

**TO:** City of Albany Industrial Development Agency Board

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

**RE:** Dilek, LLC - IDA Application Final Summary

**DATE:** July 13, 2012

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**Applicant:** Dilek, LLC

**Managing Members (% of Ownership):** Yusuf Dincer (51%), Ayse Dincer (49%)

**Project Location:** 423-425 Madison Avenue

**Project Description:** This building, located prominently on the northeast corner of Lark Street and Madison Avenue, has been vacant for over a year. The applicant proposes demolishing the existing one story structure and constructing a new three story, 7,000 sq.ft. mixed-use structure. The building will house 6 market rate apartments (one bedroom) on floors 2-3 and 2,500 sq.ft. of restaurant space on the first floor. The proposed building provides a scale and identity that had been previously present and eventually removed. The proposed restaurant will add texture and vibrancy on this highly visible corner while the apartment units will expand residential capacity within the district. The project has received support from various neighborhood stakeholders, including the Hudson/ Park Neighborhood Association.

**Estimated Project Cost:** \$1,944,415 (estimated amount spent to date \$352,293)

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$800,000 (includes both building and restaurant up-fit)

**Estimated Total Mortgage Amount:** \$1,200,000 (for building only)

**Current Assessment:** \$225,700 (will be reduced to approximately \$24,400 upon demolition of existing building per discussion with Commissioner of Assessment & Taxation)

**Estimated Improved Assessment:** \$360,000 (per discussion with Commissioner of Assessment & Taxation)

**Requested PILOT:** Agency URTIP PILOT which equates to 100% abatement on the increased assessment value for the first 7 years. At which time the abatement on the increased assessment value decreases at 25% per year for the following 3 years. Full assessment will be paid in Year 11 and every year thereafter.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments: \$41,149 (over 10 year PILOT period)

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$64,000
- Mortgage Recording Taxes: \$15,000
- Real Property Taxes: \$142,665 (over 10 year PILOT period)
- Other: N/A

**Employment Impact:**

- Projected Permanent: (19) new FTEs via restaurant staff
- Projected Construction: (14) new FTE jobs

**Other Economic Impacts:**

- Adds to the supply of residential rental to help meet the demand for such living options in the area
- Increases consumer base to support Lark Street businesses
- Offers another option to Lark Street dining that will likely attract consumers outside of the neighborhood
- Increases local sales tax revenues
- Increases Lark Street BID revenues that will be used to further the betterment of the district

**Strategic Initiatives:**

- Albany 2030
  - Furthers the plan’s vision to provide safe, livable neighborhoods that include walkable streets, housing choices, mixed-use neighborhood centers, and access to downtown.
  - Provides architectural compatibility between new and existing development.
  - Targets blighting influences.
  - Enhances, promotes, and strengthens the neighborhood centers by supporting small, local businesses.
- Park South Urban Renewal
  - Project is located just outside renewal plan area, but will assist in strengthening the northeast corner of plan area.

**Planning Board Actions:**

- Issued a Negative Declaration for this Type 1 Action as per the provisions of SEQR on 1/19/12.
- Approved the site plan on 1/19/12 with the following conditions:
  - The applicant shall obtain final approval from the Department of Water & Water Supply.
  - The applicant shall obtain final approval from the Traffic Engineering Unit.

**Estimated IDA Fee**

- Fee amount: \$19,445

**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.