

Albany Industrial Development Agency

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Tracy Metzger, *Chair*
Darius Shahinfar, *Treasurer*
Susan Pedo, *Secretary*
C. Anthony Owens
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
Amy Gardner

Date: December 9, 2014

AGENDA

PLEASE NOTE THAT A PUBLIC HEARING CONCERNING THE FOLLOWING PROJECT WILL BE HELD AT 12:00pm ON
Thursday, December 11th, 2014 at 21 Lodge St, Albany, NY 12207

Eleftheria Properties LLC

A meeting of the Finance Committee of the City of Albany Industrial Development Agency will be held on **Thursday, December 11th at 12:15 PM** at 21 Lodge Street, Albany, NY 12207 (Conference Room)

Roll Call

Reading of Minutes of the Finance Committee Meeting of November 13th, 2014

Approval of Minutes of the Finance Committee Meeting of November 13th, 2014

Unfinished Business

- Eleftheria Properties LLC discussion
- CDP Holland LLC

New Business

- None

Adjournment

*The next regularly scheduled Finance Committee meeting will be held
Wednesday, January 14th at 21 Lodge Street, Albany, NY

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Mark Opalka, *Interim Chief Financial*
John Reilly, *Agency Counsel*

IDA MINUTES OF FINANCE COMMITTEE MEETING

Thursday, November 13, 2014

Attending: Tracy Metzger, Susan Pedo, C. Anthony Owens, Lee Eck and Darius Shahinfar

Absent: Susan Pedo (left after 2015 Strategic Planning discussion to due to prior commitment)

Also Present: Dominick Calsolaro, Joseph Scott, Sarah Reginelli, Mark Opalka, Brad Chevalier, Andy Corcione and Amy Gardner

Acting Chairperson, C. Anthony Owens, called the Finance Committee meeting of the IDA to order at 12:16 PM.

Roll Call

Acting Chairperson, C. Anthony Owens, reported that all Committee members were present.

Reading of Minutes of the Finance Committee Meeting of October 14th, 2014

Since the minutes of the October 14th, 2014 meeting had been distributed to the Committee members in advance for review, acting Chairperson, C. Anthony Owens made a proposal to dispense with the reading of the minutes.

Approval of Minutes of the Finance Committee Meeting of October 14th, 2014

Acting Chairperson C. Anthony Owens made a proposal to approve the minutes of the Finance Committee meeting of October 14, 2014 as presented. A motion to accept the minutes, as presented, was made by Tracy Metzger and seconded by Darius Shahinfar. A vote being taken, the minutes were accepted unanimously.

Unfinished Business

None

New Business

None

Other Business

2015 Strategic Planning

Staff reviewed the memo distributed to the Committee prior to the meeting. Staff advised the Committee that they intend to develop a strategic plan to be reviewed by the Board. As part of a broader conversation on the matter, the recommendations made by Impact Downtown as well as leveraging resources to bring those recommendations to fruition were discussed. The types of resources and incentives currently available through the IDA and other partners were briefly reviewed. Staff advised the Committee that they would be working to develop stronger relationships with staff at the State Historic Preservation Office, NYSERDA and other local and state organizations to fully utilize their resources and leverage applicable assistance. Given the positive feedback from the Committee, Staff advised that a formal working document would be drafted and distributed for review at a subsequent meeting.

The Eleftheria Discussion

Staff advised the Committee that, per the Committee's request at October's meeting, Staff reached out to the potential lender and had discussions relating to the lender's terms - including the desire to see project stabilization support through the potential use of a short-term real property tax abatement. Staff advised that it was not clear whether the lender would proceed without stabilization support. Staff reiterated, that from the completion of initial due diligence, that part of the project's long term financial feasibility was the result of the estimated total assessment of \$60,000 per unit after project completion that the Assessor provided to the developer. Also the land acquisition and estimated construction costs effect on the project's financial feasibility were discussed. Taking into account the discussions by the Committee over the past two months - including the lack of support for a long term real property tax abatement as informally proposed by the developer - the remaining potential scenarios were laid out by Staff for Committee discussion: a) offering the proposed project no financial assistance, b) offering the proposed project mortgage recording and sales tax exemptions without real property tax abatement or c) offering the proposed project mortgage recording and sales tax exemptions as well as a 485-b like real property tax abatement. The Committee consensus was that option b was the desirable outcome, but recognized that a formal application needed to be submitted which would provide additional information for consideration. The Committee asked that Staff notify Mr. Googas as to the potential range of financial assistance, including the current lack of support for real property tax abatement, and work with him on the submission of an application.

There being no further business, Acting Chairperson C. Anthony Owens adjourned the meeting at 1:13 PM.

Respectfully submitted,

(Assistant) Secretary

TO: City of Albany Industrial Development Board

FROM: City of Albany Industrial Development Agency Staff

RE: Eleftheria Properties, LLC – Project Summary

DATE: December 11, 2014

Staff Notes:

This project summary is in response to the request for financial assistance by the Applicant which was introduced at the November 20th Board meeting. The Applicant respectfully requests that the Finance Committee make a positive recommendation for consideration by the Board for project approvals at the December Board meeting. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.

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: \$62,000
 - Assumes sales tax exemption, mortgage recording tax exemption, and real property abatement approved. If only sales tax exemption and mortgage recording tax exemption approved then fee would be \$31,000.

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.

Eleftheria Properties, LLC - Proposed PILOT Analysis

PILOT Year	City and County Tax Year	School Tax Year	Tax Rate ⁽⁵⁾	Status Quo		Normal Tax			Proposed Project						
				Estimated Total Assessment ⁽⁶⁾	Estimated Total Taxes ⁽⁷⁾	Estimated Total Improved Assessment ⁽⁸⁾	Estimated Total Taxes w/o PILOT ⁽⁹⁾	Estimated Total Taxes w/o PILOT Per Unit ⁽¹⁰⁾	Proposed PILOT						
									Estimated PILOT Payments ⁽¹¹⁾	Estimated Abatement ⁽¹²⁾	Estimated PILOT Payments Per Unit ⁽¹³⁾	Estimated Abatement Per Unit ⁽¹⁴⁾	% Abatement on Total Assessment ⁽¹⁵⁾	% of Abatement on Improved Assessment ⁽¹⁶⁾	
Interim ⁽¹⁾	2016	2015/2016	\$48.75	\$125,000	\$6,094	-	-	-	-	-	-	-	-	-	-
1 ⁽²⁾	2017	2016/2017	\$49.73	\$125,000	\$6,216	\$2,880,000	\$143,217	\$2,984	\$74,717	\$68,501	\$1,557	\$1,427	47.83%	50.00%	
2	2018	2017/2018	\$50.72	\$125,000	\$6,340	\$2,880,000	\$146,082	\$3,043	\$90,185	\$55,896	\$1,879	\$1,165	38.26%	40.00%	
3	2019	2018/2019	\$51.74	\$125,000	\$6,467	\$2,880,000	\$149,003	\$3,104	\$106,242	\$42,761	\$2,213	\$891	28.70%	30.00%	
4	2020	2019/2020	\$52.77	\$125,000	\$6,596	\$2,880,000	\$151,983	\$3,166	\$122,906	\$29,077	\$2,561	\$606	19.13%	20.00%	
5 ⁽³⁾	2021	2020/2021	\$53.83	\$125,000	\$6,728	\$2,880,000	\$155,023	\$3,230	\$140,193	\$14,829	\$2,921	\$309	9.57%	10.00%	
Permanent ⁽⁴⁾	2022	2021/2022	\$54.90	\$125,000	\$6,863	\$2,880,000	\$158,123	\$3,294	-	-	-	-	-	-	
Estimated Total⁽¹⁷⁾					\$32,348		\$745,308		\$534,244	\$211,065					

Notes:

(1) Property will likely be taxable until March 1st, 2015. Interim represents the start of the construction period of the project.

(2) Estimated start of PILOT abatement schedule.

(3) Estimated end of PILOT abatement schedule.

(4) Property returns to taxable status anticipated.

(5) Estimated non homestead tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City and County 2014 tax year and School 2013/2014 tax year with a conservative estimated escalation of 2.0% thereafter. DOES NOT INCLUDE

(6) Per 2014 assessment rolls. This value, which is vacant land value, will most likely increase under the given development program. The resulting assessment number should be determined with assistance of the Assessor. Changing base value would affect calculations unless base value is fixed a current assessment value. Intent of Applicant is to fix base assessment at \$125,000

(7) Estimated taxes if proposed project did not occur (i.e. left status quo). DOES NOT INCLUDE LIBRARY TAXES THAT ARE STILL PAYABLE.

(8) Per Applicant's discussion with Commissioner of Department of Assessment & Taxation based on estimate of \$60,000 per unit (inc. land and improvement assessment value). Assessment value is not fixed.

(9) Estimated taxes if proposed project occurred without PILOT assistance. DOES NOT INCLUDE LIBRARY TAXES THAT ARE STILL PAYABLE.

(10) Estimated taxes Per Unit if proposed project occurred without PILOT assistance. DOES NOT INCLUDE LIBRARY TAXES THAT ARE STILL PAYABLE.

(11) Estimated PILOT Payments assuming proposed PILOT. DOES NOT INCLUDE UNABATED LIBRARY TAXES THAT ARE STILL PAYABLE.

(12) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming proposed PILOT.

(13) Estimated PILOT Payments Per Unit assuming proposed PILOT. DOES NOT INCLUDE UNABATED LIBRARY TAXES THAT ARE STILL PAYABLE.

(14) Difference of Estimated PILOT Payments Per Unit from Estimated Total Taxes w/o PILOT Per Unit assuming proposed PILOT.

(15) Percent Abatement on Total Assessment via PILOT assuming proposed PILOT.

(16) Percent Abatement on Improved Assessment via PILOT assuming proposed PILOT.

(17) Totals for comparison and analysis during PILOT agreement period only. NOT A DISCOUNTED VALUE.

Analysis is ONLY an estimate

MEMO

TO: City of Albany Industrial Development Agency Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: CDP Holland, LLC

DATE: December 8, 2014

Representatives from CDP Holland, LLC will be in attendance at the December 11, 2014 IDA Finance Committee meeting to give a brief reintroduction of the Project. The Project first came before the Board in February 2014. A public hearing was held in March 2014. During that time, the Project has been working its way through land-use approvals. The purpose of this reintroduction is to update the Board on the current status of the Project as well as familiarize new Board members with the Project. It is important to note that Agency Staff is currently working with the Applicant on the potential financial assistance which will likely be discussed at the January Finance Committee meeting.