2017 from the City Planning Board. Therefore, expenditures commenced in 2017 in connection with the approval process for the residential conversion, including preparation of all documents and materials for the approvals and this IDA Application, as well as preliminary infrastructure and construction activities, \$253,800 (including architect, engineer, consultants, demolition, legal, materials).**

3. Please indicate the date the applicant estimates the Project will be completed: **The applicant anticipates this 154 unit residential conversion will be substantially completed by December 31, 2022.**

I. Method of Construction After Agency Approval:

1. If the Agency approves the Project which is the subject of this application, there are two methods that may be used to construct the Project. The applicant can construct the Project privately and sell the Project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the Project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the Project? Yes X; No ____.

2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes X; No ____.

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT. (PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes X; No _____. If yes, please complete the following for each existing or proposed tenant or subtenant: **The Company intends to lease 100% of the 154 residential dwelling units which comprise this Project. The tenants will be identified at completion and rent-up of the dwelling units.**

1. Sublessee name:
Present Address:
City: _____ State: _____ Zip:
Employer's ID No.:
Sublessee is: ____ Corporation: ____ Partnership: ____ Sole Proprietorship
Relationship to Company:
Percentage of Project to be leased or subleased:
Use of Project intended by Sublessee:
Date of lease or sublease to Sublessee:
Term of lease or sublease to Sublessee:
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

Yes____; No____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

2. Sublessee name: **Please see above explanation.**
Present Address:

City: _____ State: _____ Zip:

Employer's ID No.:

Sublessee is:

_____ Corporation: _____ Partnership: _____ Sole Proprietorship

Relationship to Company:

Percentage of Project to be leased or subleased:

Use of Project intended by Sublessee:

Date of lease or sublease to Sublessee:

Term of lease or sublease to Sublessee: _____

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes____; No____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

3. Sublessee name: **Please see above explanation.**
Present Address:

City: _____ State: _____ Zip:

Employer's ID No.:

Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship

Relationship to Company:

Percentage of Project to be leased or subleased:

Use of Project intended by Sublessee:

Date of lease or sublease to Sublessee:

Term of lease or sublease to Sublessee:

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes____; No **X**____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

- B.** What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? **The residential conversion from office will be completed in a phased manner on a floor by floor basis, working around the natural expiration of existing office leases.**

IV. Employment Impact

- A. Indicate the number of people presently employed at the Project site and the **additional** number that will be employed at the Project site at the end of the first and second years after the Project has been completed, using the tables below for (1) employees of the Applicant, (2) independent contractors, and (3) employees of independent contractors. (Do not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding

relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT Employees of Applicant					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	1	1	1	1	4
Present Part Time					
Present Seasonal					
First Year Full Time	1	1	1	2	5
First Year Part Time					
First Year Seasonal					
Second Year Full Time	1	1	1	2	5
Second Year Part Time					
Second Year Seasonal					

TYPE OF EMPLOYMENT Independent Contractors					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals

Present Full Time		0			0
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time		2			2
First Year Seasonal					
Second Year Full Time					
Second Year Part Time		2			2
Second Year Seasonal					
TYPE OF EMPLOYMENT Employees of Independent Contractors					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					

Second Year Seasonal					

- B. Indicate below (1) the estimated salary and fringe benefit averages or ranges and (2) the estimated number of employees residing in the Capital Region Economic Development Region for all the jobs at the Project site, both retained and created, listed in the tables described in subsection A above for each of the categories of positions listed in the chart below.

RELATED EMPLOYMENT INFORMATION				
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges	\$47,500	\$38,333	\$25,000	\$22,000
Estimated Number of Employees Residing in the Capital Region Economic Development Region ¹	All	All	All	All

- C. Please describe the projected timeframe for the creation of any new jobs with respect to the undertaking of the Project:

The jobs will be created on an ongoing basis from the time of commencement of issuance of the project approvals, with design work and planning commencing in Fall of 2017, with job creation to be ongoing and stabilize as the conversion and renovations continue floor by floor, with additional jobs to be created with unit rent up and management thereafter.

- D. Please prepare a separate attachment describing in detail the types of employment at the Project site. Such attachment should describe the activities or work performed for each type of employment.

¹ The Capital Region Economic Development Region consists of the following counties: Albany, Schenectady, Rensselaer, Greene, Columbia, Saratoga, Warren and Washington.

V. Project Cost and Financing Sources

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	<u>\$177,600</u>
Buildings	<u>\$20,822,400</u>
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	<u>\$20,000</u>
Architects and engineering fees	<u>\$400,000</u>
Costs of Bond Issue (legal, financial and printing)	\$ _____
Construction loan fees and interest (if applicable)	<u>\$800,000</u>
Other (specify)	
FF&E	<u>\$365,000</u>
Permit Fees and Related Costs	<u>\$300,000</u>
Other Soft Costs	<u>\$200,000</u>
Accounting/Legal	<u>\$50,000</u>
TOTAL PROJECT COSTS	<u>\$23,135,000</u>

B. Anticipated Project Financing Sources. State the sources reasonably necessary for the financing of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Sources</u>	<u>Amount</u>
Private Sector Financing	<u>\$17,351,250</u>
Public Sector	
Federal Programs	\$ _____
State Programs	\$ _____

Local Programs	\$ _____
Applicant Equity	<u>\$5,783,750</u>
Other (specify, e.g., tax credits)	
_____	\$ _____
TOTAL AMOUNT OF PROJECT FINANCING SOURCES	<u>\$23,135,000</u>

C. Have any of the above expenditures already been made by the applicant? Yes X; No _____. If yes, indicate particulars.

Architects: both design architects and landscape architects, engineers: civil, structural, electrical and mechanical, attorneys, construction consultants and estimators, environmental consultants, plus extensive MEP work regarding building infrastructure/ systems and general construction on the 11th floor.

D. Amount of loan requested: **\$17,351,250**; The applicant is currently attempting to procure financing. As this will be a phased project, the exact amount of financing to be obtained by applicant at this time is not quantified. We are currently reaching out to lenders.

Maturity requested: **30** years.

E. Has a commitment for financing been received as of this application date, and if so, from whom?

Yes ____; No X. Institution Name: _____

Provide name and telephone number of the person we may contact.

Name: _____ Phone: _____

F. The percentage of Project costs to be financed from public sector sources is estimated to equal the following: **0**%

G. The total amount estimated to be borrowed to finance the Project is equal to the following **\$17,351,250**

VI. BENEFITS EXPECTED FROM THE AGENCY

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the Project? Yes ____; No X. If yes, indicate:

- a. Amount of loan requested: _____Dollars;
 - b. Maturity requested: _____Years.
2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes ____; No N/A.
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes: N/A
- a. retail food and beverage services: Yes____; No ____
 - b. automobile sales or service: Yes____; No ____
 - c. recreation or entertainment: Yes____; No ____
 - d. golf course: Yes ____; No ____
 - e. country club: Yes____; No ____
 - f. massage parlor: Yes____; No ____
 - g. tennis club: Yes____; No ____
 - h. skating facility (including roller skating, skateboard and ice skating): Yes____; No ____
 - i. racquet sports facility (including handball and racquetball court): Yes____; No ____
 - j. hot tub facility: Yes ____; No ____
 - k. suntan facility: Yes____; No ____
 - l. racetrack: Yes ____; No ____
4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment. N/A
5. Is the Project located in the City's federally designated Enterprise Zone? Yes____; No X.
6. Is the applicant requesting the Agency to issue federally tax-exempt Enterprise Zone bonds? Yes____; No X.

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency? Yes____; No X.
2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes X; No _____. If yes, what is the approximate amount of financing to be secured by mortgages? \$17,351,250.
3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes X; No _____. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$11,567,500.
4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

a.	N.Y.S. Sales and Compensating Use Taxes:	<u>\$925,400</u>
b.	Mortgage Recording Taxes:	<u>\$173,512</u>
c.	Real Property Tax Exemptions:	<u>\$6,930,175</u>
d.	Other (please specify):	<u>N/A</u>

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax Exemption Policy? Yes _____; No X_____. If yes, please explain. **This Project is requesting relief consistent with the Uniform Tax Exemption Policy.**

6. Does the project involve a minimum investment of \$25 million dollars, a minimum of fifteen (15) acres or a full service hotel? Yes ____; No X_____. If yes, please provide Detail and whether the applicant is seeking a real property tax abatement outside of the Agency's Project Evaluation and Assistance Framework.

7. Is the Project located in the City's state designated Empire Zone? Yes ____; No X_____.

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, community benefits (including community commitment as described in the Agency's Project Evaluation and Assistance Framework), etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VII. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency as follows:

A. Job Listings. Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and with the administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA"), as replaced by the Workforce Investment Act of 1998 (Public Law 105-220), in which the Project is located.

B. First Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. City Human Rights Law. The applicant has reviewed the provisions of Chapter 48, Article III of the City Code, entitled "The Omnibus Human Rights Law" and agrees to comply with such provisions to the extent that such provisions are applicable to the applicant and the Project.

D. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of

Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

E. Annual Employment Reports. The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the Project site, including (1) the NYS-45 – Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the “NYS-45”), and (2) the US Dept. of Labor BLS 3020 Multiple Worksite report if applicable. The applicant also agrees, whenever requested by the Agency, to provide and certify or cause to be provided and certified such information concerning the participation of individuals from minority groups as employees or applicants for employment with regard to the project.

F. Local Labor Information. The applicant is aware of and understands the provisions of Part 24 of the Policy Manual of the Agency. Pursuant to Part 24 of the Policy Manual of the Agency, the applicant agrees to provide information, in form and substance satisfactory to the Agency, relating to construction activities for projects; specifically: (i) the Company’s contact person responsible and accountable for providing information about the bidding for and awarding of construction contracts relative to this Application and the Project, (ii) the nature of construction jobs created by the Project, including the number, type, and duration of construction positions; and (iii) submit to the Agency a “Construction Completion Report” listing the names and business locations of prime contractors, subcontractors, and vendors who were engaged in the construction phase of the Project.

G. Additional Fee for Low Income Housing/Tax Credit (9% only) Projects. An annual administrative fee equal to \$10,000 shall be payable annually by the applicant on each January 1 for a term equal to ten (10) years. This annual administrative fee is in addition to the standard administrative fee for Agency Straight Lease Transactions and Agency Bond Transactions and is applicable to Projects which provide for low income housing/tax credit (9% only) projects.

H. Project Benefits Agreement. The applicant agrees to enter into a project benefits agreement with the Agency where the applicant agrees that (1) the amount of Financial Assistance to be received shall be contingent upon, and shall bear a direct relationship to the success or lack of success of such project in delivering certain described public benefits (the “Public Benefits”) and (2) the Agency will be entitled to recapture some or all of the Financial Assistance granted to the applicant if the project is unsuccessful in whole or in part in delivering the promised Public Benefits.

I. Assignment of Agency Abatements. In connection with any Agency Straight Lease Transaction or Agency Bond Transaction, the Agency may grant to the applicant certain exemptions from mortgage recording taxes, sales and use taxes and real property taxes. The applicant understands that the grant of such exemptions by the Agency is intended to benefit the applicant. Subsequently, if the applicant determines to convey the Project and, in connection with such conveyance to assign such exemptions to the purchaser, the applicant understand that any such assignment is subject to review and consent by the Agency, together with the satisfaction of any conditions that may be imposed by the Agency.

J. Post Closing Cost Verification. The applicant agrees (1) the scope of the Project will not vary significantly from the description in the public hearing resolution for the project and (2) to deliver to the Agency within sixty (60) days following the completion date of a project an affidavit providing the total costs of the project. In the event that the amount of the total project costs

described in the affidavit at the completion date exceeds the amount described in an affidavit provided by the applicant on the closing date of the project, the applicant agrees to adjust the amounts payable by the applicant to the Agency by such larger amount and to pay to the Agency such additional amounts. In the event that the amount described is less, there shall not be any adjustment to the Agency fees.

K. Representation of Financial Information. Neither this Application nor any other agreement, document, certificate, project financials, or written statement furnished to the Agency or by or on behalf of the applicant in connection with the project contemplated by this Application contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact within the special knowledge of any of the officers of the applicant which has not been disclosed herein or in writing by them to the Agency and which materially adversely affects or in the future in their opinion may, insofar as they can now reasonably foresee, materially adversely affect the business, properties, assets or condition, financial or otherwise, of the applicant.

L. Agency Financial Assistance Required for Project. The Project would not be undertaken but for the Financial Assistance provided by the Agency or, if the Project could be undertaken without the Financial Assistance provided by the Agency, then the Project should be undertaken by the Agency for the following reasons: This Project is a fundamentally transformative project for the City of Albany. It not only removes 148,489 SF of office space from the Central Business District, which presently has a combined office vacancy rate in excess of 20%, but also brings 154 sets of tenants to the first substantial office conversion and first high rise residential conversion in the City. The combination of these factors will not only drive the upgrade and rent up of the remaining downtown office space, but also bring a substantial population of individuals into the Central Business District providing the impetus for reestablishment of retail there by creating a 24/7 livable downtown. With retail back in place, supported by the population living downtown a vibrant community will evolve, property values and tax base will increase, to the benefit of the entire City of Albany and surrounding region.

M. Compliance with Article 18-A of the General Municipal Law: The Project, as of the date of this Application, is in substantial compliance with all provisions of article 18-A of the General Municipal including, but not limited to, the provisions of Section 859-a and subdivision one of Section 862; and the provisions of subdivision one of Section 862 of the General Municipal Law will not be violated if Financial Assistance is provided for the Project.

N. Compliance with Federal, State, and Local Laws. The applicant is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

O. False or Misleading Information. The applicant understands that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.

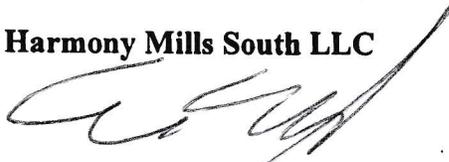
P. Absence of Conflicts of Interest. The applicant acknowledges that the members, officers and employees of the Agency are listed on the Agency's website. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described: Not applicable.

Q. Additional Information. Additional information regarding the requirements noted in this Application and other requirements of the Agency is included the Agency's Policy Manual which can be accessed at www.albanyida.com.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.

Applicant: **Harmony Mills South LLC**

By:



Title:

Uri Kaufman, Manager

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 27 THROUGH 30 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 31.

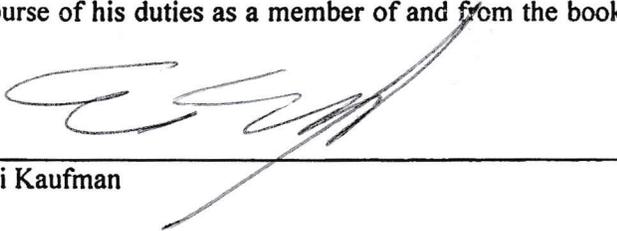
VERIFICATION

(If applicant is limited liability company)

STATE OF NEW YORK)
COUNTY OF NASSAU) SS.:

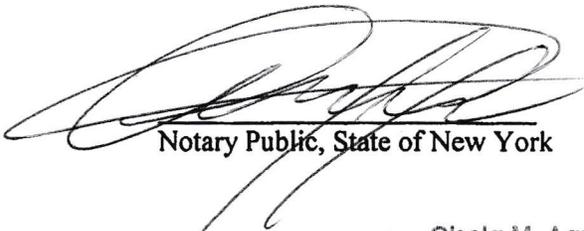
Uri Kaufman _____, deposes and says
(Name of Individual)

that he is the manager of the firm of Harmony Mills South LLC, the limited liability company named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said limited liability company.



Uri Kaufman

Sworn to before me this
06th day of June, 2019



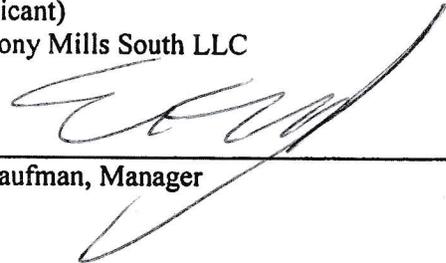
Notary Public, State of New York

Gisela M. Aguilar
Notary Public - State of New York
Reg. # 01AG6076533
Qualified in Nassau County
My Commission Expires 06/24/2022

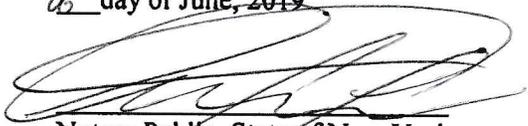
HOLD HARMLESS AGREEMENT

Applicant hereby releases City of Albany Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issue of bonds requested therein are favorably acted upon by the Agency, and (ii) the Agency's financing of the Project described therein; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

(Applicant)
Harmony Mills South LLC

BY: 
Uri Kaufman, Manager

Sworn to before me this
06th day of June, 2019


Notary Public, State of New York

Gisela M. Aguilar
Notary Public - State of New York
Reg. # 01AG6076533
Qualified in Nassau County
My Commission Expires 06/24/2022

TO: Project Applicants
 FROM: City of Albany Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for the City of Albany Industrial Development Agency (the “Agency”) to prepare a Cost/Benefit Analysis for a proposed project (the “Project”), the Applicant must answer the questions contained in this Project Questionnaire (the “Questionnaire”) and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

This Questionnaire must be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary (“Company”):	Harmony Mills South LLC
2. Brief Identification of the Project:	90 State Street-Residential Conversion
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$0
B. Value of Sales Tax Exemption Sought	\$925,400
C. Value of Real Property Tax Exemption Sought	\$6,930,175
D. Value of Mortgage Recording Tax Exemption Sought	\$173,512
4. Likelihood of accomplishing the Project in a timely fashion (please explain):	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> _____ _____ _____

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$177,600
2. Site preparation	\$
3. Landscaping	\$
4. Utilities and infrastructure development	\$20,000
5. Access roads and parking development	\$
6. Other land-related costs (describe)	\$

B.	Building-Related Costs	
1.	Acquisition of existing structures	<u>\$5,422,400</u>
2.	Renovation of existing structures	<u>\$7,700,000</u>
3.	New construction costs	<u>\$</u>
4.	Electrical systems	<u>\$2,002,000</u>
5.	Heating, ventilation and air conditioning	<u>\$2,618,000</u>
6.	Plumbing	<u>\$3,080,000</u>
7.	Other building-related costs (describe)	<u>\$</u>
C.	Machinery and Equipment Costs	
1.	Production and process equipment	<u>\$</u>
2.	Packaging equipment	<u>\$</u>
3.	Warehousing equipment	<u>\$</u>
4.	Installation costs for various equipment	<u>\$</u>
5.	Other equipment-related costs (describe)	<u>\$</u>
D.	Furniture and Fixture Costs	
1.	Office furniture	<u>\$100,000</u>
2.	Office equipment	<u>\$100,000</u>
3.	Computers	<u>\$15,000</u>
4.	Other furniture-related costs (describe)	<u>\$150,000</u>
	Upgrades: Elevator, HVAC, boiler, diesel fire pump, sprinkler.	
E.	Working Capital Costs	
1.	Operation costs	<u>\$ 158,100</u>
2.	Production costs	<u>\$</u>
3.	Raw materials	<u>\$</u>
4.	Debt service	<u>\$ 455,000</u>
5.	Relocation costs	<u>\$ 106,000</u>
6.	Skills training	<u>\$</u>
7.	Other working capital-related costs (describe) insurance	<u>\$ 80,900</u>
F.	Professional Service Costs	
1.	Architecture and engineering	<u>\$400,000</u>
2.	Accounting/legal	<u>\$50,000</u>
3.	Other service-related costs (describe)	<u>\$</u>
G.	Other Costs	
1.	Permits, Fees and Related Costs	<u>\$300,000</u>
2.	Soft Costs	<u>\$200,000</u>
H.	Summary of Expenditures	
1.	Total Land-Related Costs	<u>\$197,600</u>
2.	Total Building-Related Costs	<u>\$20,822,400</u>
3.	Total Machinery and Equipment Costs	<u>\$</u>
4.	Total Furniture and Fixture Costs	<u>\$365,000</u>
5.	Total Working Capital Costs	<u>\$800,000</u>
6.	Total Professional Service Costs	<u>\$450,000</u>
7.	Total Other Costs	<u>\$500,000</u>

PROJECTED PROFIT

I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization:

	YEAR	Without IDA benefits	With IDA benefits
2023	1	(\$214,844)	\$198,918
2024	2	(\$190,485)	\$231,552
2025	3	(\$165,643)	\$264,835
2026	4	(\$140,301)	\$298,786
2027	5	(\$114,453)	\$333,416

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	30	\$ TBD	\$ TBD
Year 1	20	\$ TBD	\$ TBD
Year 2	20	\$ TBD	\$ TBD
Year 3	19	\$ TBD	\$ TBD
Year 4	0	\$ TBD	\$ TBD
Year 5	0	\$ TBD	\$ TBD

Total: 89

PROJECTED PERMANENT EMPLOYMENT IMPACT

- I. Estimates of the total number of existing permanent jobs to be preserved or retained as a result of the Project are described in the tables in Section IV of the Application.
- II. Estimates of the total new permanent jobs to be created at the Project are described in the tables in Section IV of the Application.
- III. Please provide estimates for the following:
 - A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

IV. Provide the projected percentage of employment that would be filled by City of Albany residents: **Applicant will use best efforts to full all available positions with as many City of Albany residents as possible.**

A. Provide a brief description of how the project expects to meet this percentage:

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$ <u> TBD </u>
Additional Sales Tax Paid on Additional Purchases	\$ <u> TBD </u>
Estimated Additional Sales (1 st full year following project completion)	\$ <u> TBD </u>
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ <u> TBD </u>

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes (“Pilot Payments”):

See Attachment “G”

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year			
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

		Attachment "G"		
06.05.19	Comparison of Taxes without IDA PILOT and with IDA PILOT			
	PILOT COMMENCING 1/1/23			
	<u>Estimate Total Taxes W/O PILOT</u>		<u>New PILOT Payments with IDA</u>	<u>Difference</u>
	758,562		344,801	413,761
	773,733		351,697	422,036
	789,208		358,731	430,477
	804,992		365,905	439,086
	821,092		373,223	447,868
	837,513		380,688	456,826
	854,264		388,302	465,962
	871,349		396,068	475,281
	888,776		452,468	436,308
	906,552		461,517	445,034
	924,683		495,966	428,716
	943,176		557,331	385,845
	962,040		620,953	341,087
	981,281		660,134	321,146
	1,000,906		727,932	272,974
	1,020,924		798,177	222,747
	1,041,343		870,941	170,402
	1,062,170		946,297	115,873
	1,083,413		965,222	118,191
	1,105,081		984,527	120,554
	1,127,183		1,127,183	-
	18,431,056		11,500,880	6,930,175

III. Please indicate which of the below described community commitments (as defined in the Agency's Project Evaluation and Assistance Framework) will be provided as a result of the Project, and please provide a detailed description of such commitments, together with any other economic benefits and community benefits expected to be produced as a result of the Project (attach additional pages as needed for a complete and detailed response):

X **MWBE/DBE Participation**

X **Regional Labor**

X **City of Albany Labor**

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge; such responses are true, correct, and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.

Date Signed: June 5, 2019

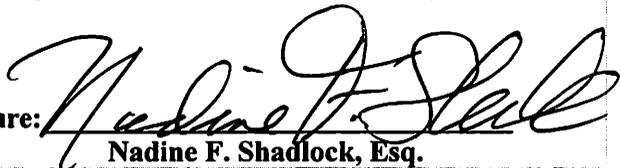
Name of Person Completing Project Questionnaire on behalf of the Company.

Name: Nadine F. Shadlock, Esq.

Title: Attorney for the Project

Phone Number: 518-432-3310

Address: 12 Van Rensselaer Blvd., Albany, NY 12204-1609

Signature: 
Nadine F. Shadlock, Esq.

SCHEDULE I

FINANCE COMMITTEE CHARTER

Purpose

Pursuant to the Agency's bylaws, the purpose of the Finance Committee is to oversee the Agency's debt and debt practices and to recommend policies concerning the Agency's issuance and management of debt.

Duties of the Finance Committee

It shall be the responsibility of the Finance Committee to:

- Review proposals for the issuance of debt by the Agency and its subsidiaries and to make recommendations concerning those proposals to the board.
- Make recommendations to the board concerning the level of debt and nature of debt issued by the Agency.
- Reviewing and filing the annual budget of the Agency.
- Make recommendations concerning the appointment and compensation of bond counsel, investment advisors and underwriting firms used by the Agency, and to oversee the work performed by these individuals and firms on behalf of the Agency.
- Meet with and request information from Agency staff, independent auditors and advisors or outside counsel, as necessary to perform the duties of the committee.
- Retain, at the Agency's expense, such outside counsel, experts and other advisors as the Finance Committee may deem appropriate. The Agency board will ensure that the Finance Committee has the sufficient resources to carry out its duties.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the Agency and its subsidiaries.
- Annually review the Agency's financing guidelines contained in Schedule L of the Agency's Policy Manual and make recommendations to the board concerning criteria that should govern its financings. These should include security provisions required for a bond financing undertaking, specific requirements of credit enhancements or additional guarantees used, such as a pledge of revenues, financial covenants or debt service reserves.
- Report annually to the Agency's board how it has discharged its duties and met its responsibilities as outlined in the charter.

- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.

Composition of Committee and Selection of Members

The Finance Committee shall consist of not less than three independent members of the board of directors, who shall constitute a majority on the committee. If the board has less than three independent members, non-independent members may be appointed to the committee provided that the independent members constitute a majority of the committee. The Agency's board shall appoint the Finance Committee members and the Finance Committee chair. Members shall serve on the committee at the discretion of the board. Members appointed to the committee shall have the background necessary to perform its duties.

Meetings

The Finance Committee shall meet at such times as deemed advisable by the chair, but not less than twice a year. The committee must meet prior to any debt issuance planned to be undertaken by the Agency.

Members of the Finance Committee are expected to attend each committee meeting, in person or via videoconference. The Finance Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary. A majority of the committee members present or participating through videoconference shall constitute a quorum.

Meeting agendas shall be prepared prior to every meeting and provided to Finance Committee members along with briefing materials five (5) calendar days before the scheduled Finance Committee meeting. The Finance Committee may act only on the affirmative vote of a majority of the members. Minutes of these meetings shall be recorded.

Minutes of the committee's meeting shall be prepared and filed in the records of the Agency and posted to the Agency's webpage.

Meetings of the committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.

Review the Agency's Annual Budget

The Finance Committee shall:

- Review the Agency's proposed annual operating budget as presented by Agency management for the upcoming fiscal year.

- Recommend the annual budget to the board for approval after incorporating necessary amendments.
- Monitor and report to the board on the Agency's compliance with its adopted budget during the fiscal year (actual versus estimated budget) on a monthly/quarterly basis.

Oversee the Agency's Investments

The Finance Committee shall:

- Annually review the Agency's investment policy and evaluate allocation of assets.
- Review and recommend to the board approval of the Agency's annual investment report.
- Annually review the Agency's audit of investments as provided by independent auditors.
- Recommend to the board the selection of investment advisors.

Assess the Agency's Capital Requirements and Capital Plan

The Finance Committee shall:

- Assess the financial requirements of the Agency's capital plans. The assessment is to include current and future capital needs, a justification of why such capital expenditure is required and an explanation of funding sources for capital projects such as grants, issuance of debt or specified pay-as-you-go resources.
- Review the financial aspects of major proposed transactions, significant expenditures, new programs and services, as well as proposals to discontinue programs or services and making action recommendations to the board.

Review Financial and Procurement Thresholds

The Finance Committee shall:

- Review and make recommendations to the board regarding any proposed procurements submitted to the committee by the Agency's procurement officer.
- Review and recommend changes to the thresholds for procuring goods and services in the Agency's procurement policy.
- Review and recommend changes to the Agency's uniform tax exemption policy that includes general provisions for entering into payment-in-lieu-of-taxes (PILOT) agreements and allowing tax exemptions.
- Review and recommend changes to the Agency's fee schedules.

- Review the scope and terms of the Agency's insurance policies and liability coverage on an annual basis.

**ANALYSIS OF
FISCAL AND ECONOMIC IMPACTS
OF
DOWNTOWN ALBANY REDEVELOPMENT VISION UNDER
PROPERTY TAX ABATEMENT SCENARIO**

Prepared by:

W-ZHA, LLC

For:

CAPITALIZE ALBANY CORPORATION

Oct. 6, 2014

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I. INTRODUCTION and SUMMARY

A. DOCUMENT SCOPE AND PURPOSE

This document addresses the fiscal impacts and other economic impacts on the City of Albany of an envisioned redevelopment plan comprising multiple commercial and residential projects in downtown Albany.

The findings of the analysis are intended to help Capitalize Albany and the City of Albany to understand some of the economic implications of a tax abatement policy wherein property taxes would be abated for the increased value created by the envisioned redevelopment projects.

B. DEFINITION: "REDEVELOPMENT VISION"

Absent a specific redevelopment project, this analysis focuses on the impacts of a generalized "Redevelopment Vision," which shall be defined as to include the following components:

TABLE 1

Downtown Redevelopment Vision	
<u>Use</u>	<u>Size/Units</u>
Residential	1,825 m-f units
Office	266,900 sq. ft.
Retail/restaurant	100,000 sq. ft.
Lodging	120 rooms

In projecting the impacts of the Redevelopment Vision, this analysis proceeds under the following assumptions:

- The market will support the various components of the Redevelopment Vision, meaning that these components will be able to maintain high occupancies and tenant profiles as reasonably anticipated by private developers contemplating redevelopment investments.



- The market will absorb the various redevelopment components without causing (1) the loss of properties of substantial taxable value, (2) the displacement and relocation out of Albany of entities supporting substantial property values, or (3) substantial new vacancies in existing properties. Thus, new tenants will represent net new additions to the Albany community.
- The City will implement a tax abatement policy, wherein:
 1. New residential developments will not pay taxes on the new property value created by their improvements.
 2. New commercial developments will pay taxes at a reduced rate; for the purposes of this document this rate is projected at 50 percent of the current prevailing rate.
- Unless otherwise noted (as in the preceding paragraph), prevailing conditions such as sales tax rates, the organization of city departments, and other such conditions remain in effect.

C. SUMMARY OF KEY FINDINGS

The major findings of this analysis include the following:

- Absent property taxes on new property improvements, the Redevelopment Vision would result in new revenues of \$819,000, countered by new expenses of \$619,000, amounting to a net increase of \$200,000 in City operating revenues. It should be noted that this change represents just over 0.1 percent of the City's current operating budget; factors unrelated to the Redevelopment Vision would drive more significant variations in the City's revenues and expenses.
- The \$619,000 expense increase would occur in the City's police and fire departments. Of this increase, 55 percent would be attributable to employee salaries and wages; the remaining 45 percent would be attributable to various employee-driven expenses, of which the dominant expenses are for retirement contributions, health insurance, and social security.
- Construction of the Redevelopment Vision would generate a total of \$465 million in new economic output, nearly 2,300 new jobs, and \$129 million (roughly \$56,000 per worker) in new labor income. These impacts would be non-recurring, but would be distributed over the time span required for the implementation of the entire Redevelopment Vision.
- The Redevelopment Vision would accommodate 1,665 new workers in a mix of commercial businesses sectors. These would generate total ongoing employment impacts of 2,600 jobs, thus catalyzing the creation of 953 (2,618-1,665) new jobs. Other ongoing economic impacts would include \$398 million in new economic output and \$136 million in labor income (roughly \$52,000 per worker).



D. ORGANIZATION OF DOCUMENT

Following this brief introduction, Section II presents a fiscal analysis of material changes in city revenues and expenses caused by the Redevelopment Vision, proceeding under the contemplated tax abatement policy. Section III presents an analysis of likely economic impacts including output, employment, and labor income. Section III focuses first on the one-time impacts of construction activity, and then on the ongoing operating impacts generated by the new households and businesses introduced to downtown Albany.



II. FISCAL IMPACTS

This section projects changes in revenues and expense generated by the Redevelopment Vision.

A. METHODOLOGY, KEY ASSUMPTIONS, AND DEFINITIONS

In estimating public operating revenues and expenses, the following shall apply:

Property Tax Abatement: This analysis proceeds under the fundamental assumption that property taxes would be abated for all new residential property values created by implementation of the Redevelopment Vision; new commercial property values would be abated by 50 percent. While such abatements would expire after an as-yet undefined period of time, this analysis assigns no value to the full unabated stream of new property tax revenues that the city would eventually receive.

Timing Issues: The actual timing of redevelopment is not known. For the purposes of this analysis, timing issues are addressed as follows:

- Operating impacts are projected for a “snapshot” year in which all components of the Redevelopment Vision have been constructed and attained stabilized occupancies.
- All dollar values are presented in current year (2014) dollars.

Theoretical vs. Actual Impacts: Expense impacts are projected based on theoretical burdens and needs. While the City’s future budget processes may or may not allocate increased funds to meet new burdens, this analysis assigns theoretical values – new expenses -- to such increased burdens.

Excluded Impacts: Revenue and expense impacts beyond the scope of this analysis include the following:

New revenues or expenses that are designed to counteract one another, as where fees earmarked for specific municipal services (e.g., skating rink fees) are charged and collected as revenues simply to defray the approximate costs of providing such services.

New revenues or expenses that fall within a *de minimis* range, wherein the impacts of the prototype project would cause less variation in operating budgets than variations caused by reasonably routine issues such as staff promotions, unusual weather patterns, etc.

B. REVENUE IMPACTS

Absent new property tax revenues, the primary sources of new City revenues resulting from the prototype development would include:



- Retail sales taxes, including those generated by new household spending as well as by retail sales captured at new stores and restaurants;
- Property taxes generated by new commercial property values, reduced by 50 percent under the assumptions of this document;
- Utilities and cable television taxes; and
- Fines and forfeitures

1. Retail Sales Taxes: Residential Spending

The residential components of the Redevelopment Vision would accommodate a total increase of 1,825 new households. A reasonable estimate of \$20,000 in new local taxable retail spending by each of these new households would generate \$36.5 million in annual retail sales in the city. This is as shown in Table 2.

In order to avoid double counting, this \$36.5 million sales figure must be adjusted to exclude retail sales captured by the new stores and restaurants in the Redevelopment Vision. These sales – and the taxes derived thereby – are included among projected sales tax impacts in Table 3 below.

In calculating the excluded amount, Table 2 shows a 20% adjustment factor. This factor is derived from data provided by ESRI and IMPLAN. IMPLAN data indicate that, in the relevant retail/restaurant categories, new household spending would exert impacts in downtown Albany amounting to approximately 56 percent of sales impacts in Albany County. In addition, IMPLAN and ESRI data indicate that after completion, the Redevelopment Vision would comprise 30 to 38 percent of the downtown retail market. Assuming that new residents would distribute their downtown retail expenditures evenly among the downtown stores, new stores and restaurants would capture roughly 35 percent of the new households' downtown spending. Applying both of these (56 percent and 35 percent) shares, the overall exclusion amounts to 20 percent (56% x 35%) of Albany county retail sales impacts. These sales (and sales tax revenues) are accounted for later, among the total sales figures for commercially-derived tax revenues in Section B.2.

As a result of this adjustment, new residentially-generated retail sales amount to roughly \$29 million.

Applying the 8 percent sales tax (combined State and local rate), these sales generate \$ 2.3 million in new sales taxes. The city's share of these new sales taxes is calculated as shown in the table, wherein 50 percent of revenues are allocated to the Commonwealth of New York, with 60 percent of the remaining revenue retained by Albany County. Of the remaining amount, the City of Albany's share amounts to 32.1 percent (based on the most recent census population count). As shown in Table 2, this share would generate new city revenues of approximately \$151,000 annually.

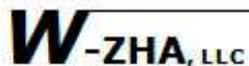


TABLE 2

New Retail Sales Taxes Attributable to Residential Components of Redevelopment Vision

Local (County) Taxable Retail Expenditures/household ¹		\$20,000
New households		1,825
New Local Taxable Retail Sales in County		\$36,500,000
<u>Less Retail Sales incl. in Redevelopment Vision²</u>	<u>-20%</u>	<u>(\$7,154,000)</u>
Remaining New Retail Sales		\$29,346,000
New Retail sales taxes	8%	\$2,347,680
<u>Less State share</u>	<u>-50%</u>	<u>(\$1,173,840)</u>
Share for County and Cities		\$1,173,840
Less Share Retained by County	-60%	(\$704,304)
Amount to be distributed to Municipalities	40%	\$469,536
Albany City Share @ 32.1% ³	32.1%	\$150,721

¹ Approximate estimate for households with annual incomes within a range of \$50,000-\$100,000. Based on Consumer Expenditure Survey data.

² New household retail spending at new stores and restaurants in the Redevelopment Vision are included Table 3 below and therefore excluded from this table.

³ Represents the City's share of the County population based on 2010 census counts.

Source: ESRI, Inc.; U.S. Census; Minnesota IMPLAN Group; Albany County; W-ZHA, LLC.

2. Retail Sales Taxes: Commercial Component

Projected sales tax revenues attributable the commercial components of the redevelopment vision are based on an estimated taxable sales volume of \$320 per square foot of new retail floor area. As shown in Table 3, the retail components of the Vision¹ will generate roughly \$32 million in taxable retail sales, generating \$2.56 million in new state and local sales taxes. These revenues will be distributed to State, county and local municipalities in accordance with the apportionments described in Table 2 above. As a result, the City of Albany will receive approximately \$164,000 annually.

¹ A likely mix of retail businesses is shown in Table 21 below.

TABLE 3

Direct Sales Tax Impact of Redevelopment Vision Commercial Components			
New Retail Floor Area (sq. ft.)			100,000
Taxable Retail Sales ¹	\$320	psf	\$32,000,000
New State & Local Sales Taxes	8%		\$2,560,000
County share	50%		\$1,280,000
Local Municipalities Share	40%		\$512,000
Albany Share of Municipalities	32.1%		\$164,352

¹ Estimate of 80% of sales, based on anticipated sales of tax-exempt food and apparel items.

3. Commercial Property Taxes

The commercial property tax revenue projection is calculated by applying current assessment practices and then assuming a 50 percent abatement, as shown in Table 4. For the commercial components of the Redevelopment Vision, total assessed values would amount to \$40.29 million; applying the current tax rate and a 50 percent abatement, these properties would generate an annual revenue stream of \$295,500.

TABLE 4

Projected Commercial Property Tax Revenues Under 50% Tax Abatement Policy			
Category	Assessment per unit	Units	Levy
Lodging	\$80,000 per rm	120	\$9,600,000
Retail Stores ¹	\$100,000 per store	40	\$4,000,000
<u>Office Space</u>	\$100 per sq. ft.	266,900	<u>\$26,690,000</u>
Subtotal			\$40,290,000
Property Taxes at prevailing rate of .01467			\$591,054
Property Tax Revenues @ 50% abatement			\$295,527

¹ Includes restaurants. Avg. store size estimated at 2,500 sq. ft.



4. Other Revenue Increases

In addition to new retail sales taxes, the remaining substantial revenue increases will increase in proportion to increases in the City's householders and businesses.

Utilities taxes comprise taxes on sales realized by utilities providers. Likely increases in these revenues are estimated based on the increase in the city's combined total employees and households.

Cable franchise taxes comprise taxes on sales realized by cable television providers. Likely increases in these revenues are estimated based on the increase in the city's households.

Increased fines and forfeitures, as with utilities taxes, are based on the increase in the city's combined employees and households.

These growth factors and projected increases are shown in Table 5 below.

TABLE 5

Growth Resulting from Redevelopment Vision City of Albany			
	<u>Existing</u>	<u>New</u>	<u>Increase %</u>
Workers	95,973	1,665	1.73%
Households	41,015	1,825	4.45%
Workers + Households	136,988	3,490	2.55%

Source: ESRI; W-ZHA, LLC

Applying these various factors to the revenue estimates for the current budget, the resulting revenue increases would amount to a total of roughly \$208,000, as shown in Table 6.

TABLE 6

Additional Revenue Growth Categories			
	<u>Current</u>	<u>Factor</u>	<u>Increase Amount</u>
Utilities Taxes	\$1,850,000	2.55%	\$47,132
Cable Franchise	\$1,350,000	4.45%	\$60,069
<u>Fines and Forfeitures</u>	<u>\$3,965,000</u>	<u>2.55%</u>	<u>\$101,015</u>
Subtotal			\$208,216

When the revenue increases from the foregoing sources are combined, implementation of the entire Redevelopment Vision would result in a revenue increase of approximately \$819,000 annually.

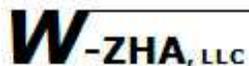
TABLE 7

Summary of Revenue Increases			
	<u>Current</u>	<u>Factor</u>	<u>Increase Amount</u>
Sales & Use Tax: Residential Components			\$150,721
Sales & Use Tax: Commercial Components			\$164,352
Commercial Property Tax @ 50% abatement			\$295,527
Utilities Taxes	\$1,850,000	2.55%	\$47,132
Cable Franchise	\$1,350,000	4.45%	\$60,069
<u>Fines and Forfeitures</u>	<u>\$3,965,000</u>	<u>2.55%</u>	<u>\$101,015</u>
Total Revenue Increase			\$818,817

C. EXPENSE IMPACTS

1. Budget Expense Categories

The current (FY '14) operating budget for the City of Albany amounts to approximately \$177 million. Of this total, the police department consumes the largest share, at 33 percent. The next-largest cost



categories include the fire department (19 percent), general services (14 percent), and debt service (11 percent).²

TABLE 8

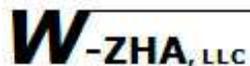
Summary of 2014 Adopted City Budget

<u>Department</u>	<u>Amount</u>	<u>Share</u>
Mayor	\$4,113,390	2%
Development and Planning	\$1,873,027	1%
Law Dept	\$1,274,954	1%
Administrative/Personnel	\$1,274,135	1%
City Clerk	\$1,096,225	1%
General Services	\$24,159,028	14%
Police	\$57,193,011	33%
Fire & Emergency	\$32,917,867	19%
Bldg/Regulatory Compliance	\$1,495,043	1%
Recreation	\$2,547,697	1%
Albany Plan	\$731,638	0%
Assessment & Taxation	\$1,247,620	1%
Bd Zoning Appeals	\$1,781,285	1%
Undistributed Employee Benefits	\$14,242,280	8%
Street Lighting	\$4,100,000	2%
Debt Service	\$18,663,400	11%
Bond Anticipation Notes	\$1,849,400	1%
<u>Installment Debt</u>	<u>\$517,200</u>	<u>0%</u>
Total	\$171,077,200	100%

Source: City of Albany

Among these departments, most vary in accordance with issues such as inflation, promotions and salary raises, and evolving technologies more than by new households or development. The Redevelopment Visions – or any developments driving municipal growth -- would not significantly increase the annual operating functions of – for instance -- the Mayor’s office, Law department, City Clerk, etc.

² It should be noted that the Albany public schools operate under a separate budget. As such, and given the understanding that the targeted household demographics for downtown redevelopment do not anticipate significant numbers of school-age children, school budget impacts fall beyond the scope of this analysis.



Other expense categories – e.g., debt service, installment debt, bond anticipation notes – arise from outstanding financial obligations, and are unrelated to anticipated new households, population, or employment.

Expenses in the **General Services** category address the operation and maintenance of public infrastructure (e.g., parking facilities, streets, parks), waste collection, recycling and disposal, and the hosting and coordination of special events. Given that the Redevelopment Vision will not require the construction of new public streets or infrastructure, it would not drive significant increases in these expenses.

While expenses of the city's **recreation department** do correspond to demographic growth, these expenses are allocated primarily to (1) youth-oriented programs – for which burdens are not anticipated to increase as a result of downtown housing developments targeting childless households – and (2) programs requiring fixed staff expenses (for example, stadium maintenance workers, lifeguards, etc.).

For the most part, increased burdens would fall on the city's two major public safety departments – police and fire. These increases are discussed and projected below.

2. Police Department Expense Increase

The city's police department comprises the largest portion of the city's operating expenses and is the department most likely to bear expense increases as a result of the Redevelopment Vision. In projecting the extent of increased burdens, department spokespersons state that the department would be able to bear even significant population increases without requiring new personnel. Notwithstanding this outlook, this analysis takes the approach that an increased presence of people in the city would eventually increase staff responsibilities.

Table 9 summarizes the current police department budget.

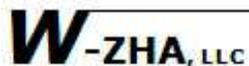


TABLE 9

2014 Adopted Budget, Albany Police Dept.		
<u>Personal Services</u>	\$30,365,672	
Executive		\$712,398
Supervisory		\$3,916,774
Professional/Technical		\$914,397
Public Safety/Operations		\$18,922,859
Clerical		\$1,135,244
Holiday Pay		\$964,000
Overtime		\$3,800,000
Equipment	\$157,000	
Contractual Expenditures	\$1,425,000	
<u>Employee Benefits</u>	<u>\$21,042,989</u>	
TOTAL	\$52,990,661	

In projecting increases to this budget, interviews with department officials provide basic information regarding operations and insight into (1) the fixed or variable nature of various budget items; and (2) for variable expenses, the factor(s) that would determine the extent of variation.

In the first inquiry, this analysis seeks to identify those budget items that would or would not be affected by the project. While executive and supervisory administrative expenses would not likely increase, new population introduced by the Redevelopment Vision would generate increased numbers of crimes, personal injuries, disturbances, and other issues requiring police attention.

These increased burdens would be contained primarily in the “Public Safety/Operations” subcategory, the largest subcategory in the department budget. A breakdown of costs within the subcategory is shown in Table 10 below. Within this subcategory, increased population and households will not materially increase responsibilities for staff engaged in school crossings, police horse care (“hostlers”), custodial duties, female prisoner detention (“matron”) or parking meter attendants (“public service officer”).

Increased burdens would fall primarily on the general patrol officer staff, as highlighted in the table.



TABLE 10

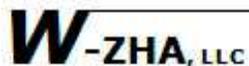
Public Safety/Operations, Albany Police Department Budget			
	<u>#</u>	<u>Avg. Comp.</u>	<u>Total</u>
School Crossing Officers (60)			\$279,492
Hostlers			\$14,499
Matrol Grade 5	2	\$29,308	\$58,616
Matron Grade 1	1	\$26,042	\$26,042
Matron Entry Level	0		\$0
Custodial Worker (p/t)	2	\$12,583	\$25,166
Custodial Worker	3	\$28,257	\$84,771
Police Officer Grade 4	207	\$66,032	\$13,668,624
Police Officer Grade 3	5	\$62,731	\$313,655
Police Officer Grade 2	0		\$0
Police Officer Grade 1	39	\$56,126	\$2,188,914
Police Officer Entry Level	13	\$52,826	\$686,738
Police Officer Recruit	18	\$45,574	\$820,332
Public Service Officer Supervisor	1	\$38,634	\$38,634
Public Service Officer Grade 4	13	\$32,293	\$419,809
Public Service Officer Grade 3	0		\$0
Public Service Officer Grade 1	3	\$27,822	\$83,466
Public Service Officer Entry Level	2	\$26,318	\$52,636
<u>Traffic Aide Grade 4</u>	<u>5</u>	<u>\$32,293</u>	<u>\$161,465</u>
Subtotal			\$18,922,859

The staff expenses most likely to increase are those highlighted in the table. These items, as shown below, amount to approximately \$17.7 million.

In estimating the extent to which these expenses would vary, it must first be noted that many of the call responses made by these personnel are directed to streets and other outdoor areas. A review of recent calls indicates that 62 percent of police calls are directed to building structures³. Therefore, 62 percent of the \$17.7 various cost portion of the patrol officer budget would increase in response to the Redevelopment Vision.

This portion of the budget would increase in direct relation to the increase in people living and working in Albany. This growth in workers plus households, calculated previously in Table 5, amounts to 2.55

³ See footnote 1 in Table 11.



percent. Applying this growth factor, police department personnel expenses can reasonably be expected to increase by roughly \$279,000, as shown below in Table 11.

TABLE 11

Increased Staff Expenses: Albany Police Dept.		
Police Officer Grade 4	207	\$13,668,624
Police Officer Grade 3	5	\$313,655
Police Officer Grade 2	0	\$0
Police Officer Grade 1	39	\$2,188,914
Police Officer Entry Level	13	\$686,738
Police Officer Recruit	18	\$820,332
Subtotal		\$17,678,263
a. % police calls directed to bldgs. ¹		62.0%
b. Redevelopment Vision Employment + Household growth ²		2.55%
c. Increase factor for variable staff costs (a x b)		1.58%
Increased Staff Expenses		\$279,372

¹ Albany Police Dept.; of 3,695 total calls from 1/1/14 to 7/31/14, 2,292 were indoor, 1,403 were outdoor, and 101 were to "unknown" types of locations. Thus, of 3,595 known calls, 62 percent can be attributable to buildings.

² See employment plus household growth factor as derived previously in Table 5.

These increased staff costs would in turn drive additional increases involving personnel-related items such as uniforms, training, and employee-benefit costs including social security, health insurance, holiday pay, and retirement plans.

These expense items would increase in relation to the growth in staff costs. As shown in Table 12, these personnel-derived expense items currently amount to 79.03 percent of total staff compensation. Applying this ratio to the increase in staff compensation, these additional increases can be projected at roughly \$221,000.

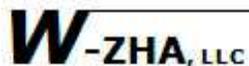


TABLE 12

Other Employment-Derived Police Dept. Expense Increases	
<u>Employment-Derived Expense Categories</u>	
Holiday Pay	\$964,000
Other Equipment	\$55,000
Armor Vest	\$52,000
Uniforms	\$110,000
Training/Conferences	\$25,000
Clothing Allowance	\$400,000
Social Security	\$2,506,989
Retirement	\$8,375,000
Compensation	\$1,000,000
Health Insurance	\$6,519,000
<u>Comp-Medical</u>	<u>\$226,000</u>
Subtotal (a)	\$20,232,989
Total Staff Compensation Expenses (b)	\$25,601,672
Employment-Derived vs. Staff Compensation Ratio (a/b)	79.03%
Staff Compensation Increase	\$279,372
Increase in Employment-Derived Expenses (@79.03% of Staff Compensation Increase)	\$220,787

Combining this figure with the staff costs of \$279,000 shown in Table 11, overall expense increases for the Albany police department would amount to roughly **\$500,000**.

3. Fire Department Expense Increase

Spokespersons for the Albany Fire Department state that its stations and staff allocations are driven primarily by geography and response times, and that where redevelopment projects are situated within urbanized areas and create no new structures, additional staff or equipment may not be required. Given a substantial increase in workers and residents, however, the department would anticipate commensurate increases in calls, which would drive an increase in staff and benefits.

As a starting point in projecting a reasonable increase in fire department expense, Table 13 summarizes the current fire department budget.

TABLE 13

2014 Adopted Budget, Albany Fire Dept.

<u>Personal Services</u>	\$17,460,248	
Executive		\$505,395
Supervisory		\$5,294,179
Public Safety/Operations		\$8,947,844
Trades		\$191,038
Clerical		\$148,792
Holiday Pay		\$623,000
Overtime		\$1,750,000
Equipment	\$120,000	
Contractual Expenditures	\$1,198,500	
<u>Employee Benefits</u>	<u>\$14,139,119</u>	
TOTAL	\$32,917,867	

These increased burdens would be contained primarily in the “Supervisory” and “Public Safety/Operations” subcategories. A breakdown of costs within the subcategory is shown in Table 14 below. Within this subcategory, increased population and workers in the city would increase staff responsibilities as highlighted in the table.

TABLE 14

**Albany Fire Dept. Supervisory and Public Safety Operations, Variable Cost Items
(variable costs highlighted)**

	#	Avg. Comp.	Total
Supervisory			
Battalion Chief EMT	3	\$79,008	\$237,024
Battalion Chief Paramedic	3	\$80,944	\$242,832
Capt. EMT	9	\$71,306	\$641,754
Capt. Paramedic/HQ	1	\$73,741	\$73,741
Capt. Paramedic	7	\$73,241	\$512,687
Capt. EMT/HQ	1	\$71,806	\$71,806
Lieutenant EMT	31	\$66,966	\$2,075,946
Lieutenant Paramedic	17	\$68,905	\$1,171,385
Lieutenant EMT/HQ	1	\$67,466	\$67,466
Lieutenant Paramedic/HQ	2	\$69,405	\$138,810
Office Supervisor	1	\$60,728	\$60,728
Public Safety/Operations			
Firefighter top grade EMT	53	\$59,155	\$3,135,215
Firefighter top grade EMT/HQ	2	\$59,655	\$119,310
Firefighter top grade	0	\$0	\$0
Firefighter top grade para/HQ	1	\$61,593	\$61,593
Firefighter top grade paramedic	53	\$61,093	\$3,237,929
Firefighter Grade 4 EMT	1	\$53,239	\$53,239
Firefighter Grade 4 Paramedic	0	\$0	\$0
Firefighter Grade 3 EMT	11	\$47,324	\$520,564
Firefighter Grade 3 Paramedic	4	\$48,876	\$195,504
Firefighter Grade 2 EMT	24	\$41,409	\$993,816
Firefighter Grade 2 Paramedic	3	\$42,765	\$128,295
Firefighter Grade 1 EMT	11	\$38,451	\$422,961
<u>Firefighter Grade 1 Paramedic</u>	<u>2</u>	<u>\$39,709</u>	<u>\$79,418</u>
Supervisory and Public Safety/Operations Subtotal			\$14,242,023
Variable Cost Items (highlighted) Subtotal			\$12,462,179

These variable staff expense amount to \$12.5 million, as shown. Based on a review of recent activity, a reasonable assumption is that commercial and residential structures would generate 20 percent of the calls to which these personnel respond. Thus, 20 percent of the \$12.5 million in variable staff expenses would be subject to increase. Then, given a 2.55 percent increase in workers and households (as applied



in the preceding analysis of police expense increases), these fire department expenses would increase commensurately, by \$63,000 as shown below.

TABLE 15

Increased Staff Expenses: Albany Fire Dept.	
Variable Cost Items Subtotal	\$12,462,179
Residential & Commercial (vs. total) Call Factor ¹	20%
Call Increase Attributable to Redevelopment Vision	\$2,492,436
Growth Factor: Employment + Households	2.55%
Increase in Variable Costs	\$63,499

¹ Estimate derived from review of recent call activity and interview with Fire Dept. Chief.

In addition, as in the preceding Police Department expense analysis, new hiring would in turn drive additional increases involving personnel-related items such as uniforms, training, holiday pay and employee-benefit costs including social security, health insurance, and retirement plans.

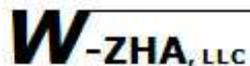
These expense items would increase in relation to the growth in staff costs. As shown in Table 16, these personnel-derived expenses currently amount to 87.82 percent of total staff compensation. Applying this ratio to the increase in staff compensation, these increases can be projected at roughly \$56,000.

TABLE 16

Other Employment-Derived Expense Increases: Albany Fire Dept.

<u>Other Employment-Derived Variable Costs</u>	
Holiday Pay	\$623,000
Uniforms	\$50,000
Training	\$10,000
EMT Stipend	\$366,300
Code Stipend	\$336,000
Clothing Allowance	\$108,000
Social Security	\$1,486,819
Retirement	\$5,275,000
Compensation	\$350,000
Health Insurance	\$4,081,000
<u>Comp-Medical</u>	<u>\$120,000</u>
Subtotal (a)	\$12,806,119
Total Staff Compensation Expenses (b)	\$14,581,853
Employment-Derived vs. Staff Compensation Ratio (a/b)	87.82%
Increased Employee Compensation	\$63,499
Increase in Employment-Derived Expenses (@87.82% of Staff Compensation)	\$55,766

Combining this figure with the staff costs of \$63,000 shown in Table 15, overall expense increases for the Albany fire department would amount to roughly **\$119,000**.



D. SUMMARY

The combined total expense increases that would be incurred by the police and fire departments amount to **\$619,000**, as summarized below.

Of the \$619,000 in new expenses, 55 percent would be attributable to employee salaries and wages; the remaining 45 percent would be attributable to various non-compensation-driven expenses, of which the dominant items include retirement contributions, health insurance, and social security.

TABLE 17

Summary of Expense Increases			
Wage/Salary Compensation	\$279,372	\$63,499	\$342,871
	56%	53%	55%
Other Expenses Derived from New Employment	\$220,787	\$55,766	\$276,554
	44%	47%	45%
Totals	\$500,159	\$119,265	\$619,425

Subtracting \$619,000 in new expense from the \$819,000 in new revenues, the City of Albany would realize a net increase of **\$200,000** in annual operating revenues. It should be noted that this change represents roughly 0.1 percent of the City's current operating budget; factors unrelated to the Redevelopment Vision would drive more significant variations in the City's revenues and expenses.



III. ECONOMIC IMPACTS

A. IMPLAN MODEL

This section analyzes the employment, labor income and output that would be generated by the Redevelopment Vision. In projecting these impacts, this analysis applies econometric models furnished by the Minnesota IMPLAN Group (“IMPLAN”), a nationally recognized resource for economic modeling and impact analysis.

In the application of these models, the first step is to identify the new economic activity introduced into the local economy – these are the inputs to be entered into the model. The spending, hiring and production of these business activity inputs are applied to the economy’s existing businesses and their workers, which in turn apply their own spending, hiring and production patterns, thereby circulating and recirculating money through the local economy.

For the purposes of this analysis the following definitions and assumptions shall apply:

In discussions of economic impacts, the word “Output” refers to productivity, as measured by businesses’ gross sales less costs of production.⁴

Discussions of economic impacts will use the terms “direct impacts,” “indirect impacts” and “induced impacts.” “Direct impacts” in this context represent the changes in business activity created by the new inputs – the new commercial and residential tenants. “Indirect impacts” represent the new business activity caused by the direct impacts – e.g., new purchases made by existing businesses in response to the new inputs. “Induced impacts” represent the impacts of new household income and spending (i.e., employee consumption expenditures) generated by the direct and indirect impacts.

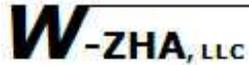
The following sections project economic impacts attributable to the construction of the project, and then by the ongoing operation of the project.

B. CONSTRUCTION PHASE

Construction of the Redevelopment Vision will create employment by virtue of the labor and materials required for construction. These impacts, in turn, generate indirect and induced spending impacts. These “construction phase” impacts are one-time impacts. While the various redevelopment components will occur over an as-yet unknown time frame, this analysis simply calculates the sum total of one-time impacts that will occur over this time frame.

Construction costs form the bases – and the economic inputs -- for projecting construction impacts. For the Redevelopment Vision, absent specific development proposals, rough construction costs have been

⁴ For service businesses, output is essentially equal to sales. For retail sectors, output comprises only the retail gross margin (markup), excluding the cost of goods sold.



estimated using general standards. As shown below, total construction costs are estimated at roughly \$332 million:

TABLE 18

IMPLAN Construction Cost Inputs			
<u>Structure</u> ¹	<u>Sq. Ft.</u>	<u>Hard Construction Cost</u>	
		<u>psf</u>	<u>Total</u>
Office	266,900	\$150	\$40,035,000
New residential	1,469,000	\$130	\$190,970,000
Rehab residential	849,000	\$110	\$93,390,000
Lodging @ \$80,000/rm			\$9,600,000
<u>Parking Structure</u>			<u>\$13,000,000</u>
Subtotals	2,584,900		346,995,000

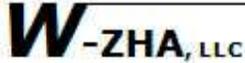
¹ Anticipated retail uses will occupy space in the various residential and office structures.

These cumulative impacts of these investments, shown below, are projected at approximately \$465 million in output, 2,300 jobs, and \$129 million in wages. In addition to the direct impacts attributable to the construction industry, indirect and induced impacts are realized primarily in the retail/restaurant and architecture/design sectors. Lesser but still significant impacts would occur in sectors such as real estate establishments, financial services, wholesale trade and transportation.

TABLE 19

Summary of One-Time Construction Impacts				
	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Output (\$ sales)	\$331,889,985	\$66,989,337	\$66,547,688	\$465,427,010
Employment (jobs)	1,339	473	479	2,291
Labor Income	\$85,338,231	\$24,061,449	\$19,638,738	\$129,038,418
per employee	\$63,732	\$50,881	\$40,980	\$56,321

Source: Minnesota IMPLAN Group; W-ZHA, LLC



C. OPERATING PHASE

In calculating annual operating phase impacts, the first step is to estimate the Redevelopment Vision's direct employment impacts. The IMPLAN model then calculates the associated output and labor incomes associated with these inputs, as well as the indirect and induced impacts. This section first identifies the project's direct employment impacts, and then presents total direct, indirect and induced impacts for Albany.

1. Direct Employment Inputs

New direct impacts generated by the total Redevelopment Vision are as follows:

Office component: The Redevelopment Vision would encompass roughly 275,000 square feet of office space. A reasonably likely employment scenario created by this development activity would accommodate 1,070 workers, distributed among a tenant mix that would include: financial/insurance/real estate services, research and development, software development, advertising, data/back office services, health services, legal services, engineering/design, and business associations. This scenario is based on the following considerations:

- Generally accepted office space/worker ratios;
- Findings of W-ZHA's analysis of office market potential;
- Analysis of downtown Albany's current office-inclined businesses as provided by IMPLAN;
- General experience with the types of businesses that typically seek new – and presumably high-quality - office space.

It should be noted that it is assumed for purposes of this analysis that the Redevelopment Vision will result in net new tenancies. While some tenants of the new space will move from within the City of Albany, such tenants will vacate other building space to be occupied by new tenants. Table 20 shows the estimated new employment projected for the office components of the Redevelopment Vision.

TABLE 20

IMPLAN Inputs: New Office Employment		
<u>Industry Sector</u>	<u>Space (sq. ft.)</u>	<u>Workers</u>
Information: software publishers	5,500	25
Information: Internet publishing/broadcasting	5,500	25
Information: Telecommunications	5,500	25
Information: Data processing, hosting, related	5,500	25
Information: Other Information Services	5,500	25
Finance/Insurance: Nondepository Credit intermed	6,875	30
Finance/Insurance: Securities, commodity contracts, investm	6,875	30
Finance/Insurance: Insurance Carriers	6,875	30
Finance/Insurance: Insurance Agencies/brokers	6,875	30
Finance/Insurance: Funds, trusts, other	6,875	30
Professional/Sci/Tech: Legal	41,250	165
Professional/Sci/Tech: Accounting, tax, etc.	5,500	20
Professional/Sci/Tech: Arch/eng	5,500	20
Professional/Sci/Tech: Software design	5,500	20
Professional/Sci/Tech: Computer systems	5,500	20
Professional/Sci/Tech: Advertising	5,500	20
Professional/Sci/Tech: Mgt/sci/technical	5,500	20
Professional/Sci/Tech: Misc	5,500	20
Scientific R&D	27,500	110
Management	5,500	20
Admin/support: Employment	6,875	30
Admin/support: Office admin	6,875	30
Admin/support: business support	6,875	30
Religious	13,750	50
Grantmaking, etc.	27,500	110
<u>Civic, Social, Professional/other org's</u>	<u>27,500</u>	<u>110</u>
Totals	280,500	1,070

Retail component: Retail employment for the Redevelopment Vision is projected at 475. This estimate – and the distribution among store types shown below – represents a reasonable estimate based on an understanding of retail tenant preferences, general retail space standards, and considerations and reconciliations of prevailing space/worker ratios and sales/worker ratios in the various retail sectors.

TABLE 21

IMPLAN Model Inputs: Retail Employment		
<u>Store Type</u>	<u>Sq. ft.</u>	<u>Workers</u>
Furnishings	10,000	25
Food/Beverage	10,000	25
Drug/health	10,000	25
Apparel	10,000	25
Leisure Goods	10,000	25
General Merchandise	10,000	25
Misc	10,000	25
<u>Restaurant</u>	<u>30,000</u>	<u>300</u>
Total	100,000	475

Lodging Component: The Redevelopment Vision also includes additional commercial redevelopment amounting to 120 new lodging rooms. Based on industry averages for various types of lodging facilities, new lodging employment is estimated at 120.

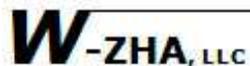
Residential component: these impacts are attributable to new household spending in the local economy. For the apartment units, this analysis applies an average household income level of \$70,000; for the condominium units, the average disposable income is assumed at \$80,000. In accordance with the Redevelopment Vision, these new consumer units are entered into the IMPLAN model as 1,825 new households⁵, split evenly among the \$50,000 to \$75,000 and \$75,000 - \$100,000 income ranges.

2. IMPLAN Results

Table 22 below summarizes the annual ongoing output, employment and labor income impacts generated by the Redevelopment Vision. As shown, the project will generate direct impacts of \$253 million in output, 1,665 jobs, and \$89 million in new wages and salaries.

In calculating indirect and induced impacts, IMPLAN model results were adjusted to exclude the induced impacts of all commercial components of the Redevelopment Vision. These impacts are excluded because they overlap (and fall well below) the impacts of the 1,825 new households introduced into the City's economy by the new residential components of the Redevelopment Vision. Since induced impacts are the results of new household spending, these impacts are appropriately excluded to avoid double counting.

⁵ Calculations incorporate a 5 percent vacancy factor; the actual number of households is estimated at 1,734.



Overall, the Redevelopment Vision will “spin off” additional indirect and induced impacts that will bring total impacts (including direct impacts) to \$398 million in annual output, 2,600 jobs and \$136 million in annual wages and salaries.

TABLE 22

Summary of Annual Economic Impacts of Redevelopment Vision

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u> ¹	<u>Total</u>
Output (\$ sales)	\$252,555,444	\$52,617,266	\$92,532,474	\$397,705,184
Employment (jobs)	1,665	305	648	2,618
Labor Income	\$88,744,902	\$15,315,512	\$31,638,329	\$135,698,743
per employee	\$53,300	\$50,226	\$48,830	\$51,836

¹ Excludes induced impacts of commercial components, pursuant to an assumption that spending by new workers hired by commercial businesses duplicates spending by new households included in the residential components of the Vision.

Source: Minnesota IMPLAN Group; W-ZHA, LLC

The greatest impacts (as measured by employment) generated by the Redevelopment Vision would be new business in restaurants. This sector would be followed by financial services, real estate businesses, hospitals, and physician offices, as shown below.⁶

⁶ Consistent with the exclusion in Table 22, these employment impacts exclude induced impacts resulting from commercial development components.

TABLE 23

Industry Sectors w/Greatest Impacts: By Employment			
<u>Sector</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Food Service/Eating & Drinking	24	81	105
Securities/Commodities/Investment	48	12	60
Real Estate Establishments	25	31	56
Private hospitals	0	53	53
Health Care offices	0	50	50

Source: Minnesota IMPLAN Group; W-ZHA, LLC

D. SUMMARY

The major findings of this analysis include the following:

- Construction of the Redevelopment Vision would generate a total of \$465 million in new economic output, nearly 2,300 new jobs, and \$129 million (roughly \$56,000 per worker) in new labor income. These impacts would be non-recurring, but would be distributed over the time span required for the implementation of the entire Redevelopment Vision.
- The Redevelopment Vision would accommodate 1,665 new workers in a mix of commercial businesses in predominantly office and retail sectors. These would generate total ongoing employment of 2,600 jobs, thus catalyzing the creation of 953 (2,618-1,665) new jobs. Other ongoing economic impacts would include \$398 million in total economic output and \$136 million in total labor income (roughly \$52,000 per worker).

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Media Contact: Michael Bohne, APR – (518) 434-2532



City of Albany Industrial Development Agency Performs Favorably Among Statewide Counterparts in State Comptroller’s Annual IDA Performance Report

ALBANY – The City of Albany Industrial Development Agency found that the Agency performed favorably among its statewide counterparts in 2017 according to the [most recent annual IDA performance report](#) issued by State Comptroller Thomas P. DiNapoli. According to the report:

- A strong investment in the City of Albany’s economy is shown through the total value of active projects that have been catalyzed by assistance through the City of Albany IDA. Supported City projects in total were valued at \$875 million, which is 25% greater than the average total investment created by IDAs statewide (excluding NYC).
- Regarding payments in lieu of taxes (PILOTs) for the year, the City of Albany IDA facilitated \$5.25 million of payments from projects to local taxing jurisdictions.
- On a per project level, the City of Albany IDA’s project exemptions are \$124,674, which is \$88,566 less per project compared to the statewide average. That is 42% lower than the average exemption per project on a statewide level (excluding NYC).
- The City of Albany IDA’s net tax exemptions were 75% lower per job gained than the average for IDAs statewide, this is without negatively impacting job creation numbers. Estimated net job changes from Albany IDA supported projects were shown to have a net job change of 4,230 — more than twice the average for IDAs statewide.
- The City of Albany IDA also ranked favorably when measuring efficiency. In both expenses per job gained (\$160) and expenses per project (\$87,986) the IDA performed more efficiently, with lower expenses than the statewide averages by nearly \$4,550 per job and \$30,338 per project respectively.

“We look forward to the Comptroller’s report which serves as an annual resource. Each report’s analysis helps us to evaluate our activity in relation to our statewide counterparts,” said Sarah Reginelli, CEO of the City of Albany Industrial Development Agency. “The City of Albany IDA has consistently been implementing recommended best practices. We can critically look at our activities through an outside source allowing us to improve our processes, procedures and application evaluation methods further.”

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Since 2014, new City of Albany Industrial Development Agency assisted projects have stimulated more than \$330 million of investment, generated more than \$13 million for local taxing jurisdictions, and created or maintained more than 1,000 jobs. Overall, CAIDA projects support more than 5,000 jobs and pay more than \$4 million to local taxing jurisdictions annually. The City of Albany IDA’s mission is to assist in the enhancement and diversity of the economy of the City of Albany by acting in support of projects in the City that create and/or retain jobs and/or promote private sector investment using its New York State statutory powers.