

TO: City of Albany Industrial Development Board

FROM: City of Albany Industrial Development Agency Staff

RE: Eleftheria Properties, LLC – Preliminary Project Summary

DATE: November 19, 2014

Staff Notes:

This is a preliminary project summary that will be updated as the project progresses through staff review and Agency consideration. An application for assistance including sales and use tax exemption, mortgage recording tax exemption, and a payment in lieu of taxes has been submitted.

Applicant: Eleftheria Properties, LLC

Managing Members (% of Ownership): James J. Googas (100.0%)

Project Location: 241 South Allen Street

Project Description: The vacant project site, approximately 2.179 acres, was acquired on March 14, 2014. The Project entails the construction of two, three story, 30,800 +/- square foot garden apartment buildings. There will be a total of 48 units split equally between the two buildings. There will be a total of 84 parking spaces, 60 of which will be located beneath the two buildings (made possible by the sloping topography of the site). The Project will offer one and two bedroom apartments with the one bedroom apartments at 1,040 +/- square feet and the two bedroom apartments ranging from 1,110 +/- square feet to 1,290 +/- square feet. The apartments will include hardwood floors, ceramic tile floors in kitchen/baths, stainless steel appliances, in-unit laundry (with washer and dryer), walk-in closets, private balconies, etc.

Estimated Project Cost: \$6,200,000

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$2,500,000

Estimated Total Mortgage Amount: \$5,200,000

Current Total Assessment: \$125,000 (per 2014 assessment roll)

Estimated Improved Total Assessment: \$2,880,000 (per Applicant's discussion with Commissioner of Assessment & Taxation)

Requested PILOT: Applicant proposes entering into a PILOT agreement with the IDA. The abatement schedule would be as follows: Year 1 of abatement 50%; Year 2 of abatement 40%;

Year 3 of abatement 30%; Year 4 of abatement 20%; Year 5 of abatement 10%. Taxes off of full assessment will be paid every year thereafter.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$534,244
 - Assumes fixing the base value at the current assessment of vacant land. If base value was determined to be land PILOT payments would go up.

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$200,000
- Mortgage Recording Taxes: \$65,000
- Real Property Taxes: \$211,065
 - Assumes fixing the base value at the current assessment of vacant land. If base value was determined to be land real property tax exemptions would go down.
- Other: N/A

Employment Impact:

- Projected Permanent: (1) new jobs with up to an additional 2 new jobs
- Projected Construction: (50) 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 7/17/14.
- Approved the site plan on 7/17/14.

Estimated IDA Fee

- Fee amount: TBD

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.