

Albany Industrial Development Agency

21 Lodge Street
Albany, New York 12207
Telephone: (518) 434-2532
Fax: (518) 434-9846

Tracy Metzger, *Chair*
Darius Shahinfar, *Treasurer*
Susan Pedo, *Vice Chair*
C. Anthony Owens, *Secretary*
Lee Eck
Dominick Calsolaro
Robert Schofield

Sarah Reginelli, *Chief Executive Officer*
Mark Opalka, *Chief Financial Officer*
John Reilly, *Agency Counsel*

To: Tracy Metzger
Darius Shahinfar
Susan Pedo
Anthony Owens
Lee Eck
Dominick Calsolaro
Robert Schofield

Sarah Reginelli
John Reilly
Joe Scott
Mark Opalka
Brad Chevalier
Andy Corcione
Chantel Burnash
Sabina Mora

Date: April 6, 2015

AGENDA

A meeting of the Finance Committee of the City of Albany Industrial Development Agency will be held on **Wednesday, April 8th at 12:15 PM** at 21 Lodge Street, Albany, NY 12207 (Conference Room)

Roll Call

Approval of Minutes of the Finance Committee Meeting of March 11, 2015

Approval of Minutes of the Finance Committee Meeting of March 11, 2015

Unfinished Business

- One Columbia Place Realty, LLC
 - Positive/Negative recommendation to Board
- Kenwood Apartments, LLC
 - Positive/Negative recommendation to Board

New Business

- 40-48 S Pearl Street, LLC
 - Positive/Negative recommendation for Public Hearing

Other Business

Adjournment

***The next regularly scheduled Finance Committee meeting will be held
Tuesday, May 12th at 21 Lodge Street, Albany, NY**

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IDA MINUTES OF FINANCE COMMITTEE MEETING Wednesday, March 11, 2015

Attending: Tracy Metzger, Susan Pedo, Lee Eck and Darius Shahinfar

Absent: C. Anthony Owens

Also Present: Dominick Calsolaro, Robert Schofield, Joseph Scott, John Reilly, Sarah Reginelli, Brad Chevalier, Mark Opalka, Andy Corcione, Sabina Mora, Ashley Lavigne, Amy Gardner and Chantel Burnash

Chair C. Anthony Owens, called the Finance Committee meeting of the IDA to order at 12:15 PM.

Roll Call

Acting Chair Tracy Metzger reported that all Committee members were present, except C. Anthony Owens.

Reading of Minutes of the February 11, 2015 Finance Committee Meeting

Since the minutes of the previous meeting had been distributed to Committee members in advance for review, Acting Chair Tracy Metzger made a proposal to dispense with the reading of the minutes.

Approval of Minutes of the February 11, 2015 Finance Committee Meeting

Acting Chair Tracy Metzger proposed to approve the minutes of the Finance Committee Meeting of February 11, 2015 as presented. Darius Shahinfar moved, seconded by Lee Eck, to accept the minutes as presented. The Members voted unanimously in favor and the motion carried.

Unfinished Business

SUNY Associates, LLC – Economic Benefit Analysis

Staff advised the Committee that the Applicant's economic benefit analysis was received and is included in the meeting materials. Donald Zee from SUNY Associates, LLC was present to discuss the highlights of the analysis. Staff advised the Board that if any further questions or points of clarification arose, they could direct them to the Applicant through staff prior to the upcoming Board meeting.

CDP Holland, LLC – Economic Benefit Analysis

Staff advised the Committee that the Applicant's economic benefit analysis was received and is included in the meeting materials. Bill Hoblock from CDP Holland, LLC was present to discuss the highlights of the analysis. Staff advised the Board that if any further questions or points of clarification arose, they could direct them to the Applicant through staff prior to the upcoming Board meeting.

One Columbia Place Realty, LLC – Update and Discussion

Marc Paquin from One Columbia Place Realty, LLC was present to answer questions or respond to concerns of the Committee. Staff is awaiting a letter from the City of Albany Assessor, to determine the estimated percent abatement after the proposed payments. Staff would like to continue discussions with Applicant regarding the outer years. The Applicant is working to appear before the Planning Board for site plan approval.

Counsel will continue to monitor Part W (Reform the Industrial Development Authority program) of the Governor's Executive Budget. It was not included in the Assembly's one-house budget proposal. The Committee asked Counsel to be prepared to act and have a plan in place for the week of March 23rd if it appears the legislation may be included in the 2015-2016 Enacted Budget.

Kenwood Apartments, LLC – Update and Discussion

Applicant was present to answer questions or respond to concerns of the Committee. Staff indicated that there was a successful, pre-screening walk through of the Kenwood Convent property with the New York State Historic Preservation Office (SHPO). The Applicant noted a willingness to consider shortening the term from 22 years to 20 years. The Committee clarified that the applicant had not changed their position on the payment schedule or removal of the 'greater than' provision. The Committee asked staff to work with the Applicant because of the uniqueness of the Project compared to any other applications seen by the Board, to produce a creative and fair solution that may amend the 'greater than' provision but continues to protect the taxing jurisdictions and stays in line with policies and guidelines already in place.

New Business

Due to time constraints, the project introduction for 40-48 South Pearl Street, LLC will be moved to the next Board meeting.

Other Business

Staff introduced new staff members, Sabina Mora and Ashley Lavigne, to the Committee. Both of them were hired as senior economic developers.

Acting Chair Tracy Metzger adjourned the meeting at 1:51 PM.

Acting Chair Tracy Metzger re-opened the meeting at 1:52 PM.

In response to a question posed by a Member, staff and the Committee discussed the potential for lenders' concerns related to financing projects tied to tax abatement packages.

There being no further business, Acting Chair Tracy Metzger adjourned the meeting at 2:10 PM.

Respectfully submitted,

C. Anthony Owens, Secretary

TO: City of Albany Industrial Development Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: Kenwood Apartments, LLC – Revised IDA Application Summary

DATE: April 6, 2015

Staff Notes:

This project summary is in response to the request for financial assistance by the Applicant which was formally introduced at the February 11th, 2015 Finance Committee meeting. The project was subsequently discussed at the February 19th, 2015 Board meeting. A public hearing on this project was held on March 11th, 2015. The project was subsequently discussed at the March 11th, 2015 Finance Committee meeting. Staff seeks feedback and direction from the Finance Committee. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.

Applicant: Kenwood Apartments, LLC

Managing Members (% of Ownership): Hampstead America LLC (percentages TBD).

Project Location: 451 Southern Blvd

Project Description: The project is the revitalization of a deteriorating 73 acre property, the vacant former Doane Stuart School campus. The Applicant plans a full renovation of the entire existing main building (137,000 SF) and school (62,500 SF) into 125 market rate apartments. Additionally, the project will preserve the Chapel and renovate both the Vicarage (2,800 SF) and Priest's House (1,100 SF) for commercial uses. The Applicant currently has a \$150,000 deposit to purchase the property for \$2.9 M.

Estimated Project Cost: \$30,295,350 (estimated amount spent to date \$165,000)

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$11,402,050

Estimated Total Mortgage Amount: \$24,236,280

Current Total Assessment: \$9,000,000 (Note: Currently tax-exempt property)

- City Assessor would lower the assessment value to purchase price (est. at \$2,900,000 million)

Estimated Improved Total Assessment: \$7,500,000

Requested PILOT: Applicant proposes entering into a PILOT agreement with the IDA with an abatement period of 22 years. The Applicant has requested that the PILOT payments be fixed for the term of the PILOT.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$1,293,899 (22 Years) \$1,077,538 (20 Years)

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$912,164
- Mortgage Recording Taxes: \$302,954
- Real Property Taxes: \$8,915,866 (22 Years) vs. \$8,009,625 (20 Years)
- Other: N/A

Proposed PILOT Changes Being Contemplated:

- Shortening the term from 22 years to 20 years (see revised schedule and numbers herein)
- Instituting a “Project ROI Excess Sharing Payments” provision by which, generally:
 - The Company will provide to the Agency, among other things, financial statements certified by Company’s Chief Financial Officer (or equivalent) documenting Annual Revenues, Annual Expenditures, Net Operating Income, if any, and Remaining Net Income, if any. These will be reviewed by a third party to determine annual ROI.
 - During years when the annual ROI would exceed a set percentage, the affected taxing jurisdictions would receive a percent of all excess return until all abated taxes were received.
 - The calculation would also be triggered upon refinancing or sale of the Project.

Employment Impact:

- Projected Permanent: (5) new FTEs
- Projected Construction: (130) jobs

Strategic Initiatives:

- Albany 2030
 - Increase job opportunities for all residents.
 - Encourage investment in urban land and historic 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:

- Applicant has yet to appear before the Planning Board.
- Applicant has yet to seek site plan approval.

Estimated IDA Fee

- Fee amount: \$302,953.50

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.

Kenwood Apartments, LLC - Proposed PILOT Analysis of Changes Being Contemplated													
PILOT Year	City and County Tax Year	School Tax Year	Tax Rate ⁽³⁾	Status Quo		Proposed Project							
						Normal Tax			PILOT				
				Estimated Total Assessment ⁽⁴⁾	Estimated Total Taxes ⁽⁵⁾	Estimated Total Improved Assessment ⁽⁶⁾	Estimated Total Taxes w/o PILOT ⁽⁷⁾	Estimated Total Taxes w/o PILOT Per Unit ⁽⁸⁾	Estimated PILOT Payments ⁽⁹⁾	Estimated Abatement ⁽¹⁰⁾	Estimated PILOT Payments Per Unit ⁽¹¹⁾	Estimated Abatement Per Unit ⁽¹²⁾	% Abatement on Total Assessment ⁽¹³⁾
Construction	2016	2015/2016	\$48.89	\$2,900,000	\$0	-	-	-	-	-	-	-	-
1 ⁽¹⁾	2017	2016/2017	\$49.87	\$2,900,000	\$0	\$7,500,000	\$373,998	\$2,992	\$24,638	\$349,360	\$197	\$2,795	93.41%
2	2018	2017/2018	\$50.86	\$2,900,000	\$0	\$7,500,000	\$381,478	\$3,052	\$24,638	\$356,840	\$197	\$2,855	93.54%
3	2019	2018/2019	\$51.88	\$2,900,000	\$0	\$7,500,000	\$389,107	\$3,113	\$24,638	\$364,469	\$197	\$2,916	93.67%
4	2020	2019/2020	\$52.92	\$2,900,000	\$0	\$7,500,000	\$396,889	\$3,175	\$24,638	\$372,251	\$197	\$2,978	93.79%
5	2021	2020/2021	\$53.98	\$2,900,000	\$0	\$7,500,000	\$404,827	\$3,239	\$24,638	\$380,189	\$197	\$3,042	93.91%
6	2022	2021/2022	\$55.06	\$2,900,000	\$0	\$7,500,000	\$412,924	\$3,303	\$24,638	\$388,286	\$197	\$3,106	94.03%
7	2023	2022/2023	\$56.16	\$2,900,000	\$0	\$7,500,000	\$421,182	\$3,369	\$27,979	\$393,203	\$224	\$3,146	93.36%
8	2024	2023/2024	\$57.28	\$2,900,000	\$0	\$7,500,000	\$429,606	\$3,437	\$31,321	\$398,285	\$251	\$3,186	92.71%
9	2025	2024/2025	\$58.43	\$2,900,000	\$0	\$7,500,000	\$438,198	\$3,506	\$34,662	\$403,536	\$277	\$3,228	92.09%
10	2026	2025/2026	\$59.59	\$2,900,000	\$0	\$7,500,000	\$446,962	\$3,576	\$38,004	\$408,958	\$304	\$3,272	91.50%
11	2027	2026/2027	\$60.79	\$2,900,000	\$0	\$7,500,000	\$455,901	\$3,647	\$41,346	\$414,555	\$331	\$3,316	90.93%
12	2028	2027/2028	\$62.00	\$2,900,000	\$0	\$7,500,000	\$465,019	\$3,720	\$58,054	\$406,965	\$464	\$3,256	87.52%
13	2029	2028/2029	\$63.24	\$2,900,000	\$0	\$7,500,000	\$474,320	\$3,795	\$74,762	\$399,558	\$598	\$3,196	84.24%
14	2030	2029/2030	\$64.51	\$2,900,000	\$0	\$7,500,000	\$483,806	\$3,870	\$74,762	\$409,044	\$598	\$3,272	84.55%
15	2031	2030/2031	\$65.80	\$2,900,000	\$0	\$7,500,000	\$493,482	\$3,948	\$91,470	\$402,012	\$732	\$3,216	81.46%
16	2032	2031/2032	\$67.11	\$2,900,000	\$0	\$7,500,000	\$503,352	\$4,027	\$91,470	\$411,882	\$732	\$3,295	81.83%
17	2033	2032/2033	\$68.46	\$2,900,000	\$0	\$7,500,000	\$513,419	\$4,107	\$91,470	\$421,949	\$732	\$3,376	82.18%
18	2034	2033/2034	\$69.82	\$2,900,000	\$0	\$7,500,000	\$523,687	\$4,189	\$91,470	\$432,217	\$732	\$3,458	82.53%
19	2035	2034/2035	\$71.22	\$2,900,000	\$0	\$7,500,000	\$534,161	\$4,273	\$91,470	\$442,691	\$732	\$3,542	82.88%
20	2036	2035/2036	\$72.65	\$2,900,000	\$0	\$7,500,000	\$544,844	\$4,359	\$91,470	\$453,374	\$732	\$3,627	83.21%
Permanent ⁽¹⁴⁾	2039	2038/2039	\$77.09	\$2,900,000	\$0	\$7,500,000	\$578,187	\$4,625	-	-	-	-	-
Estimated Total ⁽¹⁴⁾					\$0		\$9,087,163		\$1,077,538	\$8,009,625			
Notes: (1) Estimated start of PILOT payments. (2) Property returns to taxable status. (3) Estimated tax rate (does not include any special ad volereum taxes that are still payable under PILOT) based on City and County 2015 tax year and School 2014/2015 tax year with estimated escalation of 2.0% thereafter. DOES NOT INCLUDE LIBRARY TAX RATES THAT ARE STILL PAYABLE. Note: Applicant has assumed a static tax rate for the entire term of the PILOT. (4) Per Commissioner of Department of Assessment & Taxation would lower current total assessment value to purchase price. (5) Estimated taxes if proposed project did not occur (i.e. left status quo). DOES NOT INCLUDE LIBRARY TAXES THAT ARE STILL PAYABLE. (6) Per Commissioner of Department of Assessment & Taxation based on estimate of \$60,000 per unit (inc. land and improvement assessment value). Assessment value is <u>not</u> fixed. (7) Estimated taxes if proposed project occurred without PILOT assistance. DOES NOT INCLUDE LIBRARY TAXES THAT ARE STILL PAYABLE. (8) Estimated taxes <u>Per Unit</u> if proposed project occurred without PILOT assistance. DOES NOT INCLUDE LIBRARY TAXES THAT ARE STILL PAYABLE. (9) <u>Fixed</u> PILOT Payments assuming Applicant PILOT request (except for Year 21 and Year 22 which has been removed). DOES NOT INCLUDE LIBRARY TAXES THAT ARE STILL PAYABLE. (10) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Applicant PILOT request. (11) Estimated PILOT Payments <u>Per Unit</u> assuming Applicant PILOT request. DOES NOT INCLUDE LIBRARY TAXES THAT ARE STILL PAYABLE. (12) Difference of Estimated PILOT Payments <u>Per Unit</u> from Estimated Total Taxes w/o PILOT <u>Per Unit</u> assuming Applicant PILOT request. (13) Percent Abatement on Total Assessment via PILOT assuming Applicant PILOT request. (14) Totals for comparison and analysis during PILOT agreement period only.													

Analysis is ONLY an estimate

TO: City of Albany Industrial Development Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: 40-48 South Pearl Street, LLC - IDA Application Summary

DATE: April 6, 2015

Applicant: 40-48 South Pearl Street, LLC

Managing Members (% of Ownership): Christopher Maddalone and Seth Meltzer (70% and 30%, respectively).

Project Location: 40-48 South Pearl St

Project Description: The project is the revitalization of two adjoining vacant buildings encompassing 24,000 SF directly across from the Times Union Center. The property will be converted into 16 market rate apartments (17,700 SF) on the upper floors, a 4,500 SF restaurant and three retail spaces of approx. 600 SF each at ground level. The Applicant currently has a \$5,000 deposit to purchase the property.

Estimated Project Cost: \$2,442,625 (estimated amount spent to date \$26,800)

Type of Financing: N/A

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$800,000

Estimated Total Mortgage Amount: \$2,075,000

Current Total Assessment: \$986,000

Estimated Improved Total Assessment: \$1,360,000 (\$65,311 per unit)

Requested PILOT: (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: \$64,000
- Mortgage Recording Taxes: \$25,312
- Real Property Taxes: N/A
- Other: N/A

Employment Impact:

- Projected Permanent: 35 jobs
- Projected Construction: 15 jobs

Strategic Initiatives:

- Albany 2030
 - Increase job opportunities for all residents.
 - Encourage investment in urban land and historic 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.
- Revitalization and diversification of downtown - adaptive reuse of underutilized or vacant buildings

Planning Board Actions:

- Applicant has yet to appear before the Planning Board.
- Applicant has yet to seek site plan approval.

Estimated IDA Fee

- Fee amount: \$12,213

Mission

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April 7, 2015

Ms. Sarah Reginelli
Capitalize Albany
21 Lodge Street
Albany, NY 12207

Ms. Tracy Metzger
City of Albany IDA
21 Lodge Street
Albany, NY 12207

Dear Ms. Reginelli & Ms. Metzger:

We have reviewed the proposed “ROI Excess Sharing” plan that you provided to us on Friday.

While we appreciate the hard work that you and your staff have expended moving our application along thus far, there remain some details that need to be resolved before we can proceed with this project.

We have been exceedingly clear, from our earliest discussions, as to what was needed—in terms of PILOT length and abatement levels—to save these building and move forward. We have explained the enormous risks that we are willing to take in this venture and have detailed how our willingness to assume this risk is more born out of an enthusiasm for the buildings and property than of “good business sense”. All of this is ultimately evidenced by the fact that the property has remained on the market for as long as it has – and that, to our knowledge there are no other potential buyers at this time.

Although we remain willing to agree to the sharing of “excess” ROI, as a means of expediting this process—please don’t mistake that willingness for enthusiasm. We believe that the PILOT is a means of incentivizing risk. That is the essence of the exchange: We agree to undertake and fund the risk, you agree to issue the abatements. If we should be so fortunate as to have a successful project, that success does not devalue the risk that was assumed at the onset. Perhaps we should consider a far more “normal” arrangement of “reward sharing” in which there is an equal sharing of the risk: In other words, if the project suffers from the very real possibility of early losses is the IDA willing to fund 50% of those losses?

Originally we suggested 20% as a fair cutoff point for ROI sharing. This was based on the simple idea that higher risk should have the potential for higher reward. It did not seem sensible to curtail our upside below what we would hope to see in returns on an equivalent project in a nearby community. For perspective, the average returns on the US General Real Estate

Subsector and Real Estate Operations & Services Subsector are currently just under 25% and just over 16% respectively.

It was subsequently suggested that 15% would be a more easily accepted number and we adjusted our request accordingly. 10% is an absolute non-starter. In fact upon further review we consider 15% to be our final non-negotiable floor.

We would also request that your staff and counsel work with ours to simplify the language of the sharing agreement. While we recognize that there needs to be language in place to cover the potential issues of sale or refinance of the project, the essence of the agreement should be based on a good faith relationship and an understanding that we are in this to create the highest quality, most successful project that we can. We have stated our willingness to provide you with independently audited tax returns as a means of evaluating our results. All language of additional audits, access to our records, and adjustment of expenditures to “customary reasonable amounts” must be removed.

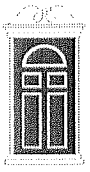
While we appreciate that the normal course of these applications likely involve more back and forth negotiation, we can only reiterate what we’ve stated many times, that we are willing to undertake this project which is well outside our normal risk parameters—that, because of the extremely expedited manner in which we were seeking your support, we were clear and transparent about our absolute needs from the onset—and that we have in fact been willing to accept changes to our original requests both in terms of time frame, SHPO considerations, and Return of ROI.

While we are aware that both the size and timing of our request have presented difficult challenges for your team, we still believe that our proposal presents a unique and overwhelmingly positive opportunity for the City of Albany to save a beautiful and historically significant property and to gradually transform it from a vacant property that has been off the tax rolls for well over 150 years to a vibrant and productive, tax-paying, component of the City.

We hope that you can expedite these changes and recommend to the finance committee that they move our proposal forward to the Board for a positive vote on April 23rd as is required by our purchase contract.

Sincerely,

Mark Haworth, Sonny Bonacio
Kenwood Apartments LLC.



**MADDALONE
& ASSOCIATES, INC.**

Real Estate Development
& Property Management

600 Franklin Street, Suite 103
Schenectady, NY 12305

March 23, 2015

Tracy Metzger
Chair
City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207

RE: Request for IDA Assistance for 40-48 S Pearl Street LLC Project

Dear Ms. Metzger:

Attached is a completed application, as well as the appropriate supplementary material required by the City of Albany Industrial Development Agency for the consideration of financial assistance associated with the 40-48 S Pearl Street LLC project.

Brief Description of Project

The principals will purchase and renovate 24,000 square foot building located downtown directly across from the Times Union Center in Albany, NY. It will be converted to mixed use, including 16 apartments, a 4,500 sq ft restaurant, and 3 retail spaces approx 600 sq ft each.

Brief Description of Assistance being Sought

We are seeking approval of the sales and use tax exemption, mortgage recording tax exemption, and the 485A tax abatement program through the City of Albany.

Reason for Request for Assistance

This project will convert a vacant and blighted building in a crucial location of the city into a beautiful, bustling residence with retail on the first floor and tenants upstairs to support it. The successful renovation of this building will benefit taxpayers and increase the value of the neighborhood. The economics of this project do not work without this IDA assistance.

Please do not hesitate to contact me if you should have any questions or find additional information is needed. I look forward to working with the Agency on this project. Thank you.

Sincerely,

Seth R. Meltzer
Managing Member

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the City of Albany Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

This application by applicant respectfully states:

APPLICANT: 40-48 S Pearl Street LLC

APPLICANT'S ADDRESS: 600 Franklin St STE 103

CITY: Schenectady STATE: NY ZIP CODE: 12305

PHONE NO.: 518-346-8600 FAX NO.: 518-346-8800 E-MAIL: seth@maddalone.net

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION:

Seth R. Meltzer

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: Charles B. Rosenstein

ATTORNEY'S ADDRESS: 465 New Karner Rd

CITY: Albany STATE: NY ZIP CODE: 12205

PHONE NO.: (518) 452-6979 FAX NO.: (518) 452-6873 E-MAIL: crostein@cbirlaw.net

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THIS FORM.

INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return eight (8) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the Project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel/special counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the Project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of One Thousand Five Hundred Dollars (\$1,500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.

10. The Agency has also established an administrative fee equal to (A) one percent (1%) of the cost of the Project in the case of an Agency Straight Lease Transaction, and (B) one percent (1%) of the aggregate principal amount of the bonds to be issued by the Agency in the case of an Agency Bond Transaction. The Agency has also established an administrative fee for the issuance of refunding bonds for Agency Bond Transactions. The formula for the calculation of the administrative fee for the issuance of refunding bonds is outlined in the Agency's Policy Manual. THESE FEES ARE PAYABLE ON THE CLOSING DATE.

FOR AGENCY USE ONLY

1. Project Number	
2. Date application Received by Agency	, 20
3. Date application referred to attorney for review	, 20
4. Date copy of application mailed to members	, 20
5. Date notice of Agency meeting on application posted	, 20
6. Date notice of Agency meeting on application mailed	, 20
7. Date of Agency meeting on application	, 20
8. Date Agency conditionally approved application	, 20
9. Date scheduled for public hearing	, 20
10. Date Environmental Assessment Form ("EAF") received	, 20
11. Date Agency completed environmental review	, 20
12. Date of final approval of application	, 20

SUMMARY OF PROJECT

Applicant: 40-48 S Pearl Street LLC

Contact Person: Seth R. Meltzer

Phone Number: 518-275-5699

Occupant: 40-48 S Pearl Street LLC

Project Location: 40-48 South Pearl Street, Albany, NY 12207

Approximate Size of Project Site: 24,000 square feet

Description of Project:

Purchase and renovate, convert it to mixed use, 17 apartments, a restaurant, and retail

Type of Project: ☐ Manufacturing ☐ Warehouse/Distribution
☐ Commercial ☐ Not-For-Profit
☒ Other-Specify

Employment Impact: Existing Jobs 0
New Jobs 35

Project Cost: \$ 2,442,625

Type of Financing: ☐ Tax-Exempt ☐ Taxable ☒ Straight Lease

Amount of Bonds Requested: \$ 0.00

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:
Mortgage Recording Taxes:
Real Property Tax Exemptions:
Other (please specify):

\$ 64,000 (Est.)
\$ 25,312 (Est.)
\$ 0.00
\$ 0.00

I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER, THE "COMPANY").

A. Identity of Company:

1. Company Name: 40-48 S Pearl Street LLC

Present Address: 600 Franklin St Suite 103

Zip Code: Schenectady NY 12305

Employer's ID No.: 47-291 2845

2. If the Company differs from the Applicant, give details of relationship:

3. Indicate type of business organization of Company:

a. ☐ Corporation (If so, incorporated in what country?

What State? _____ Date Incorporated? _____ Type of Corporation? _____ Authorized to do business in New York? Yes ☐; No ☐.

b. ☐ Partnership (if so, indicate type of partnership _____, Number of general partners _____, Number of limited partners _____).

c. ☒ Limited liability company, Date created? 11/27/15.

d. ☐ Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:

B. Management of Company:

1. List all owners, officers, members, directors and partners (complete all columns for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
Seth Ryan Meltzer Christopher Maddalone	Managing Member Member	Maddalone & Assoc VP Maddalone & Assoc CEO

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes ☐; No ☒.

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ☐; No ☒.

4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes ☐; No ☒.
(If yes to any of the foregoing, furnish details in a separate attachment).

5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment.

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Yes ☐; No ☒.
If yes, list exchanges where stock traded:

2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
Seth R. Meltzer	600 Franklin St Ste103 Sche	30%
Christopher Maddalone	600 Franklin St Ste103 Sche	70%

D. Company's Principal Bank(s) of account:

SEFCU

II. DATA REGARDING PROPOSED PROJECT

A. Summary: (Please provide a brief narrative description of the Project.)

Purchase and renovate 24,000 square foot building located downtown directly across from the
including 16 apartments, a 4,500 sq ft restaurant, and 3 retail spaces approx 600 sq ft each.

B. Location of Proposed Project:

1. Street Address 40-48 South Pearl St Albany NY 12207
2. City of Albany
3. Town of
4. Village of
5. County of Albany

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: 24 acres

Is a map, survey or sketch of the project site attached? Yes ☒; No ☐

2. Are there existing buildings on project site? Yes ☒; No ☐

a. If yes, indicate number and approximate size (in square feet) of each existing building:

2 combined buildings 24,000 sq ft

b. Are existing buildings in operation? Yes ☐; No ☒

If yes, describe present use of present buildings:

c. Are existing buildings abandoned? Yes ☐; No ☒. About to be abandoned? Yes ☐; No ☐. If yes, describe:

d. Attach photograph of present buildings. ✓

3. Utilities serving project site:
Water-Municipal:
Other (describe)
Sewer-Municipal:
Other (describe)
Electric-Utility:
Other (describe)
Heat-Utility:
Other (describe)
4. Present legal owner of project site: 40-48 South Pearl Street of Albany LLC
- a. If the Company owns project site, indicate date of purchase: _____, 20____; Purchase price: \$_____.
- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes ☒; No ☐. If yes, indicate date option signed with owner: Jan 13, 2015; and the date the option expires: _____, 20____.
- c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes ☐; No ☐. If yes, describe:

5. a. Zoning District in which the project site is located:

C-3

- b. ☒ Are there any variances or special permits affecting the site? Yes ☐; No ☒. If yes, list below and attach copies of all such variances or special permits:

D. Buildings:

1. ☒ Does part of the Project consist of a new building or buildings? Yes ☐; No ☒. If yes, indicate number and size of new buildings:

2. Does part of the Project consist of additions and/or renovations to the existing buildings? Yes ☒; No ☐. If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:

Both buildings updating interiors to fit out apartment units

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded:

Mixed use residential rental.

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes ☒; No ☐. If yes, describe the Equipment:
2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes ☐; No ☒. If yes, please provided detail:
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:
For residential living and commercial restaurant/retail usage

F. Project Use:

1. What are the principal products to be produced at the Project?
mixed use residential rental and commercial space
2. What are the principal activities to be conducted at the Project?
mixed use residential rental and commercial space
3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes ☒; No ☐. If yes, please provide detail:
Commercial space, retail and commercial
4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? 100 %
5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:

- a. Will the Project be operated by a not-for-profit corporation? Yes ☐; No ☒. If yes, please explain:
- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes ☐; No ☒. If yes, please explain:
- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes ☐; No ☒. If yes, please explain:
- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonable accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes ☐; No ☒. If yes, please provide detail:
- e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes ☒; No ☐. If yes, please explain: _____

Property in former Empire Zone, census tract 11

6. If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes ☒; No ☐. If yes, please explain: Yes new jobs through retail/commercial space
7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes ☐; No ☒. If yes, please explain:

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes ☐; No ☒. If yes, please provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

a. Is the Project reasonably necessary to preserve the competitive position of the Company on such Project Occupant in its industry? Yes ☐; No ☐. If yes, please provide detail:

NA

b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes ☐; No ☐. If yes, please provide detail:

NA

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

Planning dept, building dept, Historic preservation office

2. Describe the nature of the involvement of the federal, state or local agencies described above:

Require site plan approval, necessary variances

H. Construction Status:

1. Has construction work on this Project begun? Yes ☐; No ☒. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

2. Please indicate amount of funds expended on this Project by the Company in the past three (3) years and the purposes of such expenditures:

\$5,000.00 deposit on purchase
\$1,500.00 Survey
\$25,300 Engineering work

I. Method of Construction After Agency Approval:

1. If the Agency approves the Project which is the subject of this application, there are two methods that may be used to construct the Project. The applicant can construct the Project privately and sell the Project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the Project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the Project? Yes ☒; No ☐.

2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes ☒; No ☐.

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT. (PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes ☒; No ☐. If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee name: Residential tenants to be determined

Present Address:

City: _____ State: _____ Zip: _____

Employer's ID No.:

Sublessee is: ☐ Corporation: ☐ Partnership: ☐ Sole Proprietorship

Relationship to Company:

Percentage of Project to be leased or subleased:

Use of Project intended by Sublessee:

Date of lease or sublease to Sublessee:

Term of lease or sublease to Sublessee:

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ☐; No ☐. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

2. Sublessee name: *Commercial restaurant tenant to be determined*
 Present Address:
 City: _____ State: _____ Zip: _____
 Employer's ID No.: _____
 Sublessee is:
☐ Corporation: ☐ Partnership: ☐ Sole Proprietorship
 Relationship to Company:
 Percentage of Project to be leased or subleased:
 Use of Project intended by Sublessee:
 Date of lease or sublease to Sublessee:
 Term of lease or sublease to Sublessee: _____
 Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ☐; No ☐. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

3. Sublessee name: *Commercial retail tenants to be determined*
 Present Address:
 City: _____ State: _____ Zip: _____
 Employer's ID No.: _____
 Sublessee is: ☐ Corporation: ☐ Partnership: ☐ Sole Proprietorship
 Relationship to Company:
 Percentage of Project to be leased or subleased:
 Use of Project intended by Sublessee:
 Date of lease or sublease to Sublessee:
 Term of lease or sublease to Sublessee: _____
 Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ☐; No ☐. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? *1,200 sq ft commercial space currently*

IV. Employment Impact *Occupied by a barbe shop on a month to month lease*

A. Indicate below the number of people presently employed at the project site and the number that will be employed at the project site at end of the first and second years after the Project has been completed (Do not include construction workers). Also indicate below the number of workers employed at the project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT					
	PROFESSIONAL MANAGERIAL	SKILLED	SEMI- SKILLED	UNSKILLED	TOTALS
Present Full Time	0	0	0	0	0
Present Part Time	0	0	0	0	0
Present Seasonal	0	0	0	0	0
First Year Full Time			3	3	6
First Year Part Time			10	12	22
First Year Seasonal					
Second Year Full Time			5	5	10
Second Year Part Time			14	15	29
Second Year Seasonal					

B. Please prepare a separate attachment describing in detail the types of employment at the project site. Such attachment should describe the activities or work performed for each type of employment.

V. Project Cost

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the project site and the construction of the proposed project including the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ <u>7</u> \$615,000.00
Buildings	\$ _____
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ _____
Costs of Bond issue (legal, financial	\$ _____

and printing) \$ _____
 Construction loan fees and interest \$ _____
 (if applicable) \$ _____
 Other (specify) \$ _____
 _____ \$ _____
 _____ \$ _____
 _____ \$ _____
 TOTAL PROJECT COST \$ 2,442,625

** Attached
a development
budget*

B. Have any of the above expenditures already been made by applicant?
 Yes ☐; No ☒. (If yes, indicate particular.)

V. BENEFITS EXPECTED FROM THE AGENCY

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the Project? Yes ☐; No ☒. If yes, indicate:
 - a. Amount of loan requested: Dollars;
 - b. Maturity requested: Years.
2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes ☐; No ☐.
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes:
 - a. retail food and beverage services: Yes ☐; No ☐
 - b. automobile sales or service: Yes ☐; No ☐
 - c. recreation or entertainment: Yes ☐; No ☐
 - d. golf course: Yes ☐; No ☐
 - e. country club: Yes ☐; No ☐
 - f. massage parlor: Yes ☐; No ☐
 - g. tennis club: Yes ☐; No ☐
 - h. skating facility (including roller
 - i. skating, skateboard and ice skating): Yes ☐; No ☐
 - j. racquet sports facility (including handball and racquetball court): Yes ☐; No ☐
 - k. hot tub facility: Yes ☐; No ☐
 - l. suntan facility: Yes ☐; No ☐
 - m. racetrack: Yes ☐; No ☐
4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment.

5. Is the Project located in the City's federally designated Enterprise Zone? Yes ☐; No ☒.
6. Is the applicant requesting the Agency to issue federally tax-exempt Enterprise Zone bonds? Yes ☐; No ☒.

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency? Yes ☐; No ☒.
2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes ☒; No ☐. If yes, what is the approximate amount of financing to be secured by mortgages? \$ 2,067,000.
3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes ☒; No ☐. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ 800,000.
4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

a.	N.Y.S. Sales and Compensating Use Taxes:	\$ 64,000 (Est.)
b.	Mortgage Recording Taxes:	\$ 25,312 (Est.)
c.	Real Property Tax Exemptions:	\$ _____
d.	Other (please specify):	\$ _____
	_____	\$ _____
	_____	\$ _____

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's tax-exemption policy contained in its Rules and Regulations? Yes ☐; No ☒. If yes, please explain.

6. ☐ Is the Project located in the City's state designated Empire Zone? Yes ☒; No ☐.

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VI. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency as follows:

- A. Job Listings. Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and with the administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B. First Consideration for Employment: In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C. City Human Rights Law. The Applicant agrees to endeavor to comply with the provisions of Article XI, Division 2 of the City Code, entitled "The Omnibus Human Rights Law". The Applicant understands that it is not subject to the provisions of The Omnibus Human Rights Law.
- D. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.
- F. Annual Employment Reports: The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the Project site.

TO: Project Applicants
 FROM: City of Albany Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for the City of Albany Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

Since we need this Questionnaire to be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	40-48 S Pearl Street LLC
2. Brief Identification of the Project:	
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ 0
B. Value of Sales Tax Exemption Sought	\$ 64,000 (est)
C. Value of Real Property Tax Exemption Sought	\$ 0
D. Value of Mortgage Recording Tax Exemption Sought	\$ 25,312 (est)

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ Included Below
2. Site preparation	\$ 11,450
3. Landscaping	\$ 0
4. Utilities and infrastructure development	\$
5. Access roads and parking development	\$
6. Other land-related costs (describe)	\$
B. Building-Related Costs	
1. Acquisition of existing structures	\$ 615,000
2. Renovation of existing structures	\$ 1,121,600
3. New construction costs	\$
4. Electrical systems	\$ 103,375
5. Heating, ventilation and air conditioning	\$ 144,900
6. Plumbing	\$ 39,200
7. Other building-related costs (describe)	\$

C. Machinery and Equipment Costs		
1.	Production and process equipment	\$
2.	Packaging equipment	\$
3.	Warehousing equipment	\$
4.	Installation costs for various equipment	\$
5.	Other equipment-related costs (describe)	\$
D. Furniture and Fixture Costs		
1.	Office furniture	\$
2.	Office equipment	\$
3.	Computers	\$
4.	Other furniture-related costs (describe)	\$
E. Working Capital Costs		
1.	Operation costs	\$
2.	Production costs	\$
3.	Raw materials	\$
4.	Debt service	\$
5.	Relocation costs	\$
6.	Skills training	\$
7.	Other working capital-related costs (describe)	\$
F. Professional Service Costs		
1.	Architecture and engineering	\$ 40,000
2.	Accounting/legal	\$ 10,000
3.	Other service-related costs (describe)	\$ 75,000
G. Other Costs		
1.	Paint, appliances, O+P	\$ 100,000
2.	Closing costs	\$ 82,100
H. Summary of Expenditures		
1.	Total Land-Related Costs	\$ 615,000
2.	Total Building-Related Costs	\$ 1,827,625
3.	Total Machinery and Equipment Costs	\$
4.	Total Furniture and Fixture Costs	\$
5.	Total Working Capital Costs	\$
6.	Total Professional Service Costs	\$
7.	Total Other Costs	\$

We will be seeking 485A tax abatement
Through The City of Albany which is as
PROJECTED PROFIT

of right for conversion

- I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization: *Projects of this nature*

YEAR	Without IDA benefits	With IDA benefits
1	\$ 51,432	\$ _____
2	\$ 51,432	\$ _____
3	\$ 51,432	\$ _____
4	\$ 51,432	\$ _____
5	\$ 51,432	\$ _____

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

- I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	6	\$ 30,000 - 55,000	\$ 14,400 - 26,400
Year 1	6	\$ 30,000 - 55,000	\$ 14,400 - 26,400
Year 2	3	\$ 30,000 - 55,000	\$ 7,200 - 13,200
Year 3		\$ _____	\$ _____
Year 4		\$ _____	\$ _____
Year 5		\$ _____	\$ _____

PROJECTED PERMANENT EMPLOYMENT IMPACT

- I. Please provide estimates of total number of existing permanent jobs to be preserved or retained as a result of the Project:

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year				
Year 1				
Year 2				
Year 3				
Year 4				
Year 5				

NA

II. Please provide estimates of total new permanent jobs to be created at the Project:

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	0	0	13	15
Year 1	0	0	20	20
Year 2	0	0	20	20
Year 3	0	2	20	24
Year 4	0	2	20	24
Year 5	0	2	20	26

III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

IV. Provide the projected percentage of employment that would be filled by City of Albany residents:

20% (Est.)

A. Provide a brief description of how the project expects to meet this percentage:

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	TO BE
Additional Sales Tax Paid on Additional Purchases	\$
Estimated Additional Sales (1 st full year following project completion)	Determined
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"):

NOT APPLICABLE

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year			
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

III. Please provide a brief description for the impact of other economic benefits expected to be produced as a result of the Project:

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge, such responses are true, correct and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

Date Signed: 2/26, 2015

Name of Person Completing Project Questionnaire on behalf of the Company.

Name: Seth R Meltzer

Title: Managing Member

Phone Number: 518-275-5699

Address: 600 Franklin St Ste 103

Schenectady NY 12305

Signature: [Signature]

CREATION OF NEW JOB SKILLS

New Job Skills	Number of Positions Created	Wage Rate
Service	10	\$5-12 / hour
Retail	29	\$9-15 / hour
Management	3-5	\$30,000 - 50,000/yr

19A-32

G. Absence of Conflicts of Interest: The applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

H. Local Labor Information: The applicant is aware of and understands the provisions of Part 24 of the Policy Manual of the Agency. Pursuant to Part 24 of the Policy Manual of the Agency, the applicant agrees to provide information, in form and substance satisfactory to the Agency, relating to construction activities for projects; specifically: (i) the Company's contact person responsible and accountable for providing information about the bidding for and awarding of construction contracts relative to this Application and the Project, (ii) the nature of construction jobs created by the Project, including the number, type, and duration of construction positions; and (iii) submit to the Agency a "Construction Completion Report" listing the names and business locations of prime contractors, subcontractors, and vendors who were engaged in the construction phase of the Project.

I. Additional Fee for Low Income Housing/Tax Credit (9% only) Projects: An annual administrative fee equal to \$10,000 shall be payable annually by the applicant on each January 1 for a term equal to ten (10) years. This annual administrative fee is in addition to the standard administrative fee for Agency Straight Lease Transactions and Agency Bond Transactions and is applicable to Projects which provide for low income housing/tax credit (9% only) projects.

J. Assignment of Agency Abatements: In connection with any Agency Straight Lease Transaction or Agency Bond Transaction, the Agency may grant to the applicant certain exemptions from mortgage recording taxes, sales and use taxes and real property taxes. The applicant understands that the grant of such exemptions by the Agency is intended to benefit the applicant. Subsequently, if the applicant determines to convey the Project and, in connection with such conveyance to assign such exemptions to the purchaser, the applicant understand that any such assignment is subject to review and consent by the Agency, together with the satisfaction of any conditions that may be imposed by the Agency.

K. Additional Information. Additional information regarding the requirements noted in this Application and other requirements of the Agency are included the Agency's Policy Manual which can be accessed at www.albanyida.com.

(Applicant)

BY: 

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 18 THROUGH 21 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 22

VERIFICATION

(If Applicant is a Corporation)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____ deposes and says that he is the
(Name of chief executive of applicant)

_____ of _____,
(Title) (Company Name)

the corporation named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. Deponent further says that the reason this verification is made by the deponent and not by said company is because the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

(officer of applicant)

Sworn to before me this
_____ day of _____, 20__.

(Notary Public)

VERIFICATION

(If applicant is sole proprietor)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____, deposes and says
(Name of Individual)

that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application.

Sworn to before me this
___ day of _____, 20__.

(Notary Public)

(If applicant is partnership)

012001.00005 Business 4118844v5

VERIFICATION

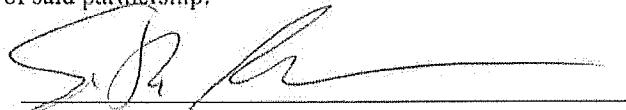
(If applicant is limited liability company)

STATE OF _____)
) SS.:
COUNTY OF _____)

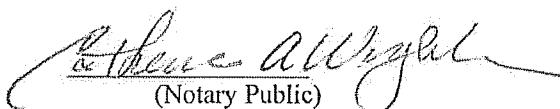
Seth Meltzer, deposes and says
(Name of Individual)

that he is one of the members of the firm of 40-48 S Pearl Street LLC,
(Partnership Name)

the partnership named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said partnership.

x 

Sworn to before me, this
2nd day of March 2015


(Notary Public)

Catherine A. Wightman
Commissioner of Deeds
Qualified in Schenectady County
Commission Expires 11/4/18

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 22 IS SIGNED BY THE APPLICANT.

HOLD HARMLESS AGREEMENT

Applicant hereby releases City of Albany Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issue of bonds requested therein are favorably acted upon by the Agency, and (ii) the Agency's financing of the Project described therein; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

(Applicant)

★

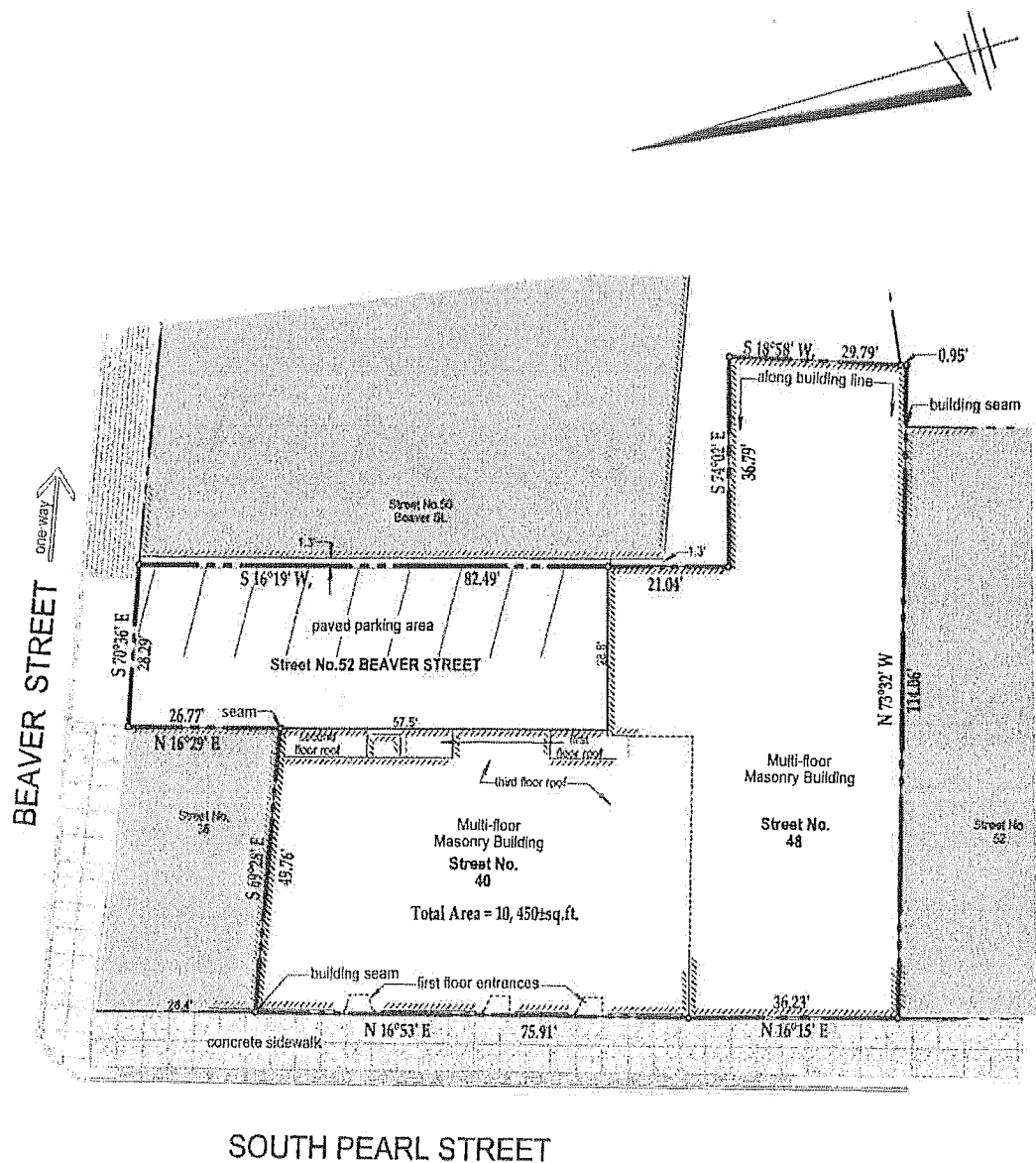
BY: SP4 [Signature]

Sworn to before me this

2nd day of March, 2015

[Signature]
(Notary Public)

Catherine A. Wightman
Commissioner of Deeds
Qualified in Schoharie County
Commission Expires 11/1/18



NOTE: DUE TO SNOW COVER ON THE PROPERTY, SOME PHYSICAL EVIDENCE OF EASEMENTS, RIGHT OF WAYS, PAVED AREA, ECT. MAY NOT BE SHOWN.

Unauthorized alteration or addition to a survey map bearing a licensed land surveyor's seal is a violation of Section 7209, subdivision 2, of the New York State Education Law

Only copies from the original of this survey marked with an original of the land surveyor's embossed seal shall be considered to be valid true copies

PLS #47416

TITLE:		SURVEY OF PREMISES KNOWN AS STREET NUMBERS 40 - 48 SOUTH PEARL STREET	
CITY:	ALBANY	STATE OF NEW YORK	COUNTY OF: ALBANY
DATE:	FEBRUARY 23, 2016		
BY:	RAYMOND A. KOCH P.L.S.		
SCALE:	1 inch = 20 FEET		
PROJECT NAME:	133 MOHAWK AVENUE SCOTIA, NEW YORK, 12302		
FILE NAME:	RAYMOND A. KOCH		

Certifications indicated herein signify that this survey was prepared in accordance with the existing Code of Practice for Land Surveying adopted by the New York State Association of Professional Land Surveyors and that the survey is originally prepared, and on this behalf in the title company, governmental agency and lending institution that herein, and to the witnesses of the finding institution. Certifications are not transferable to additional institutions or subsequent owners.

