

Albany Industrial Development Agency

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Sarah Reginelli, Chief Executive Officer
Mark Opalka, Interim Chief Financial Officer
John Reilly, Agency Counsel

IDA MINUTES OF FINANCE COMMITTEE MEETING

Wednesday, January 14, 2015

Attending: Tracy Metzger, Susan Pedo, C. Anthony Owens, Lee Eck and Darius Shahinfar

Also Present: Dominick Calsolaro, Robert Schofield, Joseph Scott, Sarah Reginelli, Brad Chevalier, Mark Opalka, Andy Corcione, Amy Gardner and Chantel Burnash

Acting Chairperson, C. Anthony Owens, called the Finance Committee meeting of the IDA to order at 12:05 PM.

Roll Call

Acting Chairperson, C. Anthony Owens, reported that all Committee members were present.

Reading of Minutes of the Finance Committee Meeting of December 11, 2014

Since the minutes of the December 11, 2014 meeting had been distributed to the Committee members in advance for review, acting Chairperson, C. Anthony Owens made a proposal to dispense with the reading of the minutes.

Approval of Minutes of the Finance Committee Meeting of December 11, 2014

Acting Chairperson C. Anthony Owens made a proposal to approve the minutes of the Finance Committee meeting of December 11, 2014 as presented. A motion to accept the minutes, as presented, was made by Lee Eck and seconded by Tracy Metzger. A vote being taken, the minutes were accepted unanimously.

Unfinished Business

CDP Holland LLC

Bill Hoblock, representing CDP Holland LLC, presented a revised PILOT request to the Committee members. The revised PILOT request increased estimated PILOT payments by over \$2 million. Staff sought feedback from the Committee. The revised PILOT was discussed by the Committee. The Committee indicated that it desired to reduce the abatement period to 20 years and that the greater than scenario begin after Year 12 of the abatement period. The Committee directed staff to work with the Applicant on the matter as well as discuss remaining outstanding questions staff had project. In addition to the PILOT the Applicant is seeking sales and use tax exemption and mortgage recording tax exemption.

Pending further discussions with the Applicant, IDA staff will report their findings to the Special Finance Committee meeting at 12:00pm on January 22, 2015.

New Business

SUNY Associates, LLC

Donald Zee representing SUNY Associates, LLC gave a presentation providing the Committee members with an introduction to the project located at 1475 Washington Avenue. The proposed project is a private four-story student housing complex consisting of approximately 271 beds (118 units) over an approx. 145-space parking garage. The Applicant estimates it will take a year to construct and expects to start occupancy in August 2016. The Applicant is seeking financial assistance, specifically: sales and use tax exemption; mortgage recording tax exemption; and real property tax abatement. The Applicant discussed the proposed PILOT structure with an abatement period of 7 years. The Committee discussed the PILOT specifically the request for the fixed improved assessment value. Staff notified the Committee that a third party economic impact analysis for the project had been requested. At the request of the Committee, the Applicant described the steps they are taking to address pedestrian safety concerns, all at the Applicant's expense.

A motion to move the project to the next Finance Committee meeting with a positive recommendation for consideration of a public hearing resolution was made by Tracy Metzger and seconded by Lee Eck. Susan Pedo abstained from the vote. A vote being taken the motion passed unanimously.

Albany Hotel, Inc. / AFP 107 Corp.

Bob Wakeman, representing Albany Hotel, Inc. informed Committee members that the Hilton was under contract to be sold to AFP 107 Corp. The contract is scheduled to close next month. Albany Hotel, Inc. is looking to assign the PILOT agreement made with the IDA in 2011 to the new owners. Mr. Wakeman provided background about the project, relating that the project exceeded all expectations by the IDA under the original approval. The Applicant was able to secure an excellent brand – Hilton; it exceeded permanent job projections annually, of which most are union; invested over \$16 million as part of the renovations, which was 60% more than promised; and hired locally for jobs. In addition, the project has succeeded in drawing 16,000 more visitors annually to the City, resulting in more room nights and spin-off economic benefit than previously experienced. In addition, AFP 107 Corp. will be making an additional investment of approx. \$2.0 M in the property. The Project Benefits Agreement will remain in place, requiring the new owners among other things to maintain the hotel as a Hilton or comparable brand; comply with all upgrades and improvements necessary to continue the Hilton or comparable and; and maintain permanent jobs.

A motion to move the project to the next Board meeting with a positive recommendation for approval of assignment was made by Susan Pedo and seconded by Lee Eck. Tracy Metzger abstained from the vote. A vote being taken the motion passed unanimously.

Other Business

Staff advised Committee members that Bonacio Construction had reached out to them with an interest in the conversion of the Kenwood Convent property on Route 9W into an estimated 125-unit residential apartment complex. The Committee asked that representatives of Bonacio Construction attend the January Board meeting to introduce the project and discuss the project further, including the necessary financial assistance.

Staff advised the Committee that after discussions with Agency Special Counsel, staff would begin to make a general request for the completion of third party economic impact analyses from applicants as part of applicants' supplemental application material for projects that involve commercial apartment and private student housings – specifically for those located outside of neighborhood plans. The third party economic impact analysis would be used to support the commercial findings resolution the Agency must make on such projects. The matter was discussed by the Committee.

There being no further business, Acting Chairperson C. Anthony Owens adjourned the meeting at 2:04 PM.

Respectfully submitted,

(Assistant) Secretary