

Albany Industrial Development Agency

21 Lodge Street
Albany, New York 12207
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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

Date: June 5, 2015

AGENDA

A meeting of the Finance Committee of the City of Albany Industrial Development Agency will be held on **Wednesday, June 10th at 12:15 PM** at 21 Lodge Street, Albany, NY 12207 (Conference Room).

Roll Call

Approval of Minutes of the Finance Committee Meeting of May 12, 2015

Approval of Minutes of the Finance Committee Meeting of May 12, 2015

Unfinished Business

- 760 Broadway LLC
 - Project Update & Discussion

New Business

Other Business

Adjournment

***The next regularly scheduled Finance Committee meeting will be held
Wednesday, July 8th at 21 Lodge Street, Albany, NY**

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IDA MINUTES OF FINANCE COMMITTEE MEETING Tuesday, May 12, 2015

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

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

Absent: C. Anthony Owens

Acting Chair Tracy Metzger 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 April 8, 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 April 8, 2015 Finance Committee Meeting

Acting Chair Tracy Metzger proposed to approve the minutes of the Finance Committee meeting of April 8, 2015. 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

Broadway Albany Realty LLC – Positive/Negative recommendation to the Board

A motion to move the project to the next Board meeting with positive recommendation was made by Susan Pedo and seconded by Darius Shahinfar. A vote being taken, the motion passed unanimously.

40 – 48 S Pearl Street, LLC – Positive/Negative recommendation to the Board

A motion to move the project to the next Board meeting with positive recommendation was made by Darius Shahinfar and seconded by Lee Eck. A vote being taken, the motion passed unanimously.

New Business

760 Broadway LLC

David and Harris Sarraf from 760 Broadway LLC were present to provide an introduction of their potential project at 776 (aka 760) Broadway. This space is currently a vacant parking lot. The Applicant proposes to build a 4 story, approximately 100,000 square foot apartment building on this property. There would be parking on the ground floor for approximately 120 cars and 100 apartments on the upper floors. There would be sixty-five 1 bedroom, fifteen 2 bedroom, and twenty studio apartments. There would also be an approximately 2,000 square foot retail space on the ground floor at the Broadway side of the building.

The Applicant has been working with the Community Preservation Corporation (CPC) for a construction loan. The Applicant stated that CPC is a unique financier and will allow them to lock in the interest rate. The Applicant indicated that CPC is their only option for funding. However the Applicant indicated that CPC will not provide the Applicant with the financing, without the receipt of a tax abatement. Therefore, the Applicant is seeking a 20 year PILOT from the Agency.

Staff discussed a variety of former projects to compare and contrast with this project. The Committee asked Staff to continue to work on due diligence including review of project pro formas and indicated that further discussion with the Applicant and review at future Finance Committee meetings was necessary.

No formal action was taken.

Other Business

Staff advised the Committee that One Columbia Place Realty, LLC is working through items with the Planning Board, therefore will not be in front of the Agency Board next week. They will be on the Board agenda in June.

Committee discussed that there is new interest from other developers in the Kenwood Convent property. Kenwood Apartments, LLC may still come back to the Board at a later date.

There being no further business, Acting Chair Tracy Metzger adjourned the meeting at 12:47 PM.

Respectfully submitted,

C. Anthony Owens, Secretary

TO: City of Albany Industrial Development Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: 760 Broadway, LLC - IDA Application Summary

DATE: June 5, 2015

Staff Notes:

This project was introduced to the IDA Finance Committee on May 12, 2015. The Committee raised concerns regarding the project's development and operating budgets. 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: 760 Broadway, LLC

Managing Members (% of Ownership): David Sarraf, (50.00%) and Harris Sarraf, (50.00%)

Project Location: 766 Broadway

Project Description: The project consists of the acquisition of a 1.4-acre parking lot at 766 Broadway and the construction of an approx. 5-story 100,000 SF market rate apartment building. The building will be comprised of 100 rental units with 120 interior garage parking spaces (approx. 34,000 SF) on the ground floor. The anticipated unit breakdown is as follows: 20 studio apartments (600 to 650 SF per unit), 65 one-bedroom apartments (850 SF per unit) and 15 two-bedroom apartments (1,100 to 1,200 SF per unit). Additionally, there will be one (1) 2,000 SF retail space on the ground floor with frontage on Broadway.

Estimated Project Cost: \$15,000,000

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$4,437,500

Estimated Total Mortgage Amount: \$12,000,000

Current Total Assessment: \$300,000

Estimated Improved Total Assessment: \$6,173,100

Requested PILOT: Please see attached PILOT request submitted by the Applicant.

Estimated Value of Total PILOT Payments: Please see attached PILOT request submitted by the Applicant.

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$355,000
- Mortgage Recording Taxes: \$150,000
- Real Property Taxes: Please see attached PILOT request submitted by the Applicant
- Other: N/A

Employment Impact:

- Projected Permanent: (3) new FTEs
- Projected Construction: (100) 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 foundation for economic activity and increase economic diversity.

Planning Board Actions:

- Applicant has not appeared before the Planning/Zoning Board as of June 5, 2015.

Estimated IDA Fee

- Fee amount: \$150,000.00

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.

Applicant Request

776 (aka 760) Broadway: PILOT Analysis											
PILOT Year	City & County Tax Year	School Tax Year	Tax Rate ⁽⁵⁾	Status Quo		Proposed Project (Using Assessor's Assessment Assumptions)					
				Current Tax		Normal Tax			Requested PILOT		
				Current Assessment ⁽⁶⁾	Current Tax ⁽⁷⁾	Base Assessment ⁽⁸⁾	Total Improved Assessment ⁽⁹⁾	Tax w/o PILOT ⁽¹⁰⁾	PILOT Payment ⁽¹¹⁾	Abatement ⁽¹²⁾	Improvement from Status Quo ⁽¹³⁾
Interim ⁽¹⁾	2016	2015/2016	48.371452	\$300,000.00	\$14,511.44	\$750,000.00	\$750,000.00	\$36,278.59	\$36,278.59	\$0.00	\$21,767.15
Interim ⁽¹⁾	2017	2016/2017	49.338881	\$300,000.00	\$14,801.67	\$750,000.00	\$750,000.00	\$37,004.16	\$37,004.16	\$0.00	\$22,202.49
1 ⁽²⁾	2018	2017/2018	50.325659	\$300,000.00	\$15,097.70	\$750,000.00	\$6,173,100.00	\$310,665.33	\$37,744.25	\$272,921.08	\$22,646.54
2	2019	2018/2019	51.332172	\$300,000.00	\$15,399.66	\$750,000.00	\$6,173,100.00	\$316,878.64	\$38,499.13	\$278,379.51	\$23,099.47
3	2020	2019/2020	52.358816	\$300,000.00	\$15,707.65	\$750,000.00	\$6,173,100.00	\$323,216.21	\$39,269.11	\$283,947.10	\$23,561.46
4	2021	2020/2021	53.405992	\$300,000.00	\$16,021.80	\$750,000.00	\$6,173,100.00	\$329,680.53	\$40,054.49	\$289,626.04	\$24,032.69
5	2022	2021/2022	54.474112	\$300,000.00	\$16,342.24	\$750,000.00	\$6,173,100.00	\$336,274.14	\$40,855.58	\$295,418.56	\$24,513.35
6	2023	2022/2023	55.563594	\$300,000.00	\$16,669.08	\$750,000.00	\$6,173,100.00	\$342,999.63	\$41,672.70	\$301,326.93	\$25,003.61
7	2024	2023/2024	56.674866	\$300,000.00	\$17,002.46	\$750,000.00	\$6,173,100.00	\$349,859.62	\$42,506.15	\$307,353.47	\$25,503.69
8	2025	2024/2025	57.808363	\$300,000.00	\$17,342.51	\$750,000.00	\$6,173,100.00	\$356,856.81	\$43,356.27	\$313,500.54	\$26,013.76
9	2026	2025/2026	58.964531	\$300,000.00	\$17,689.36	\$750,000.00	\$6,173,100.00	\$363,993.95	\$44,223.40	\$319,770.55	\$26,534.03
10	2027	2026/2027	60.143821	\$300,000.00	\$18,043.15	\$750,000.00	\$6,173,100.00	\$371,273.83	\$45,107.87	\$326,165.96	\$27,064.72
11	2028	2027/2028	61.346698	\$300,000.00	\$18,404.01	\$750,000.00	\$6,173,100.00	\$378,699.30	\$46,010.02	\$332,689.28	\$27,606.01
12	2029	2028/2029	62.573632	\$300,000.00	\$18,772.10	\$750,000.00	\$6,173,100.00	\$386,273.29	\$46,930.22	\$339,343.07	\$28,158.13
13	2030	2029/2030	63.825104	\$300,000.00	\$19,147.54	\$750,000.00	\$6,173,100.00	\$393,998.76	\$210,077.72	\$183,921.04	\$190,930.18
14	2031	2030/2031	65.101606	\$300,000.00	\$19,530.49	\$750,000.00	\$6,173,100.00	\$401,878.73	\$214,279.27	\$187,599.46	\$194,748.79
15	2032	2031/2032	66.403638	\$300,000.00	\$19,921.10	\$750,000.00	\$6,173,100.00	\$409,916.31	\$218,564.86	\$191,351.45	\$198,643.76
16	2033	2032/2033	67.731711	\$300,000.00	\$20,319.52	\$750,000.00	\$6,173,100.00	\$418,114.63	\$222,936.16	\$195,178.47	\$202,616.64
17	2034	2033/2034	69.086345	\$300,000.00	\$20,725.91	\$750,000.00	\$6,173,100.00	\$426,476.92	\$227,394.88	\$199,082.04	\$206,668.97
18	2035	2034/2035	70.468072	\$300,000.00	\$21,140.43	\$750,000.00	\$6,173,100.00	\$435,006.46	\$231,942.78	\$203,063.68	\$210,802.35
19	2036	2035/2036	71.877434	\$300,000.00	\$21,563.24	\$750,000.00	\$6,173,100.00	\$443,706.59	\$236,581.63	\$207,124.96	\$215,018.40
20 ⁽³⁾	2037	2036/2037	73.314982	\$300,000.00	\$21,994.50	\$750,000.00	\$6,173,100.00	\$452,580.72	\$241,313.27	\$211,267.46	\$219,318.76
Permanent ⁽⁴⁾	2038	2037/2038	74.781282	\$300,000.00	\$22,434.39	\$750,000.00	\$6,173,100.00	\$461,632.34	\$461,632.34	\$0.00	\$439,197.95
Total ⁽¹⁴⁾					\$418,581.95			\$8,083,265.50	\$2,844,234.86	\$5,239,030.64	\$2,425,652.91

Notes:

(1) Property remains taxable until March 1st, 2017. Assumes project closes with IDA prior to this date.

(2) Estimated start of PILOT payments.

(3) Estimated end of PILOT payments.

(4) Property returns to taxable status.

(5) 2014 tax rate per Department of Assessment & Taxation (does not include any special district ad valorem tax that are still payable under PILOT). Assumed an estimated escalation of 2% thereafter.

(6) Proposed revised assessment of existing land.

(7) Estimated taxes if proposed project did not occur (i.e. left status quo).

(8) Proposed revised assessment of existing land.

(9) Per Commissioner of Department of Assessment & Taxation based on estimate of \$6,173,100 (inc. land and improvement assessment value). Assessment value is not fixed.

(10) Estimated taxes if proposed project occurred without PILOT assistance.

(11) PILOT payment schedule proposed by Applicant. PILOT payments in years 13-20 are 11.5% of revenue which is based on the provided operating budget projections. These projections are only estimates.

(12) Estimated abatement, using Assessor's total improved assessment assumptions, if proposed project occurred with shown PILOT assistance.

(13) Estimated difference between City revenue from Proposed PILOT and Status Quo

(14) Totals for comparison and analysis until one year after PILOT agreement period which ends on December 31, 2037.