

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: Mukura Inc. - IDA Application Summary
DATE: February 8, 2019

Applicant: Mukura Inc.

Managing Members (% of Ownership): Mukesh Fansiwala (80%), Rashmi Fansiwala (20%).

Project Location: 351 Southern Boulevard, Albany, NY

Project Description: The project involves the construction of a 60,000 square foot, 4 story hotel. The project will take what is currently a vacant 1.8 acre parcel (currently being sub-divided) and create 106 hotel rooms with an indoor pool, fitness room, and a Bar/Lounge.

Estimated Investment: \$13,320,000 (est)

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 in a distressed census tract.
- *Job Creation:* The project is committing to the creation of 25 permanent and 100 construction jobs.
- *Investment:* The project is anticipating a project cost of more than \$13 million.

Employment Impact:

- Projected Permanent: 25 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: \$5,937,500

Estimated Total Mortgage Amount: not to exceed \$10,500,000

Requested PILOT: N/A (Applicant is seeking as-of-right 485b through the City of Albany.)

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$475,000
- Mortgage Recording Taxes: \$105,000
- Real Property Taxes: N/A
- 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: \$66,600

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.