

**TO:** City of Albany Industrial Development Finance Committee

**FROM:** City of Albany Industrial Development Agency Staff

**RE:** SUNY Associates, LLC - IDA Application Summary

**DATE:** February 6, 2015

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**Applicant:** SUNY Associates, LLC

**Managing Members (% of Ownership):** Jon Grant 40.0%; Frank Seidman and Frank Seidman Irr. Family Trust 20.5%, Nimish Sangrajkah ATBE 22.28%; Jared Zeisler 9.8%; Fran & Kristina Donato ATBE 6.82%; Jessica Starkey .60%.

**Project Location:** 1475 Washington Ave

**Project Description:** The project is a to-be-constructed +/- 183,750 SF, four story, private student housing complex. The structure will consist of approx. 271 student beds (118 units) that will sit over a 145 space parking podium. The rooms will be configured between 1 and 4 BDRM/BA combinations and will share common room space and a kitchen area. The units will be fully furnished and marketed to students attending local universities. Further amenities include an office area, fitness center, clubhouse and courtyard area. The Applicant currently has a \$1.3 M option in place to purchase the land at 1475 Washington Avenue. The property will be owned and operated by the Applicant.

**Estimated Project Cost:** \$27,500,000 (estimated amount spent to date \$275,000)

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$9,000,000

**Estimated Total Mortgage Amount:** \$20,625,000

**Current Total Assessment:** \$106,700

**Estimated Improved Total Assessment:** \$7,913,200

**Requested PILOT:** Applicant proposes entering into a PILOT agreement with the IDA. The abatement schedule would be as follows: Year 1 of abatement 100%; Year 2 of abatement 100%; Year 3 of abatement 50%; Year 4 of abatement 40%; Year 5 of abatement 30%; Year 6 of abatement 20%; Year 7 of abatement 10%. Taxes off of full assessment will be paid every year thereafter. The Applicant has requested that the PILOT total assessment value be fixed for the term of the PILOT.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments: \$1,523,280

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$720,000
- Mortgage Recording Taxes: \$257,813
- Real Property Taxes: \$1,410,308
- Other: N/A

**Employment Impact:**

- Projected Permanent: (7) new FTEs
- Projected Construction: (90) jobs

**Strategic Initiatives:**

- Albany 2030
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and buildings for employment and housing.
  - 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.

**Planning Board Actions:**

- Issued a Negative Declaration for this Unlisted Action as per the provisions of SEQR on 12/18/14.
- Approved the site plan on 12/18/14 with conditions.

**Estimated IDA Fee**

- Fee amount: \$275,000

**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.