

TO: City of Albany Industrial Development Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: Broadway Albany Realty, LLC IDA Application Summary

DATE: May 12, 2015

Staff Notes:

This project summary is in response to the request for financial assistance by the Applicant which was formally introduced at the April 23rd, 2015 Regular Board meeting. A public hearing on this project is scheduled on May 12th, 2015. Staff seeks feedback and direction from the Finance Committee. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.

Applicant: Broadway Albany Realty, LLC

Managing Members (% of Ownership): Lewis Norry, Managing Member (see application for list of owners)

Project Location: 833 Broadway

Project Description: The project is the rehabilitation of existing commercial office space at 833 Broadway for a new call center for Maximus, Inc. (tenant). 112,000 SF of the 140,000 SF building is vacant commercial office with one existing tenant (Citizens Bank) occupying the remaining 28,000 SF. Maximus is a NYSE listed company in the health insurance services industry, an approved contractor with NYS for its Health Care Exchange and has signed a five year lease for occupancy of 92,000 SF of the building. The project is an expansion of an existing facility at Corporate Woods in Albany and project will not have a negative impact on employment at the existing facility. The applicant is redeveloping the property for multi-tenant occupancy, including renovation of the existing structure, HVAC and mechanical equipment replacements and associated surface parking. The application does not cover any items that may be purchased by the tenant. The Applicant purchased the property in December of 2014 for 2.76 M.

Estimated Project Cost: \$4,430,000 (does not include the purchase price; estimated amount spent to date \$250,000)

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$1,400,000

Estimated Total Mortgage Amount: \$6,500,000 (applicant is not requesting mortgage recording tax exemption)

Current Total Assessment: \$2,767,500

- Total assessed value was adjusted from \$6,000,000 to the purchase price for the 2015 assessment.

Estimated Improved Total Assessment: \$6,000,000

- City Assessor indicated that upon lease up the total assessment value would increase to the assessed value of the property in 2014.

Requested PILOT: None

Estimated Value of Total PILOT Payments: None

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$112,000
- Mortgage Recording Taxes: None
- Real Property Taxes: None
- Other: N/A

Employment Impact:

- Projected Permanent: (400) new FTEs
- Projected Construction: (40) jobs

Strategic Initiatives:

- Albany 2030
 - Increase job opportunities for all residents.
 - Encourage investment in urban land and historic buildings for employment and housing.
 - Provide a foundation for economic activity and increase economic diversity.

Planning Board Actions:

- Applicant will appear before the Planning Board on May 21st and June 18th 2015.
- Applicant will appear before the Zoning Board of Appeals on May 13th and May 27th

Estimated IDA Fee

- Fee amount: \$22,150.00

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.