

TO: City of Albany Industrial Development Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: Nipper Apartments, LLC - IDA Application Summary

DATE: October 7, 2016

Staff Notes:

This project summary is in response to the request for financial assistance which was introduced at the September 7, 2016 Finance Committee meeting. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.

Applicant: Nipper Apartments, LLC

Managing Members (% of Ownership): Briana Barber 50.0%; David Kwiat 50.0%

Project Location: 991 Broadway

Project Description: The project consists of the redevelopment of a +/-1.68 acre site with two existing warehouse/storage buildings- one +/- 100,960 SF building and one +/- 11,600 SF building located at 991 Broadway in the Warehouse District. The existing buildings consists of a 4-story masonry structure and a one story ancillary building on the south side. The 4-story structure will be renovated to include +/- 7,750 SF of commercial space and +/- 75 apartment units. The single-story building on the south side will be demolished and a portion of the total parking will be include on the land following the demolition. Parking will also be distributed on the first floor, and upper floors of the building.

Estimated Project Cost: \$13,000,000 (estimated amount spent \$60,000)

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$6,000,000

Estimated Total Mortgage Amount: \$15,000,000

Current Total Assessment: \$1,825,000 (Per City of Albany Commissioner of Assessment and Taxation and on the 2016 Assessment Roll).

Estimated Improved Total Assessment: \$5,730,000 (Per City of Albany Commissioner of Assessment and Taxation)

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

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: N/A

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$480,000
- Mortgage Recording Taxes: \$143,750
- Real Property Taxes: N/A
- Other: N/A

Employment Impact:

- Projected Permanent: 19 jobs (full-time equivalents)
- Projected Retained: 0 jobs
- Projected Construction: 70 jobs

Strategic Initiatives:

- Albany 2030
 - Increase job opportunities for all residents.
 - Encourage investment in urban land and historic buildings for employment and housing. The project is seeking to obtain historic tax credits if approved through corresponding state and federal approval process.
 - Provide a variety of housing types to meet the varied needs of Albany's households, including market, moderate and low income housing.
 - Encourage diverse intergenerational housing. Diverse housing includes options for residents throughout different stages of life (e.g. students, couples, families with children, seniors) in the same neighborhood.
- Impact Downtown Albany
 - Establish a greater critical mass of housing along Broadway.
 - Encourage development proposals along Broadway compatible with a mixed-use, pedestrian oriented setting.
 - Recruit retail and office tenants/developers for whom the Warehouse District's large, flexible sites offer opportunities not available downtown.

Planning Board Actions:

- Applicant appeared before the City of Albany Planning Board on June 16, 2016 and received Site Plan Approval.

Estimated IDA Fee

- Fee amount: \$65,000

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.