

# Albany Industrial Development Agency

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

Anthony J. Ferrara, *Chairman*  
Kathy Sheehan, *Treasurer*  
Susan Pedo, *Secretary*  
C. Anthony Owens  
Tracy Metzger  
Lee Eck

Michael Yevoli, *Chief Executive Officer*  
Erik J. Smith, *Chief Financial Officer*  
John Reilly, *Agency Counsel*

To: Kathy Sheehan  
Susan Pedo  
Anthony Owens  
Tracy Metzger  
Mike Yevoli  
Erik Smith  
John Reilly  
Joe Scott  
Sarah Reginelli  
Brad Chevalier

Date: December 9, 2013

## AGENDA

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

### Roll Call

### Reading of Minutes of the Finance Committee Meeting of November 13th, 2013

### Approval of Minutes of the Finance Committee Meeting of November 13th, 2013

### Unfinished Business

- 132 State Street Properties LLC
- 136 State Street Properties LLC
- Aeon Nexus Corporation
- 140 State Street Properties LLC
- 144 State Street LLC
- 67 Howard Street LLC
- 488 Broadway Arcade LLC
- 412 Broadway Realty, LLC
- 40 Steuben LLC

### New Business

### Other Business

- True North Albany Extended Stay, LLC

### Adjournment

**\*The next regularly scheduled Board meeting will be held Thursday, December 19th at 21 Lodge Street, Albany, NY 12207**

# Albany Industrial Development Agency

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

Anthony J. Ferrara, *Chairman*  
Susan Pedo, *Secretary*  
Kathy Sheehan, *Treasurer*  
Martin Daley  
C. Anthony Owens  
Tracy Metzger  
Lee Eck

Michael Yevoli, *Chief Executive Officer*  
Erik J. Smith, *Chief Financial Officer*  
John Reilly, *Agency Council*

## IDA MINUTES OF FINANCE COMMITTEE MEETING Wednesday, November 13th

Attending: Kathy Sheehan, Susan Pedo, C. Anthony Owens and Tracy Metzger

Absent: Martin Daley

Also Present: Michael Yevoli, Erik Smith, Joe Scott, Sarah Reginelli, Brad Chevalier, Amanda Vitullo & Amy Gardner

Acting Chairperson, C. Anthony Owens, called the Finance Committee meeting of the IDA to order at 12:40 PM.

### Roll Call

Acting Chairperson, C. Anthony Owens, reported that all Committee members were present with the exception of Martin Daley.

### Reading of Minutes of the Finance Committee Meeting of October 9th, 2013

Since the minutes of the October 9th, 2013 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 9th, 2013

Acting Chairperson C. Anthony Owens made a proposal to approve the minutes of the regular Board meeting of October 9th, 2013 as presented. C. Anthony Owens proposed that the minutes be amended to reflect that he was in attendance at the previous meeting. A motion to accept the minutes, as amended, was made by Kathy Sheehan and seconded by Tracy Metzger. A vote being taken, the minutes were accepted unanimously.

### Unfinished Business

#### 488 Broadway Arcade LLC

Staff advised the Committee that no significant changes had occurred to the project. Staff continued to work with the Applicant to modify the request for financial assistance per the direction of the Committee. A public hearing was held for the project prior to the meeting.

132 State Street Properties LLC, 136 State Street Properties LLC, Aeon Nexus Corporation, 140 State Street Properties LLC, 144 State Street LLC, 67 Howard Street LLC

Staff advised the Committee no changes have occurred as it pertains to the requested financial assistance for the projects. Joe Nicolla and Debra Lambek of Columbia Development, representatives for the projects, were present to discuss the projects and answer questions. Staff provided the Committee with a comparative analysis of the 144 State Street LLC project showing the possible use of Historic Tax Credits. Historic Tax Credits were discussed. Staff advised the Committee that the projects would receive their land use approvals in December. Public hearings for the projects were held prior to the meeting.

Columbia 677 LLC

Agency Special Counsel and Agency Counsel advised the Committee that this matter is ready to move forward for approval at the November meeting of the IDA. Agency Special Counsel reviewed status of the settlement between Columbia 677, LLC (the “Company”) and the IDA. Included in the discussion was the following: (a) the terms of the extension of the PILOT to provide for the repayment of the amounts owed to the Company, (b) that the County, the City and the School District had been notified of the terms, and (c) that counsel to the County and the School District have received separate correspondence from Agency Counsel describing the terms of the settlement and have not objected to such terms. Counsel and staff also indicated that the Company had requested that the terms of the settlement contained in the PILOT Agreement be assignable without consent. The members of the Committee discussed the matter and after discussion concurred with the terms and agreed to move it forward to consideration by the full board at the November meeting.

**New Business**

412 Broadway Realty, LLC

Staff briefly introduced the project to the Committee noting that more feedback on the application would be provided after a more in-depth review. The Applicant is seeking financial assistance from the Agency in the form of a sales and use tax exemption; mortgage recording tax exemption; and real property tax abatement. Marc Paquin, a representative of the project Applicant, was present. Mr. Paquin gave a brief presentation on the project. The location of parking for potential tenants was reviewed. The demand for and supply of downtown residential was discussed by the Committee. A motion was made to move the project to the Board for consideration of a public hearing resolution by Tracy Metzger. The motion was seconded by Kathy Sheehan.

40 Stueben LLC

Staff briefly introduced the project to the Committee noting that more feedback on the application would be provided after a more in-depth review occurred. The Applicant is seeking financial assistance from the Agency in the form of a sales and use tax exemption; mortgage recording tax exemption; and real property tax abatement. Mark Aronowitz, a representative of the project Applicant, was present. Mr. Aronowitz gave a brief presentation on the project. The general structure of PILOTs as it relates to this project and similar multi-family projects that are also being considered by the Committee were discussed. A motion was made to move the project to the Board for consideration of a public hearing resolution by Tracy Metzger. The motion was seconded by Kathy Sheehan.

Park South Partners LLC

Staff briefly introduced the project to the Committee noting that more feedback on the application would be provided after a more in-depth review occurred. The Applicant is seeking a sales and use tax exemption; mortgage recording tax exemption; and real property tax abatement. Paul Goldman, Counsel for TriCity Rentals, was present. Mr. Goldman gave a brief presentation on the project. The

parking that will be provided to tenants was briefly discussed. A motion was made to move the project to the Board for consideration of a public hearing resolution by Tracy Metzger. The motion was seconded by Kathy Sheehan.

Albany Medical Center – 391 Myrtle Avenue (MOB)

Staff briefly introduced the project to the Committee noting that more feedback on the application would be provided after a more in-depth review occurred. The Applicant is seeking a real property tax abatement on a portion of the project as it pertains to the proposed commercial medical office space. The building will be owned by Albany Medical Center but half of the space will be leased to private medical practices. The project would be financed through the Capital Resource Corporation. Joe Nicolla, a representative of the project Applicant, gave a brief presentation on the project. Bill Hasselbarth of Albany Medical Center was also present to answer questions. A motion was made to move the project to the Board for consideration of public hearing resolutions by Susan Pedo. The motion was seconded by Kathy Sheehan. C. Anthony Owens abstained.

Columbia Harriman 455 LLC

Counsel advised the Committee that the Applicant is seeking additional funding from their lender and that this is an administrative matter for the Agency. The Applicant is seeking no additional benefits from the Agency. A motion was made for the Agency to consider the consent of the mortgage by Tracy Metzger. The motion was seconded by Kathy Sheehan.

**Other Business**

None

There being no further business, Acting Chairperson C. Anthony Owens adjourned the meeting at 1:55PM.

Respectfully submitted,

---

(Assistant) Secretary



**TO:** City of Albany Industrial Development Finance Committee

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

**RE:** 132 State Street Properties LLC – Project Summary

**DATE:** December 6, 2013

---

**Staff Notes:**

*This project summary is the result of the work staff has performed per the direction of the Finance Committee at the September 19<sup>th</sup> and November 11<sup>th</sup> meetings. As a result of the September 19<sup>th</sup> meeting the Applicant submitted a revised PILOT request for Committee review. The revised PILOT request included the reduction of the duration of the PILOT to 12 years and modified the percentage abatement amounts. Per comments made by the Finance Committee at the November 11<sup>th</sup> meeting staff has worked towards amending the PILOT request to ensure that, based upon the potential tenants, the project receive the appropriate financial assistance. The modified general framework of the PILOT is provided in the Project Summary below. Staff seeks feedback from the Committee on this matter. The Applicant respectfully requests that the Finance Committee make a positive recommendation for consideration by the Board for project approvals in January. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.*

**Applicant:** 132 State Street Properties LLC

**Managing Members (% of Ownership):** Joseph R. Nicolla (51%) and Richard A. Rosen (49%)

**Project Location:** 132 State Street

**Project Description:** Proposed acquisition of a parcel of land along with the acquisition of and renovation of an existing 5 story, 9,450 SF +/- building into commercial office space with retail on the first floor. The project includes the installation of tenant finishes, personal property, fixtures, furniture and equipment.

**Estimated Project Cost:** \$2,351,500

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$2,008,000

**Estimated Total Mortgage Amount:** \$2,162,500

**Current Total Assessment:** \$100,000 (per Commissioner of Department of Assessment & Taxation)

**Estimated Improved Total Assessment:** \$945,000 (per Commissioner of Department of Assessment & Taxation)

**PILOT:** The proposal entails the Applicant entering into a PILOT agreement with the IDA. Generally, the PILOT agreement will include two PILOT scenarios. The general framework for process and procedures will be discussed at the meeting.

- Scenario #1: Applicant will enter into a 12 year PILOT agreement with the IDA in which annual payments in lieu of taxes will be calculated by adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.
- Scenario #2: Applicant will enter into a 10 year PILOT agreement with the IDA in which annual payments in lieu of taxes will be calculated by adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.

Please see attached Revised PILOT Analysis for specifics.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments:
  - Scenario #1: \$177,686
  - Scenario #2: Greater than Scenario #1

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$160,640
- Mortgage Recording Taxes: \$27,032
- Real Property Taxes:
  - Scenario #1: \$467,874 (*Not a Net Present Value*)
  - Scenario #2: Less than Scenario #2
- Other: N/A

**Employment Impact:**

- Projected Permanent: (3) new jobs and (17) retained jobs
- Projected Construction: (25) jobs

**Other Economic Impacts:**

- Increases retail options
- Increases local and state sales tax revenues
- Increases Downtown BID revenues that will be used to further the betterment of the district

**Strategic Initiatives:**

- Albany 2030
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and buildings for employment and housing through development, redevelopment, rehabilitation and adaptive reuse.

**Planning Board Actions:**

- Approved

**Estimated IDA Fee**

- Fee amount: \$23,515

**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.

### 132 State Street Properties LLC: Staff Amended PILOT Analysis

PILOT Year	City and County Tax Year	School Tax Year	Tax Rate <sup>(7)</sup>	Status Quo		Proposed Project							
						Normal Tax		Applicable PILOT Scenario per Future Tenants <sup>(12)</sup>					
				Estimated Total Assessment <sup>(8)</sup>	Estimated Total Taxes <sup>(9)</sup>	Estimated Total Improved Assessment <sup>(10)</sup>	Estimated Total Taxes w/o PILOT <sup>(11)</sup>	Scenario #1			Scenario #2		
								Estimated PILOT Payments <sup>(13)</sup>	Estimated Abatement Savings <sup>(14)</sup>	% of Abatement on Improved Assessment <sup>(15)</sup>	Estimated PILOT Payments <sup>(16)</sup>	Estimated Abatement Savings <sup>(17)</sup>	% of Abatement on Improved Assessment <sup>(18)</sup>
Interim <sup>(1)</sup>	2014	2013/2014	\$46.73	\$100,000	\$4,673	-	-	-	-	-	-	-	-
1 <sup>(2)</sup>	2015	2014/2015	\$48.13	\$100,000	\$4,813	\$945,000	\$45,487	\$4,813	\$40,674	100%	\$25,150	\$20,337	50%
2	2016	2015/2016	\$49.58	\$100,000	\$4,958	\$945,000	\$46,852	\$4,958	\$41,894	100%	\$28,000	\$18,852	45%
3	2017	2016/2017	\$51.07	\$100,000	\$5,107	\$945,000	\$48,258	\$5,107	\$43,151	100%	\$30,997	\$17,260	40%
4	2018	2017/2018	\$52.60	\$100,000	\$5,260	\$945,000	\$49,705	\$5,260	\$44,446	100%	\$34,149	\$15,556	35%
5	2019	2018/2019	\$54.18	\$100,000	\$5,418	\$945,000	\$51,197	\$5,418	\$45,779	100%	\$37,463	\$13,734	30%
6	2020	2019/2020	\$55.80	\$100,000	\$5,580	\$945,000	\$52,732	\$5,580	\$47,152	100%	\$40,944	\$11,788	25%
7	2021	2020/2021	\$57.48	\$100,000	\$5,748	\$945,000	\$54,314	\$5,748	\$48,567	100%	\$44,601	\$9,713	20%
8	2022	2021/2022	\$59.20	\$100,000	\$5,920	\$945,000	\$55,944	\$5,920	\$50,024	100%	\$48,440	\$7,504	15%
9	2023	2022/2023	\$60.98	\$100,000	\$6,098	\$945,000	\$57,622	\$16,403	\$41,220	80%	\$52,470	\$5,152	10%
10 <sup>(3)</sup>	2024	2023/2024	\$62.81	\$100,000	\$6,281	\$945,000	\$59,351	\$27,509	\$31,842	60%	\$56,697	\$2,654	5%
11 <sup>(4)</sup>	2025	2024/2025	\$64.69	\$100,000	\$6,469	\$945,000	\$61,131	\$39,266	\$21,865	40%	-	-	-
12 <sup>(5)</sup>	2026	2025/2026	\$66.63	\$100,000	\$6,663	\$945,000	\$62,965	\$51,705	\$11,260	20%	-	-	-
Permanent <sup>(6)</sup>	2027	2026/2027	\$68.63	\$100,000	\$6,863	\$945,000	\$64,854	-	-	-	-	-	-
Estimated Total <sup>(19)</sup>					\$68,313		\$645,560	\$177,686	\$467,874		\$398,913	\$122,550	

Notes:

(1) Property will likely be taxable until March 1st, 2014. Project would likely close with Agency in January or February of 2014.

(2) Estimated start of PILOT payments.

(3) Estimated end of PILOT payments assuming Scenario #2 PILOT.

(4) Property returns to taxable status assuming Scenario #2 PILOT.

(5) Estimated end of PILOT payments assuming Scenario #1 PILOT.

(6) Property returns to taxable status assuming Scenario #1 PILOT.

(7) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City and County 2013 tax year plus a 4% escalator and School 2013/2014 tax with estimated escalation of 3% thereafter.

(8) Per Commissioner of Department of Assessment & Taxation based on 2013 tax roll.

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

(10) Per Commissioner of Department of Assessment & Taxation based on estimate of \$100 per square foot (Inc. land and improvement assessment value). Assessment value is not fixed.

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

(12) PILOT Scenario, which is dependent on future tenants and whether they meet or do not meet certain qualifying requirements as provided in the Project Summary.

(13) Estimated PILOT Payments assuming Scenario #1 PILOT.

(14) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Scenario #1 PILOT.

(15) Percent abatement on increased assessment via PILOT assuming Scenario #1 PILOT.

(16) Estimated PILOT Payments assuming Scenario #2 PILOT.

(17) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Scenario #2 PILOT.

(18) Percent abatement on increased assessment via PILOT assuming Scenario #2 PILOT.

(19) 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:** 136 State Street Properties LLC – Project Summary

**DATE:** December 6, 2013

---

*Staff Notes:*

*This project summary is the result of the work staff has performed per the direction of the Finance Committee at the September 19<sup>th</sup> and November 11<sup>th</sup> meetings. As a result of the September 19<sup>th</sup> meeting the Applicant submitted a revised PILOT request for Committee review. The revised PILOT request included the reduction of the duration of the PILOT to 12 years and modified the percentage abatement amounts. Per comments made by the Finance Committee at the November 11<sup>th</sup> meeting staff has worked towards amending the PILOT request to ensure that, based upon the potential tenants, the project receive the appropriate financial assistance. The modified general framework of the PILOT is provided in the Project Summary below. Staff seeks feedback from the Committee on this matter. The Applicant respectfully requests that the Finance Committee make a positive recommendation for consideration by the Board for project approvals in January. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.*

**Applicant:** 136 State Street Properties LLC

**Managing Members (% of Ownership):** Joseph R. Nicolla (51%) and Richard A. Rosen (49%)

**Project Location:** 134-136 State Street

**Project Description:** Proposed acquisition of two parcels of land along with the acquisition of and renovation of (2) existing 5 story buildings into 18,000 SF +/- of commercial office space. The project includes the installation of tenant finishes, personal property, fixtures, furniture and equipment.

**Estimated Project Cost:** \$3,590,500

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$3,200,000

**Estimated Total Mortgage Amount:** \$3,390,500

**Current Total Assessment:** \$100,000 (per Commissioner of Department of Assessment & Taxation)

**Estimated Improved Total Assessment:** \$1,800,000 (per Commissioner of Department of Assessment & Taxation)

**PILOT:** The proposal entails the Applicant entering into a PILOT agreement with the IDA. Generally, the PILOT agreement will include two PILOT scenarios. The general framework for process and procedures will be discussed at the meeting.

- Scenario #1: Applicant will enter into a 12 year PILOT agreement with the IDA in which annual payments in lieu of taxes will be calculated by adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.
- Scenario #2: Applicant will enter into a 10 year PILOT agreement with the IDA in which annual payments in lieu of taxes will be calculated by adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.

Please see attached Revised PILOT Analysis for specifics.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments:
  - Scenario #1: \$343,722
  - Scenario #2: Greater than Scenario #1

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$256,000
- Mortgage Recording Taxes: \$42,382
- Real Property Taxes:
  - Scenario #1: \$885,916 (*Not a Net Present Value*)
  - Scenario #2: Less than Scenario #1

**Employment Impact:**

- Projected Permanent: (40) new jobs
- Projected Construction: (25) jobs

**Other Economic Impacts:**

- Increases local and state sales tax revenues
- Increases Downtown BID revenues that will be used to further the betterment of the district

**Strategic Initiatives:**

- Albany 2030
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and buildings for employment and housing through development, redevelopment, rehabilitation and adaptive reuse.

**Planning Board Actions:**

- Approved

**Estimated IDA Fee**

- Fee amount: \$35,905

**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.

### 136 State Street Properties LLC: Staff Amended PILOT Analysis

PILOT Year	City and County Tax Year	School Tax Year	Tax Rate <sup>(7)</sup>	Proposed Project									
				Status Quo		Normal Tax		Applicable PILOT Scenario per Future Tenants <sup>(12)</sup>					
								Scenario #1			Scenario #2		
				Estimated Total Assessment <sup>(8)</sup>	Estimated Total Taxes <sup>(9)</sup>	Estimated Total Improved Assessment <sup>(10)</sup>	Estimated Total Taxes w/o PILOT <sup>(11)</sup>	Estimated PILOT Payments <sup>(13)</sup>	Estimated Abatement Savings <sup>(14)</sup>	% of Abatement on Improved Assessment <sup>(15)</sup>	Estimated PILOT Payments <sup>(16)</sup>	Estimated Abatement Savings <sup>(17)</sup>	% of Abatement on Improved Assessment <sup>(18)</sup>
Interim <sup>(1)</sup>	2014	2013/2014	\$46.73	\$200,000	\$9,347	-	-	-	-	-	-	-	-
1 <sup>(2)</sup>	2015	2014/2015	\$48.13	\$200,000	\$9,627	\$1,800,000	\$86,643	\$9,627	\$77,016	100%	\$48,135	\$38,508	50%
2	2016	2015/2016	\$49.58	\$200,000	\$9,916	\$1,800,000	\$89,242	\$9,916	\$79,326	100%	\$53,545	\$35,697	45%
3	2017	2016/2017	\$51.07	\$200,000	\$10,213	\$1,800,000	\$91,919	\$10,213	\$81,706	100%	\$59,237	\$32,682	40%
4	2018	2017/2018	\$52.60	\$200,000	\$10,520	\$1,800,000	\$94,677	\$10,520	\$84,157	100%	\$65,222	\$29,455	35%
5	2019	2018/2019	\$54.18	\$200,000	\$10,835	\$1,800,000	\$97,517	\$10,835	\$86,682	100%	\$71,513	\$26,005	30%
6	2020	2019/2020	\$55.80	\$200,000	\$11,160	\$1,800,000	\$100,443	\$11,160	\$89,282	100%	\$78,122	\$22,321	25%
7	2021	2020/2021	\$57.48	\$200,000	\$11,495	\$1,800,000	\$103,456	\$11,495	\$91,961	100%	\$85,064	\$18,392	20%
8	2022	2021/2022	\$59.20	\$200,000	\$11,840	\$1,800,000	\$106,560	\$11,840	\$94,720	100%	\$92,352	\$14,208	15%
9	2023	2022/2023	\$60.98	\$200,000	\$12,195	\$1,800,000	\$109,757	\$31,707	\$78,049	80%	\$100,000	\$9,756	10%
10 <sup>(3)</sup>	2024	2023/2024	\$62.81	\$200,000	\$12,561	\$1,800,000	\$113,049	\$52,756	\$60,293	60%	\$108,025	\$5,024	5%
11 <sup>(4)</sup>	2025	2024/2025	\$64.69	\$200,000	\$12,938	\$1,800,000	\$116,441	\$75,040	\$41,401	40%	-	-	-
12 <sup>(5)</sup>	2026	2025/2026	\$66.63	\$200,000	\$13,326	\$1,800,000	\$119,934	\$98,612	\$21,322	20%	-	-	-
Permanent <sup>(6)</sup>	2027	2026/2027	\$68.63	\$200,000	\$13,726	\$1,800,000	\$123,532	-	-	-	-	-	-
Estimated Total <sup>(19)</sup>					\$136,626		\$1,229,638	\$343,722	\$885,916		\$761,215	\$232,048	

Notes:

(1) Property will likely be taxable until March 1st, 2014. Project would likely close with Agency in January or February of 2014.

(2) Estimated start of PILOT payments.

(3) Estimated end of PILOT payments assuming Scenario #2 PILOT.

(4) Property returns to taxable status assuming Scenario #2 PILOT.

(5) Estimated end of PILOT payments assuming Scenario #1 PILOT.

(6) Property returns to taxable status assuming Scenario #1 PILOT.

(7) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City and County 2013 tax year plus a 4% escalator and School 2013/2014 tax with estimated escalation of 3% thereafter.

(8) Per Commissioner of Department of Assessment & Taxation based on 2013 tax roll.

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

(10) Per Commissioner of Department of Assessment & Taxation based on estimate of \$100 per square foot (Inc. land and improvement assessment value). Assessment value is not fixed.

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

(12) PILOT Scenario, which is dependent on future tenants and whether they meet or do not meet certain qualifying requirements as provided in the Project Summary.

(13) Estimated PILOT Payments assuming Scenario #1 PILOT.

(14) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Scenario #1 PILOT.

(15) Percent abatement on increased assessment via PILOT assuming Scenario #1 PILOT.

(16) Estimated PILOT Payments assuming Scenario #2 PILOT.

(17) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Scenario #2 PILOT.

(18) Percent abatement on increased assessment via PILOT assuming Scenario #2 PILOT.

(19) 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:** Aeon Nexus Corporation – Project Summary

**DATE:** December 6, 2013

---

*Staff Notes:*

*This project summary is the result of the work staff has performed per the direction of the Finance Committee at the September 19<sup>th</sup> meeting. As a result of the September 19<sup>th</sup> meeting the Applicant submitted a revised PILOT request for Committee review. The revised PILOT request included the reduction of the duration of the PILOT to 12 years and modified the percentage abatement amounts. No changes have been made to the modified PILOT request. The Applicant respectfully requests that the Finance Committee make a positive recommendation for consideration by the Board for project approvals in January. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.*

**Applicant:** Aeon Nexus Corporation

**Managing Members (% of Ownership):** Omar Usmani (100%)

**Project Location:** 138 State Street

**Project Description:** Proposed acquisition of a parcel of land along with the acquisition of and renovation of an existing 8,750 SF +/- building – consisting of 3 stories, a mezzanine and basement – into commercial office space. The project includes the installation of tenant finishes, personal property, fixtures, furniture and equipment.

**Estimated Project Cost:** \$1,833,500

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$1,650,000

**Estimated Total Mortgage Amount:** \$1,608,500

**Current Total Assessment:** \$100,000 (per Commissioner of Department of Assessment & Taxation)

**Estimated Improved Total Assessment:** \$875,000 (per Commissioner of Department of Assessment & Taxation)

**Requested PILOT:** Applicant proposes entering into a 12 year PILOT agreement with the IDA in which annual payments in lieu of taxes will be calculated by adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment

(i.e. the “base” assessment) and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project. Please see attached Revised PILOT Analysis for specifics.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments: \$168,625

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$132,000
- Mortgage Recording Taxes: \$20,107
- Real Property Taxes: \$429,115 (*Not a Net Present Value*)
- Other: N/A

**Employment Impact:**

- Projected Permanent: (12) new jobs
- Projected Construction: (25) jobs

**Other Economic Impacts:**

- Increases local and state sales tax revenues
- Increases Downtown BID revenues that will be used to further the betterment of the district

**Strategic Initiatives:**

- Albany 2030
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and buildings for employment and housing through development, redevelopment, rehabilitation and adaptive reuse.

**Planning Board Actions:**

- Approved

**Estimated IDA Fee**

- Fee amount: \$18,335

**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.

Aeon Nexus Corporation: Revised PILOT Analysis										
PILOT Year	City and County Tax Year	School Tax Year	Tax Rate <sup>(5)</sup>	Status Quo		Proposed Project				
				Estimated Total Assessment <sup>(6)</sup>	Estimated Total Taxes <sup>(7)</sup>	Normal Tax		Applicant Requested PILOT		
						Estimated Total Improved Assessment <sup>(8)</sup>	Estimated Total Taxes w/o PILOT <sup>(9)</sup>	Estimated PILOT Payments <sup>(10)</sup>	Estimated Abatement Savings <sup>(11)</sup>	% of Abatement on Improved Assessment <sup>(12)</sup>
Interim <sup>(1)</sup>	2014	2013/2014	\$46.73	\$100,000	\$4,673	-	-	-	-	-
1 <sup>(2)</sup>	2015	2014/2015	\$48.13	\$100,000	\$4,813	\$875,000	\$42,118	\$4,813	\$37,305	100%
2	2016	2015/2016	\$49.58	\$100,000	\$4,958	\$875,000	\$43,382	\$4,958	\$38,424	100%
3	2017	2016/2017	\$51.07	\$100,000	\$5,107	\$875,000	\$44,683	\$5,107	\$39,576	100%
4	2018	2017/2018	\$52.60	\$100,000	\$5,260	\$875,000	\$46,024	\$5,260	\$40,764	100%
5	2019	2018/2019	\$54.18	\$100,000	\$5,418	\$875,000	\$47,404	\$5,418	\$41,987	100%
6	2020	2019/2020	\$55.80	\$100,000	\$5,580	\$875,000	\$48,826	\$5,580	\$43,246	100%
7	2021	2020/2021	\$57.48	\$100,000	\$5,748	\$875,000	\$50,291	\$5,748	\$44,544	100%
8	2022	2021/2022	\$59.20	\$100,000	\$5,920	\$875,000	\$51,800	\$5,920	\$45,880	100%
9	2023	2022/2023	\$60.98	\$100,000	\$6,098	\$875,000	\$53,354	\$15,549	\$37,805	80%
10	2024	2023/2024	\$62.81	\$100,000	\$6,281	\$875,000	\$54,955	\$25,750	\$29,204	60%
11	2025	2024/2025	\$64.69	\$100,000	\$6,469	\$875,000	\$56,603	\$36,549	\$20,054	40%
12 <sup>(3)</sup>	2026	2025/2026	\$66.63	\$100,000	\$6,663	\$875,000	\$58,301	\$47,974	\$10,328	20%
Permanent <sup>(4)</sup>	2027	2026/2027	\$68.63	\$100,000	\$6,863	\$875,000	\$60,050	-	-	-
Estimated Total <sup>(13)</sup>					\$68,313		\$597,741	\$168,625	\$429,115	

Notes:

(1) Property will likely be taxable until March 1st, 2014. Project would likely close with Agency in January or February of 2014.

(2) Estimated start of PILOT payments.

(3) Estimated end of PILOT payments assuming Applicant Requested PILOT.

(4) Property returns to taxable status.

(5) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City and County 2013 tax year plus a 4% escalator and School 2013/2014 tax with estimated escalation of 3% thereafter.

(6) Per Commissioner of Department of Assessment & Taxation based on 2013 tax roll.

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

(8) Per Commissioner of Department of Assessment & Taxation based on estimate of \$100 per square foot (Inc. land and improvement assessment value). Assessment value is not fixed.

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

(10) Estimated PILOT Payments assuming Applicant Requested PILOT

(11) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Applicant Requested PILOT

(12) Percent abatement on increased assessment via PILOT assuming Applicant Requested PILOT

(13) 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:** 140 State Street Properties LLC – Project Summary

**DATE:** December 6, 2013

---

*Staff Notes:*

*This project summary is the result of the work staff has performed per the direction of the Finance Committee at the September 19<sup>th</sup> meeting. As a result of the September 19<sup>th</sup> meeting the Applicant submitted a revised PILOT request for Committee review. The revised PILOT request included the reduction of the duration of the PILOT to 12 years and modified the percentage abatement amounts. No changes have been made to the modified PILOT request. The Applicant respectfully requests that the Finance Committee make a positive recommendation for consideration by the Board for project approvals in January. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.*

**Applicant:** 140 State Street Properties LLC

**Managing Members (% of Ownership):** Joseph R. Nicolla (51%) and Richard A. Rosen (49%)

**Project Location:** 140 State Street

**Project Description:** Proposed acquisition of a parcel of land along with the acquisition of and renovation of an existing 5 story, 5,500 SF building +/- into mixed-use building with retail on the first floor and approximately (4) four residential units on the upper floors. The project includes the installation of tenant finishes, personal property, fixtures, furniture and equipment.

**Estimated Project Cost:** \$1,305,500

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$1,070,000

**Estimated Total Mortgage Amount:** \$1,195,500

**Current Total Assessment:** \$100,000 (per Commissioner of Department of Assessment & Taxation)

**Estimated Improved Total Assessment:** \$400,000 (per Commissioner of Department of Assessment & Taxation)

**Requested PILOT:** Applicant proposes entering into a 12 year PILOT agreement with the IDA in which annual payments in lieu of taxes will be calculated by adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment

(i.e. the “base” assessment) and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project. Please see attached Revised PILOT Analysis for specifics.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments: \$107,144

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$85,600
- Mortgage Recording Taxes: \$14,944
- Real Property Taxes: \$166,109 (*Not a Net Present Value*)
  - 485a Real Property Tax Abatement Program Real Property Taxes: \$166,109 (*Not a Net Present Value*)
- Other: N/A

**Employment Impact:**

- Projected Permanent: (5) new jobs
- Projected Construction: (25) jobs

**Other Economic Impacts:**

- Adds to the supply of downtown residential to help meet the demand for such living options (as stated in Zimmerman/Volk Associates downtown residential market study)
- Increases retail options
- Increases consumer base to support downtown businesses
- Increases local and state sales tax revenues
- Increases Downtown BID revenues that will be used to further the betterment of the district

**Strategic Initiatives:**

- Albany 2030
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and buildings for employment and housing through development, redevelopment, rehabilitation and adaptive reuse.
  - 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
  - Eligible for the 485a Real Property Tax Abatement Program

**Planning Board Actions:**

- Approved

**Estimated IDA Fee**

- Fee amount: \$13,055

**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.

# 140 State Street Properties LLC: Revised PILOT Analysis

PILOT Year	City and County Tax Year	School Tax Year	Tax Rate <sup>(6)</sup>	Status Quo		Proposed Project							
				Estimated Total Assessment <sup>(7)</sup>	Estimated Total Taxes <sup>(8)</sup>	Normal Tax		485a Tax Abatement (For Comparison Purposes)			Applicant Requested PILOT		
						Estimated Total Improved Assessment <sup>(9)</sup>	Estimated Total Taxes w/o PILOT <sup>(10)</sup>	Estimated PILOT Payments and Normal Taxes <sup>(11)</sup>	Estimated Abatement Savings <sup>(12)</sup>	% of Abatement on Improved Assessment <sup>(13)</sup>	Estimated PILOT Payments <sup>(14)</sup>	Estimated Abatement Savings <sup>(15)</sup>	% of Abatement on Improved Assessment <sup>(16)</sup>
Interim <sup>(1)</sup>	2014	2013/2014	\$46.73	\$100,000	\$4,673	-	-	-	-	-	-	-	-
1 <sup>(2)</sup>	2015	2014/2015	\$48.13	\$100,000	\$4,813	\$400,000	\$19,254	\$4,813	\$14,440	100%	\$4,813	\$14,440	100%
2	2016	2015/2016	\$49.58	\$100,000	\$4,958	\$400,000	\$19,832	\$4,958	\$14,874	100%	\$4,958	\$14,874	100%
3	2017	2016/2017	\$51.07	\$100,000	\$5,107	\$400,000	\$20,427	\$5,107	\$15,320	100%	\$5,107	\$15,320	100%
4	2018	2017/2018	\$52.60	\$100,000	\$5,260	\$400,000	\$21,039	\$5,260	\$15,779	100%	\$5,260	\$15,779	100%
5	2019	2018/2019	\$54.18	\$100,000	\$5,418	\$400,000	\$21,671	\$5,418	\$16,253	100%	\$5,418	\$16,253	100%
6	2020	2019/2020	\$55.80	\$100,000	\$5,580	\$400,000	\$22,321	\$5,580	\$16,740	100%	\$5,580	\$16,740	100%
7	2021	2020/2021	\$57.48	\$100,000	\$5,748	\$400,000	\$22,990	\$5,748	\$17,243	100%	\$5,748	\$17,243	100%
8	2022	2021/2022	\$59.20	\$100,000	\$5,920	\$400,000	\$23,680	\$5,920	\$17,760	100%	\$5,920	\$17,760	100%
9	2023	2022/2023	\$60.98	\$100,000	\$6,098	\$400,000	\$24,390	\$9,756	\$14,634	80%	\$9,756	\$14,634	80%
10	2024	2023/2024	\$62.81	\$100,000	\$6,281	\$400,000	\$25,122	\$13,817	\$11,305	60%	\$13,817	\$11,305	60%
11	2025	2024/2025	\$64.69	\$100,000	\$6,469	\$400,000	\$25,876	\$18,113	\$7,763	40%	\$18,113	\$7,763	40%
12 <sup>(4)</sup>	2026	2025/2026	\$66.63	\$100,000	\$6,663	\$400,000	\$26,652	\$22,654	\$3,998	20%	\$22,654	\$3,998	20%
Permanent <sup>(5)</sup>	2027	2026/2027	\$68.63	\$100,000	\$6,863	\$400,000	\$27,452	-	-	-	-	-	-
Estimated Total <sup>(17)</sup>					\$68,313		\$273,253	\$107,144	\$166,109		\$107,144	\$166,109	

Notes:

(1) Property will likely be taxable until March 1st, 2014. Project would likely close with Agency in January or February of 2014.

(2) Estimated start of PILOT payments.

(3) Estimated end of 485a Tax Abatement (shown for comparison reasons)

(4) Estimated end of PILOT payments assuming Applicant Requested PILOT.

(5) Property returns to taxable status.

(6) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City and County 2013 tax year plus a 4% escalator and School 2013/2014 tax with estimated escalation of 3% thereafter.

(7) Per Commissioner of Department of Assessment & Taxation based on 2013 tax roll.

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

(9) Per Commissioner of Department of Assessment & Taxation based on estimate of \$100,000 per unit (inc. land and improvement assessment value). Assessment value is not fixed.

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

(11) Estimated PILOT Payments and Normal Taxes for Years 13-20 assuming 485a Tax Abatement (shown for comparison reasons)

(12) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming 485a Tax Abatement (shown for comparison reasons)

(13) Percent abatement on increased assessment via PILOT assuming 485a Tax Abatement (shown for comparison reasons)

(14) Estimated PILOT Payments assuming Applicant Requested PILOT

(15) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Applicant Requested PILOT

(16) Percent abatement on increased assessment via PILOT assuming Applicant Requested PILOT

(17) 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:** 144 State Street LLC – Revised Project Summary

**DATE:** December 6, 2013

---

*Staff Notes:*

*This project summary is in response to the request for financial assistance by the Applicant which was introduced at the September 19<sup>th</sup> Finance Committee meeting. The project was subsequently discussed at the October 9<sup>th</sup> Finance Committee. As the result of the October 9<sup>th</sup> Finance Committee the Applicant submitted a revised PILOT request for consideration at the November, 13<sup>th</sup> Finance Committee meeting. The revised PILOT request included the reduction of the duration of the PILOT from 20 to 15 years and modified the percentage abatement amounts. The project was subsequently discussed at the November 13<sup>th</sup> Finance Committee meeting. This project summary is the result of the work staff has performed per the direction of the Finance Committee at the November 13<sup>th</sup> meeting. The Applicant has submitted a revised PILOT request for Finance Committee review. Staff seeks feedback from the Committee. The Applicant would like to seek Board approval in January. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.*

**Applicant:** 144 State Street LLC

**Managing Members (% of Ownership):** Joseph R. Nicolla (51%) and Richard A. Rosen (49%)

**Project Location:** 142 State Street

**Project Description:** Proposed acquisition of a parcel of land along with the acquisition of and renovation of a historic, existing 180,000 SF +/- building into a 204 +/- hotel with banquet/event space. The project includes the installation of tenant finishes, personal property, fixtures, furniture and equipment.

**Estimated Project Cost:** \$46,960,257

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$17,450,000

**Estimated Total Mortgage Amount:** \$32,000,000

**Current Total Assessment:** \$1,000,000 (per Commissioner of Department of Assessment & Taxation)

**Estimated Improved Total Assessment:** \$20,400,000 (per Commissioner of Department of Assessment & Taxation)



**Requested PILOT:** Applicant proposes entering into a 15 year PILOT agreement with the IDA in which annual payments in lieu of taxes will be calculated by adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project. Please see attached Revised PILOT Analysis for specifics.

Below is a comparison of original proposed percent of abatement schedule versus the first and second revised proposed percent of abatement schedule.

<b>% of Abatement Comparison Chart</b>			
<b>PILOT Year</b>	<b><u>Original Proposed</u> % of Abatement on Improved Assessment<sup>(12)</sup></b>	<b><u>First Revised</u> Proposed % of Abatement on Improved Assessment<sup>(12)</sup></b>	<b><u>Second Revised</u> Proposed % of Abatement on Improved Assessment<sup>(12)</sup></b>
1	100%	100%	100%
2	100%	100%	100%
3	100%	100%	100%
4	100%	100%	100%
5	100%	100%	100%
6	100%	100%	100%
7	100%	100%	100%
8	85.71%	100%	100%
9	85.71%	100%	87.50%
10	71.43%	100%	75.00%
11	71.43%	83.33%	62.50%
12	57.14%	66.67%	50.00%
13	57.14%	50.00%	37.50%
14	42.86%	33.33%	25.00%
15	42.86%	16.67%	12.50%
16	28.57%	Taxable Status	Taxable Status
17	28.57%	Taxable Status	Taxable Status
18	14.29%	Taxable Status	Taxable Status
19	14.29%	Taxable Status	Taxable Status
20	7.14%	Taxable Status	Taxable Status

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments: \$5,561,208
  - As compared to \$4,650,397 over first 15 years of the original proposed 20 year PILOT (difference of +\$910,811). If a comparison is made over 20 years, where the original proposed 20 year PILOT is compared to the proposed second revised

15 year PILOT and an additional 5 years of full taxes, the total estimated PILOT payments during the original proposed 20 year PILOT would be \$11,364,151 while the total estimated PILOT payments and taxes during the proposed second revised 15 year PILOT and an additional 5 years of full taxes would be \$13,683,388 (difference of +\$2,319,237 with the project listed as taxable 5 years earlier).

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$1,396,000
- Mortgage Recording Taxes: \$400,000
- Real Property Taxes: \$12,702,038 (*Not a Net Present Value*)
- Other: N/A

**Employment Impact:**

- Projected Permanent: (162) new jobs
- Projected Construction: (200) jobs

**Other Economic Impacts:**

- Increases local and state sales tax revenues
- Increase in hotel occupancy tax revenues
- Increases Downtown BID revenues that will be used to further the betterment of the district

**Strategic Initiatives:**

- Albany 2030
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and buildings for employment and housing through development, redevelopment, rehabilitation and adaptive reuse.

**Planning Board Actions:**

- Issued a Negative Declaration for this Unlisted Action as per the provisions of SEQR on 10/17/13.
- Approved the site plan on 10/17/13 with the following conditions:
  - The applicant shall obtain final approval from the Department of Water & Water Supply.
  - Miscellaneous plan notes shall be more clearly delineated on site plan drawings, as required by Divisions of Engineering and Planning.
  - Removal of metered parking spaces shall be subject to agreement with the Albany Parking Authority.

**Estimated IDA Fee**

- Fee amount: \$469,603

**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.

### 144 State Street Properties LLC: Revised PILOT Analysis

PILOT Year	City and County Tax Year	School Tax Year	Tax Rate <sup>(5)</sup>	Status Quo		Proposed Project				
				Estimated Total Assessment <sup>(6)</sup>	Estimated Total Taxes <sup>(7)</sup>	Normal Tax		Applicant Requested PILOT		
						Estimated Total Improved Assessment <sup>(8)</sup>	Estimated Total Non Homestead Taxes w/o PILOT <sup>(9)</sup>	Estimated PILOT Payments <sup>(10)</sup>	Estimated Abatement Savings <sup>(11)</sup>	% of Abatement on Improved Assessment <sup>(12)</sup>
Interim <sup>(1)</sup>	2014	2013/2014	\$46.73	\$1,000,000	\$46,733	-	-	-	-	-
1 <sup>(2)</sup>	2015	2014/2015	\$48.13	\$1,000,000	\$48,135	\$20,400,000	\$981,952	\$48,135	\$933,817	100.00%
2	2016	2015/2016	\$49.58	\$1,000,000	\$49,579	\$20,400,000	\$1,011,411	\$49,579	\$961,832	100.00%
3	2017	2016/2017	\$51.07	\$1,000,000	\$51,066	\$20,400,000	\$1,041,753	\$51,066	\$990,687	100.00%
4	2018	2017/2018	\$52.60	\$1,000,000	\$52,598	\$20,400,000	\$1,073,006	\$52,598	\$1,020,407	100.00%
5	2019	2018/2019	\$54.18	\$1,000,000	\$54,176	\$20,400,000	\$1,105,196	\$54,176	\$1,051,020	100.00%
6	2020	2019/2020	\$55.80	\$1,000,000	\$55,802	\$20,400,000	\$1,138,352	\$55,802	\$1,082,550	100.00%
7	2021	2020/2021	\$57.48	\$1,000,000	\$57,476	\$20,400,000	\$1,172,502	\$57,476	\$1,115,027	100.00%
8	2022	2021/2022	\$59.20	\$1,000,000	\$59,200	\$20,400,000	\$1,207,677	\$59,200	\$1,148,478	100.00%
9	2023	2022/2023	\$60.98	\$1,000,000	\$60,976	\$20,400,000	\$1,243,908	\$208,842	\$1,035,065	87.50%
10	2024	2023/2024	\$62.81	\$1,000,000	\$62,805	\$20,400,000	\$1,281,225	\$367,410	\$913,815	75.00%
11	2025	2024/2025	\$64.69	\$1,000,000	\$64,689	\$20,400,000	\$1,319,662	\$535,304	\$784,358	62.50%
12	2026	2025/2026	\$66.63	\$1,000,000	\$66,630	\$20,400,000	\$1,359,252	\$712,941	\$646,311	50.00%
13	2027	2026/2027	\$68.63	\$1,000,000	\$68,629	\$20,400,000	\$1,400,029	\$900,754	\$499,275	37.50%
14	2028	2027/2028	\$70.69	\$1,000,000	\$70,688	\$20,400,000	\$1,442,030	\$1,099,194	\$342,836	25.00%
15 <sup>(3)</sup>	2029	2028/2029	\$72.81	\$1,000,000	\$72,808	\$20,400,000	\$1,485,291	\$1,308,731	\$176,560	12.50%
Permanent <sup>(4)</sup>	2030	2030/2031	\$74.99	\$1,000,000	\$74,993	\$20,400,000	\$1,529,850	-	-	-
Estimated Total <sup>(13)</sup>					\$895,257		\$18,263,247	\$5,561,208	\$12,702,038	

Notes:

(1) Property will likely be taxable until March 1st, 2014. Project would likely close with Agency in January or February of 2014.

(2) Estimated start of PILOT payments.

(3) Estimated end of PILOT payments assuming Applicant Requested PILOT.

(4) Property returns to taxable status.

(5) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City and County 2013 tax year plus a 4% escalator and School 2013/2014 tax with estimated escalation of 3% thereafter.

(6) Per Commissioner of Department of Assessment & Taxation based on 2013 tax roll.

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

(8) Per Commissioner of Department of Assessment & Taxation based on estimate of \$100 per square foot (Inc. land and improvement assessment value). Assessment value is not fixed.

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

(10) Estimated PILOT Payments assuming Applicant Requested PILOT

(11) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Applicant Requested PILOT

(12) Percent abatement on increased assessment via PILOT assuming Applicant Requested PILOT

(13) 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:** 67 Howard Street LLC – Project Summary

**DATE:** December 6, 2013

---

*Staff Notes:*

*This project summary is in response to the request for financial assistance by the Applicant which was introduced at the September 19<sup>th</sup> Finance Committee meeting. The project was subsequently discussed at the October 9<sup>th</sup> and November 13<sup>th</sup> Finance Committee meetings. This project summary is the result of the work staff has performed per the direction of the Finance Committee at the November 13<sup>th</sup> meeting. The PILOT schedule has been modified. Staff seeks feedback from the Committee on the matter. The Applicant would like to seek Board approval in January. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.*

**Applicant:** 67 Howard Street LLC

**Managing Members (% of Ownership):** Joseph R. Nicolla (51%) and Richard A. Rosen (49%)

**Project Location:** 67 Howard Street

**Project Description:** Proposed acquisition of a parcel of land along with the construction of a 200 space parking garage with the potential for expansion of the garage by an additional 100 spaces. The project includes the installation personal property, fixtures, machinery and equipment. Construction of the project is associated with the hotel being proposed at 142 State Street.

**Estimated Project Cost:** \$6,503,500

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$5,250,000

**Estimated Total Mortgage Amount:** \$5,500,000

**Current Total Assessment:** \$250,000 (per Commissioner of Department of Assessment & Taxation)

**Estimated Improved Total Assessment:** \$2,550,000 (per Commissioner of Department of Assessment & Taxation)

**PILOT:** Applicant proposes entering into a 15 year PILOT agreement with the IDA in which annual payments in lieu of taxes will be calculated by adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project. Please see attached Revised PILOT Analysis for specifics.

Below is a comparison of original proposed percent of abatement schedule versus the revised proposed percent of abatement schedule.

<b>% of Abatement Comparison Chart</b>		
<b>PILOT Year</b>	<b>Original Proposed % of Abatement on Improved Assessment<sup>(12)</sup></b>	<b>Revised Proposed % of Abatement on Improved Assessment<sup>(12)</sup></b>
1	100%	100%
2	100%	100%
3	100%	100%
4	100%	100%
5	100%	100%
6	100%	100%
7	100%	100%
8	85.71%	100%
9	85.71%	87.50%
10	71.43%	75.00%
11	71.43%	62.50%
12	57.14%	50.00%
13	57.14%	37.50%
14	42.86%	25.00%
15	42.86%	12.50%
16	28.57%	Taxable Status
17	28.57%	Taxable Status
18	14.29%	Taxable Status
19	14.29%	Taxable Status
20	7.14%	Taxable Status

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments: \$776,994
  - As compared to \$415,790 over first 15 years of previously proposed 20 year PILOT (difference of +\$361,204). If a comparison is made over 20 years, where the original proposed 20 year PILOT is compared to the proposed revised 15 year PILOT and an additional 5 years of full taxes, the total estimated PILOT payments during the original proposed 20 year PILOT would be \$1,144,505

while the total estimated PILOT payments and taxes during the proposed revised 15 PILOT year PILOT and an additional 5 years of full taxes would be \$1,792,267 (difference of +\$647,762 with the project listed as taxable 5 years earlier).

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$420,000
- Mortgage Recording Taxes: \$68,750
- Real Property Taxes: \$1,505,912 (*Not a Net Present Value*)
- Other: N/A

**Employment Impact:**

- Projected Permanent: (2) new jobs
- Projected Construction: (25) jobs

**Other Economic Impacts:**

- Increases parking options
- Increases Downtown BID revenues that will be used to further the betterment of the district

**Strategic Initiatives:**

- Albany 2030
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and buildings for employment and housing through development, redevelopment, rehabilitation and adaptive reuse.

**Planning Board Actions:**

- Approved

**Estimated IDA Fee**

- Fee amount: \$65,035

**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.

### 67 Howard Street LLC: Revised PILOT Analysis

PILOT Year	City and County Tax Year	School Tax Year	Tax Rate <sup>(5)</sup>	Status Quo		Proposed Project				
				Estimated Total Assessment <sup>(6)</sup>	Estimated Total Taxes <sup>(7)</sup>	Normal Tax		Applicant Requested PILOT		
						Estimated Total Improved Assessment <sup>(8)</sup>	Estimated Total Taxes w/o PILOT <sup>(9)</sup>	Estimated PILOT Payments <sup>(10)</sup>	Estimated Abatement Savings <sup>(11)</sup>	% of Abatement on Improved Assessment <sup>(12)</sup>
Interim <sup>(1)</sup>	2014	2013/2014	\$46.73	\$250,000	\$11,683	-	-	-	-	-
1 <sup>(2)</sup>	2015	2014/2015	\$48.13	\$250,000	\$12,034	\$2,550,000	\$122,744	\$12,034	\$110,710	100.00%
2	2016	2015/2016	\$49.58	\$250,000	\$12,395	\$2,550,000	\$126,426	\$12,395	\$114,032	100.00%
3	2017	2016/2017	\$51.07	\$250,000	\$12,767	\$2,550,000	\$130,219	\$12,767	\$117,453	100.00%
4	2018	2017/2018	\$52.60	\$250,000	\$13,150	\$2,550,000	\$134,126	\$13,150	\$120,976	100.00%
5	2019	2018/2019	\$54.18	\$250,000	\$13,544	\$2,550,000	\$138,149	\$13,544	\$124,605	100.00%
6	2020	2019/2020	\$55.80	\$250,000	\$13,950	\$2,550,000	\$142,294	\$13,950	\$128,344	100.00%
7	2021	2020/2021	\$57.48	\$250,000	\$14,369	\$2,550,000	\$146,563	\$14,369	\$132,194	100.00%
8	2022	2021/2022	\$59.20	\$250,000	\$14,800	\$2,550,000	\$150,960	\$14,800	\$136,160	100.00%
9	2023	2022/2023	\$60.98	\$250,000	\$15,244	\$2,550,000	\$155,488	\$32,775	\$122,714	87.50%
10	2024	2023/2024	\$62.81	\$250,000	\$15,701	\$2,550,000	\$160,153	\$51,814	\$108,339	75.00%
11	2025	2024/2025	\$64.69	\$250,000	\$16,172	\$2,550,000	\$164,958	\$71,967	\$92,991	62.50%
12	2026	2025/2026	\$66.63	\$250,000	\$16,657	\$2,550,000	\$169,906	\$93,282	\$76,624	50.00%
13	2027	2026/2027	\$68.63	\$250,000	\$17,157	\$2,550,000	\$175,004	\$115,811	\$59,192	37.50%
14	2028	2027/2028	\$70.69	\$250,000	\$17,672	\$2,550,000	\$180,254	\$139,608	\$40,645	25.00%
15 <sup>(3)</sup>	2029	2028/2029	\$72.81	\$250,000	\$18,202	\$2,550,000	\$185,661	\$164,729	\$20,932	12.50%
Permanent <sup>(4)</sup>	2030	2030/2031	\$74.99	\$250,000	\$18,748	\$2,550,000	\$191,231	-	-	-
Estimated Total <sup>(13)</sup>					\$223,814		\$2,282,906	\$776,994	\$1,505,912	

Notes:

(1) Property will likely be taxable until March 1st, 2014. Project would likely close with Agency in January or February of 2014.

(2) Estimated start of PILOT payments.

(3) Estimated end of PILOT payments assuming Applicant Requested PILOT.

(4) Property returns to taxable status.

(5) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City and County 2013 tax year plus a 4% escalator and School 2013/2014 tax with estimated escalation of 3% thereafter.

(6) Per Commissioner of Department of Assessment & Taxation based on 2013 tax roll.

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

(8) Per Commissioner of Department of Assessment & Taxation based on estimate of \$100 per square foot (Inc. land and improvement assessment value). Assessment value is not fixed.

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

(10) Estimated PILOT Payments assuming Applicant Requested PILOT

(11) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Applicant Requested PILOT

(12) Percent abatement on increased assessment via PILOT assuming Applicant Requested PILOT

(13) 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:** 488 Broadway Arcade LLC – Revised Project Summary

**DATE:** December 6, 2013

---

*Staff Notes:*

*This project summary is the result of the work staff has performed per the direction of the Finance Committee at the September 11<sup>th</sup> meeting. As a result of the September 11<sup>th</sup> meeting the Applicant submitted a revised PILOT request for Committee review. The revised PILOT request included the reduction of the duration of the PILOT to 20 years and modified the percentage abatement amounts. Per the direction of the Finance Committee at the November 13<sup>th</sup> meeting, Staff sought to modify the revised PILOT request. The result of this work can be found within the Project Summary below. Staff seeks feedback from the Committee. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.*

**Applicant:** 488 Broadway Arcade LLC

**Managing Members (% of Ownership):** David Sarraf (47.5%), Harris Sarraf (47.5%), and Yahya Sarraf (5%)

**Project Location:** 482 Broadway

**Project Description:** Proposed conversion of approximately 75,000 sq.ft. mixed-use retail and commercial office building into mixed-use retail and residential. The Applicant is proposing 68 residential rental units (floors 2 - 5) of which 28 will be studios and 40 will be one bedroom apartments. The residential units will be serviced by at least two elevators. Each residential unit will be finished with hardwood floors, granite/quartz countertops, high-end appliances and fixtures, and tiled bathrooms. The first floor will include 12,000 sq.ft. of rentable commercial space that could accommodate up three to ten potential retail tenants. The project will require the removal and replacement of many of the existing partition walls, plumbing, electrical wiring, HVAC, windows, etc. (which has begun).

**Estimated Project Cost:** \$10,000,000 (estimated amount spent to date \$397,000)

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$3,362,500

**Estimated Total Mortgage Amount:** \$7,000,000

**Current Total Assessment:** \$1,000,000 (Based on estimated reduction in assessment)

**Estimated Improved Total Assessment:** \$7,300,000 (per Commissioner of Department of Assessment & Taxation)

**Requested PILOT:** The proposal entails the Applicant entering into a 20 year PILOT agreement with the IDA. The PILOT will include two scenarios, Scenario #1 and Scenario #2.

- For Years 1-12, annual payments in lieu of taxes will be calculated by:
  - For Scenario #1 and Scenario #2, adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) of \$1,000,000 and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.
- For Years 13-20, annual payments in lieu of taxes will be calculated by the greater of:
  - For Scenario #1, adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) of \$1,000,000 and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.
  - For Scenario #2, multiplying eleven and a half (11.5%) of gross rental revenue.

Please see attached Revised PILOT Analysis for specifics.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments:
  - Scenario: #1: \$2,458,440
  - Scenario: #2: Greater than Scenario #1

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$269,000
- Mortgage Recording Taxes: \$87,500
- Real Property Taxes:
  - Scenario #1: \$6,983,404 (*Not a Net Present Value*)
  - Scenario #2: Less than Scenario #1
- Other: N/A

**Employment Impact:**

- Projected Permanent: (20) new jobs
- Projected Construction: (55) jobs

**Other Economic Impacts:**

- Decreases the overall commercial vacancy rate downtown
- Adds to the supply of downtown residential to help meet the demand for such living options (as stated in Zimmerman/Volk Associates downtown residential market study)
- Increases retail options
- Increases consumer base to support downtown businesses
- Increases local and state sales tax revenues

- Increases Downtown BID revenues that will be used to further the betterment of the district

### **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.
- Revitalization and diversification of downtown - adaptive reuse of underutilized or vacant buildings
  - Eligible for the 485a Real Property Tax Abatement Program
  - Part of NYS Main Street Grant CFA application sponsored by Capitalize Albany Corporation

### **Planning Board Actions:**

- Issued a Negative Declaration for this Unlisted Action as per the provisions of SEQR on 6/20/13.
- Approved the site plan on 6/20/13 with the following conditions:
  - The applicant shall obtain final approval of the Department of Water & Water Supply.

### **Estimated IDA Fee**

- Fee amount: \$100,000

### **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.



**488 BROADWAY ARCADE LLC  
PO BOX 6515  
ALBANY, NEW YORK 12206  
PH: (518) 512-3693 FAX: (518) 512-3694**

December 9, 2013

Michael Yevoli  
Chief Executive Officer  
City of Albany Industrial Development Agency  
21 Lodge Street  
Albany, New York 12207

**RE: Amendment to Request for IDA Assistance for 488 Broadway Arcade LLC Project**

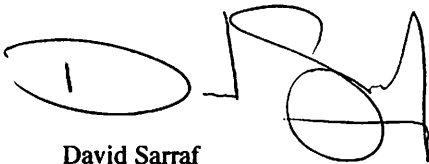
Dear Mr. Yevoli:

We would like to amend our request for IDA assistance for the renovation project at 488 (aka 482) Broadway. We propose a 20-year program at a base assessment of \$1,000,000 and the following PILOT payments for your consideration:

Year 1-10: 100% abatement on improved assessment  
Year 11: 85% abatement on improved assessment  
Year 12: 80% abatement on improved assessment  
Year 13-20: 12% of gross project revenue

Please do not hesitate to contact me if you should have any questions or find additional information is needed. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'DS', with a large, stylized loop on the left side.

David Sarraf  
488 Broadway Arcade LLC, Manager  
518-512-3693  
dsarraf@fairbankproperties.com

**TO:** City of Albany Industrial Development Finance Committee

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

**RE:** 412 Broadway Realty, LLC – Preliminary Application Summary

**DATE:** December 6, 2013

---

*Staff Notes:*

*This is a preliminary project summary that will be updated as the project progresses through staff review and Agency consideration.*

---

**Applicant:** 412 Broadway Realty, LLC

**Managing Members (% of Ownership):** Marc Paquin (50%) and Gerry Gauer (50%)

**Project Location:** 412 Broadway

**Project Description:** Proposed conversion of a vacant 5 story, 36,900 sq.ft. mixed-use retail and commercial office building into mixed-use retail and residential. The Applicant is proposing 32 residential rental units (floors 2 - 5) with one and two bedroom units. The residential units will be serviced by an elevator with parking located next door. Each residential unit will be finished with carpet/tile floors, granite countertops, stainless steel appliances, etc.. The first floor will include over 6,400 sq.ft. of rentable commercial space that could accommodate up to two potential commercial tenants. The project will require the removal and replacement of many of the existing partition walls, plumbing, electrical wiring, HVAC, windows, etc..

**Estimated Project Cost:** \$3,032,000 (estimated amount spent to date \$50,000)

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$1,094,000

**Estimated Total Mortgage Amount:** \$4,700,000

**Current Total Assessment:** \$788,632 (Based on estimated reduction in assessment challenge)

**Estimated Improved Total Assessment:** \$3,300,000 (per discussion with Commissioner of Assessment & Taxation)

**Requested PILOT:** The proposal entails the Applicant entering into a 20 year PILOT agreement with the IDA. The PILOT will include two scenarios, Scenario #1 and Scenario #2.

- For Years 1-12, annual payments in lieu of taxes will be calculated by:
  - For Scenario #1 and Scenario #2, adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) of \$788,632 and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.
- For Years 13-20, annual payments in lieu of taxes will be calculated by the greater of:
  - For Scenario #1, adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) of \$788,632 and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.
  - For Scenario #2, multiplying eleven and a half (11.5%) of gross rental revenue.

Please see attached Revised PILOT Analysis for specifics.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments:
  - Scenario: #1: \$1,423,816
  - Scenario: #2: Greater than Scenario #1

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$88,000
- Mortgage Recording Taxes: \$58,750
- Real Property Taxes:
  - Scenario #1: \$2,844,415 (*Not a Net Present Value*)
  - Scenario #2: Less than Scenario #1
- Other: N/A

**Employment Impact:**

- Projected Permanent: (8) new jobs
- Projected Construction: (26) jobs

**Other Economic Impacts:**

- Decreases the overall commercial vacancy rate downtown
- Adds to the supply of downtown residential to help meet the demand for such living options (as stated in Zimmerman/Volk Associates downtown residential market study)
- Increases retail options
- Increases consumer base to support downtown businesses
- Increases local sales tax revenues
- Increases Downtown BID revenues that will be used to further the betterment of the district

**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.
- Revitalization and diversification of downtown - adaptive reuse of underutilized or vacant buildings
  - Eligible for the 485a Real Property Tax Abatement Program
  - Part of NYS Main Street Grant CFA application sponsored by Capitalize Albany Corporation

**Planning Board Actions:**

- Issued a Negative Declaration for this Unlisted Action as per the provisions of SEQR on 11/21/13.
- Approved the site plan on 11/21/13.

**Estimated IDA Fee**

- Fee amount: \$30,320

**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.



412 Broadway Realty, LLC - Proposed PILOT Analysis																								
PILOT Year	City and County Tax Year	School Tax Year	Tax Rate <sup>(6)</sup>	Status Quo		Proposed Project																		
				Estimated Total Assessment <sup>(7)</sup>	Estimated Total Taxes <sup>(8)</sup>	Normal Tax			485a Tax Abatement (For Comparison Purposes)							Staff Amended PILOT								
						Estimated Total Improved Assessment <sup>(9)</sup>	Estimated Total Taxes w/o PILOT <sup>(10)</sup>	Estimated Total Taxes w/o PILOT Per Unit <sup>(11)</sup>	Estimated PILOT Payments and Normal Taxes <sup>(12)</sup>	Estimated Abatement <sup>(13)</sup>	Estimated PILOT Payments and Normal Taxes Per Unit <sup>(14)</sup>	Estimated Abatement Per Unit <sup>(15)</sup>	% Abatement on Total Assessment <sup>(16)</sup>	% of Abatement on Improved Assessment <sup>(17)</sup>	PILOT Payments to be the Greater of <sup>(18)</sup>		Estimated Abatement <sup>(21)</sup>	Estimated PILOT Payments Per Unit <sup>(22)</sup>	Estimated Abatement Per Unit <sup>(23)</sup>	% Abatement on Total Assessment <sup>(24)</sup>	% of Abatement on Improved Assessment <sup>(25)</sup>			
															Estimated PILOT Payments <sup>(19)</sup>	Estimated PILOT Payments <sup>(20)</sup>								
Interim <sup>(1)</sup>	2014	2013/2014	\$46.73	\$788,632	\$36,855	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1 <sup>(2)</sup>	2015	2014/2015	\$48.13	\$788,632	\$37,961	\$3,300,000	\$158,845	\$4,813	\$37,961	\$120,884	\$1,150	\$3,663	76.10%	100%	\$37,961	Not applicable	\$120,884	\$1,150	\$3,663	76.10%	100%			
2	2016	2015/2016	\$49.58	\$788,632	\$39,100	\$3,300,000	\$163,611	\$1,185	\$39,100	\$124,511	\$1,185	\$3,773	76.10%	100%	\$39,100	Not applicable	\$124,511	\$1,185	\$3,773	76.10%	100%			
3	2017	2016/2017	\$51.07	\$788,632	\$40,273	\$3,300,000	\$168,519	\$5,107	\$40,273	\$128,246	\$1,220	\$3,886	76.10%	100%	\$40,273	Not applicable	\$128,246	\$1,220	\$3,886	76.10%	100%			
4	2018	2017/2018	\$52.60	\$788,632	\$41,481	\$3,300,000	\$173,574	\$5,260	\$41,481	\$132,094	\$1,257	\$4,003	76.10%	100%	\$41,481	Not applicable	\$132,094	\$1,257	\$4,003	76.10%	100%			
5	2019	2018/2019	\$54.18	\$788,632	\$42,725	\$3,300,000	\$178,782	\$5,418	\$42,725	\$136,057	\$1,295	\$4,123	76.10%	100%	\$42,725	Not applicable	\$136,057	\$1,295	\$4,123	76.10%	100%			
6	2020	2019/2020	\$55.80	\$788,632	\$44,007	\$3,300,000	\$184,145	\$5,580	\$44,007	\$140,138	\$1,334	\$4,247	76.10%	100%	\$44,007	Not applicable	\$140,138	\$1,334	\$4,247	76.10%	100%			
7	2021	2020/2021	\$57.48	\$788,632	\$45,327	\$3,300,000	\$189,670	\$5,748	\$45,327	\$144,342	\$1,374	\$4,374	76.10%	100%	\$45,327	Not applicable	\$144,342	\$1,374	\$4,374	76.10%	100%			
8	2022	2021/2022	\$59.20	\$788,632	\$46,687	\$3,300,000	\$195,360	\$5,920	\$46,687	\$148,673	\$1,415	\$4,505	76.10%	100%	\$46,687	Not applicable	\$148,673	\$1,415	\$4,505	76.10%	100%			
9	2023	2022/2023	\$60.98	\$788,632	\$48,088	\$3,300,000	\$201,220	\$6,098	\$78,714	\$122,506	\$2,385	\$3,712	60.88%	80%	\$55,744	Not applicable	\$145,476	\$1,689	\$4,408	72.30%	95%			
10	2024	2023/2024	\$62.81	\$788,632	\$49,530	\$3,300,000	\$207,257	\$6,281	\$112,621	\$94,636	\$3,413	\$2,868	45.66%	60%	\$73,189	Not applicable	\$134,068	\$2,218	\$4,063	64.69%	85%			
11	2025	2024/2025	\$64.69	\$788,632	\$51,016	\$3,300,000	\$213,475	\$6,469	\$148,491	\$64,983	\$4,500	\$1,969	30.44%	40%	\$83,508	Not applicable	\$129,967	\$2,531	\$3,938	60.88%	80%			
12 <sup>(3)</sup>	2026	2025/2026	\$66.63	\$788,632	\$52,547	\$3,300,000	\$219,879	\$6,663	\$186,412	\$33,466	\$5,649	\$1,014	15.22%	20%	\$86,013	Not applicable	\$133,866	\$2,606	\$4,057	60.88%	80%			
13	2027	2026/2027	\$68.63	\$788,632	\$54,123	\$3,300,000	\$226,475	\$6,863	\$226,475	-	\$6,863	-	-	-	\$88,593	11.5% of Project Gross Rental Revenue	\$137,882	\$2,685	\$4,178	60.88%	80%			
14	2028	2027/2028	\$70.69	\$788,632	\$55,747	\$3,300,000	\$233,270	\$7,069	\$233,270	-	\$7,069	-	-	-	\$91,251	11.5% of Project Gross Rental Revenue	\$142,018	\$2,765	\$4,304	60.88%	80%			
15	2029	2028/2029	\$72.81	\$788,632	\$57,419	\$3,300,000	\$240,268	\$7,281	\$240,268	-	\$7,281	-	-	-	\$93,989	11.5% of Project Gross Rental Revenue	\$146,279	\$2,848	\$4,433	60.88%	80%			
16	2030	2029/2030	\$74.99	\$788,632	\$59,142	\$3,300,000	\$247,476	\$7,499	\$247,476	-	\$7,499	-	-	-	\$96,808	11.5% of Project Gross Rental Revenue	\$150,667	\$2,934	\$4,566	60.88%	80%			
17	2031	2030/2031	\$77.24	\$788,632	\$60,916	\$3,300,000	\$254,900	\$7,724	\$254,900	-	\$7,724	-	-	-	\$99,713	11.5% of Project Gross Rental Revenue	\$155,187	\$3,022	\$4,703	60.88%	80%			
18	2032	2031/2032	\$79.56	\$788,632	\$62,743	\$3,300,000	\$262,547	\$7,956	\$262,547	-	\$7,956	-	-	-	\$102,704	11.5% of Project Gross Rental Revenue	\$159,843	\$3,112	\$4,844	60.88%	80%			
19	2033	2032/2033	\$81.95	\$788,632	\$64,626	\$3,300,000	\$270,423	\$8,195	\$270,423	-	\$8,195	-	-	-	\$105,785	11.5% of Project Gross Rental Revenue	\$164,638	\$3,206	\$4,989	60.88%	80%			
20 <sup>(4)</sup>	2034	2033/2034	\$84.40	\$788,632	\$66,564	\$3,300,000	\$278,536	\$8,440	\$278,536	-	\$8,440	-	-	-	\$108,959	11.5% of Project Gross Rental Revenue	\$169,577	\$3,302	\$5,139	60.88%	80%			
Permanent <sup>(5)</sup>	2035	2034/2035	\$86.94	\$788,632	\$68,561	\$3,300,000	\$286,892	\$8,694	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated Total <sup>(26)</sup>					\$1,020,019			\$4,268,231		\$2,877,693	\$1,390,538					\$1,423,816		\$2,844,415						
Notes:																								
(1) Property will likely be taxable until March 1st, 2014. Project would likely close with Agency in January or February of 2014.																								
(2) Estimated start of PILOT payments.																								
(3) Estimated end of 485a Tax Abatement (shown for comparison reasons).																								
(4) Estimated end of PILOT payments assuming Applicant Requested PILOT.																								
(5) Property returns to taxable status.																								
(6) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City and County 2013 tax year plus a 4% escalator and School 2013/2014 tax with estimated escalation of 3% thereafter. DOES NOT INCLUDE UNABATED BID OR LIBRARY TAX RATES THAT ARE STILL PAYABLE.																								
(7) Based on estimated reduction in assessment. PLEASE NOTE THAT THE ASSUMPTION IS CONSERVATIVE AS IT DOES NOT TAKE INTO ACCOUNT THAT THE VALUE OF THE PROPERTY WILL LIKELY CONTINUE TO DECLINE DUE TO THE LOW MARKET DEMAND AND HIGH MARKET SUPPLY OF CLASS B AND C COMMERCIAL SPACE IN THE CITY OF ALBANY.																								
(8) Estimated taxes if proposed project did not occur (i.e. left status quo). DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.																								
(9) Per Commissioner of Department of Assessment & Taxation based on estimate of \$100,000 per unit (inc. land and improvement assessment value). Assessment value is <u>not</u> fixed. PLEASE NOTE THIS NUMBER HAS CHANGED FROM PREVIOUS ANALYSES AS THE ASSESSOR HAS INDICATED A CHANGE IN ASSESSMENT PROCEDURES AS RETAIL SPACE WILL NOW BE ASSESSED AT \$100,000 PER UNIT. FOR PURPOSES OF THIS EXERCISE THE APPLICANT HAS INDICATED THAT AVAILABLE SPACE COULD ACCOMMODATE 1 to 2 RETAIL TENANTS.																								
(10) Estimated taxes if proposed project occurred without PILOT assistance. DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE. PLEASE NOTE THAT AS SHOWN VIA RESEARCH, TAXES (INC. BID AND LIBRARY) ARE 2X OR HIGHER WHAT MULTIFAMILY PROJECTS CAN SUPPORT.																								
(11) Estimated taxes Per Unit if proposed project occurred without PILOT assistance. DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.																								
(12) Estimated PILOT Payments and Normal Taxes Years 13-20 assuming 485a Tax Abatement (shown for comparison reasons). DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.																								
(13) Difference of Estimated PILOT Payments and Normal Taxes Years 13-20 from Estimated Total Taxes w/o PILOT assuming 485a Tax Abatement (shown for comparison reasons).																								
(14) Estimated PILOT Payments and Normal Taxes Years 13-20 Per Unit assuming 485a Tax Abatement (shown for comparison reasons). DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.																								
(15) Difference of Estimated PILOT Payments and Normal Taxes Years 13-20 Per Unit from Estimated Total Taxes w/o PILOT Per Unit assuming 485a Tax Abatement (shown for comparison reasons).																								
(16) Percent Abatement on Total Assessment and Normal Taxes Years 13-20 via PILOT assuming 485a Tax Abatement (shown for comparison reasons).																								
(17) Percent Abatement on Improved Assessment and Normal Taxes Years 13-20 via PILOT assuming 485a Tax Abatement (shown for comparison reasons).																								
(18) PILOT Payments in Years 1-12 will be calculated by the schedule listed for Percent Abatement on Improved Assessment. Starting in Year 13 the PILOT Payments will be calculated as the greater of the Percent Abatement on Improved Assessment or 12% of Project Gross Revenue.																								
(19) Estimated PILOT Payments assuming Applicant Requested PILOT. DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.																								
(20) Estimated PILOT Payments assuming Applicant Requested PILOT. DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.																								
(21) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Applicant Requested PILOT.																								
(22) Estimated PILOT Payments Per Unit assuming Applicant Requested PILOT. DOES NOT INCLUDE UNABATED BID OR LIBRARY TAXES THAT ARE STILL PAYABLE.																								
(23) Difference of Estimated PILOT Payments Per Unit from Estimated Total Taxes w/o PILOT Per Unit assuming Applicant Requested PILOT.																								
(24) Percent Abatement on Total Assessment via PILOT assuming Applicant Requested PILOT.																								
(25) Percent Abatement on Improved Assessment via PILOT assuming Applicant Requested PILOT.																								
(26) Totals for comparison and analysis during PILOT agreement period only.																								



December 10, 2013

Mike Yevoli  
Capitalize Albany Corporation  
21 Lodge Street  
Albany, NY 12207

RE: 412 Broadway Realty, LLC

Dear Mr. Yevoli:

Attached please find our application for IDA benefits in support of our project located at 412 Broadway in Albany. This site is known as the Argus Building and was formerly the home of Einhorn Yaffee Prescott Architectural and Engineering. The site has been completely vacant for over 2 and a half years. We have had no interest from any commercial office users in over three years of marketing the space. The space would be classified as Class "C" space. The existing building requires significant upgrades including a new roof, elevator, replacing the existing electric heating system, and a full redecoration of the interior finishes. In November, we intend to submit an application to the City of Albany Planning department as well as the Historic Resources commission to convert the existing building to a mixed use building containing 32 apartments on floors two thru five, with up 2 commercial spaces remaining on the first floor.

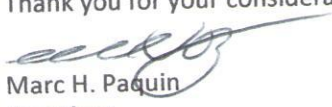
We are requesting the City of Albany IDA to approve a 20 year PILOT which will mirror the 485(a) program benefits for years 1 to 8, and then provide an abatement of real property taxes in the amount of 72.3% in year 9, 64.89% in year 10, and 60.88% in years 11-20. We request that year 1 of this PILOT reflect the assessed value we proposed in our challenge to our assessment filed in 2013 reflecting the current market conditions. The challenge was denied by the Board of Assessment Review, and we have subsequently filed suit in the State Supreme Court. We are confident the suit will be adjudicated in our favor. I have attached a copy of our challenge to this application. In addition, we request a sales tax exemption and a mortgage filing tax exemption for the new mortgage amount.

We have discussed the project with multiple lenders and have received assurances that we can obtain the necessary financing subject to receipt of a favorable adjudication from the Supreme Court, and receipt of the requested IDA benefits requested herein. Absent of this support, we will be unable to finance and develop the project.

I welcome any questions you or your staff may have with our application, and look forward to working with you to successfully add 32 new apartments to the Downtown neighborhood.

I request all information contained herein relating to project costs, income, expenses, or any other financial information provided in support of this application, be held in strict confidence. This specific information should be redacted prior to release of this application.

Thank you for your consideration.

  
Marc H. Paquin  
President

**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: 412 Broadway Realty, LLC

APPLICANT'S ADDRESS: 646 Plank Road, Suite 205

CITY: Clifton Park STATE: NY ZIP CODE: 12065

PHONE NO.: 518-371-2410 FAX NO.: 518-371-2348 E-MAIL: marc@casshilldevelopment.com

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

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

NAME OF ATTORNEY: Eugene Sneeringer, Jr., Esq. of Sneeringer, Monahan, Provost, Redgrave Title Agency, Inc.

ATTORNEY'S ADDRESS: 50 Chapel Street

CITY: Albany STATE: NY ZIP CODE: 12207

PHONE NO.: (518) 434-0127 FAX NO.: (518) 434-9997 E-MAIL: esneeringer@smprttitle.com

-----  
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 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.**

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: **412 Broadway Realty, LLC**

Contact Person: **Marc H. Paquin**

Phone Number: **518-371-2410 x 21**

Occupant: **N/A**

Project Location: **412 Broadway, Albany, NY 12207**

Approximate Size of Project Site: **Current site is approximately 33,537 rentable square feet on ±0.22 acres.**

Description of Project: **Convert existing 5-story building into a mixed use project with 32 apartments on floors 2-5, with commercial/retail space on first floor.**

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

Employment Impact: Existing Jobs **NONE**  
New and/or retained jobs = 8 est.

Project Cost: \$3,032,000 est.

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

Amount of Bonds Requested: \$ N/A

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	<u>\$ 88,000 est.</u>
Mortgage Recording Taxes:	<u>\$ 58,750 est.</u>
Real Property Tax Exemptions:	<u>\$2,541,845 est.*</u>
Other (please specify):	<u>\$ N/A</u>

\*The value of the requested PILOT Exemption exceeds the value of the 485(a) Exemption by \$1,237,994 est.

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

A. Identity of Company:

1. Company Name: **412 Broadway Realty, LLC**

Present Address: **646 Plank Road, Suite 205, Clifton Park, NY**

Zip Code: **12065**

Employer's ID No.: **02-0762703**

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

**N/A**

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? **12/19/05**

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:

**N/A**

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
Marc H. Paquin	Managing Member	President - Cass Hill Development Companies

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

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

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 X. (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 X.  
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
Marc H. Paquin	4 Keystone Terrace, Clifton Park, NY 12065	50%
Gerry Gauer	31 McMaster Street, Ballston Spa, NY 12020	50 %

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



II. DATA REGARDING PROPOSED PROJECT

- A. Summary: (Please provide a brief narrative description of the Project.)  
**Renovate existing vacant 33,637 square feet into 32 new market rate apartments on floors 2-5. Renovate existing first floor space for commercial and retail uses.**
- B. Location of Proposed Project:
1. Street Address **412 Broadway**
  2. City of **Albany**
  3. Town of **N/A**
  4. Village of **N/A**
  5. County of **Albany**
- C. Project Site:
1. Approximate size (in acres or square feet) of Project site:  
Is a map, **survey** or sketch of the project site attached? Yes X; No \_\_\_\_.
  2. Are there existing buildings on project site? Yes X; No \_\_\_\_.
    - a. If yes, indicate number and approximate size (in square feet) of each existing building:  
**Approximately 33,637 square feet of existing building structure.**
    - b. Are existing buildings in operation? Yes \_\_\_\_; No X.  
If yes, describe present use of present buildings:  
**Vacant**
    - c. Are existing buildings abandoned? Yes \_\_\_\_; No X. About to be abandoned? Yes \_\_\_\_; No \_\_\_\_\_. If yes, describe:
    - d. Attach photograph of present buildings.





3. Utilities serving project site:  
Water-Municipal: **Albany Water Board**  
Other (describe)  
Sewer-Municipal: **Albany Water Board**  
Other (describe)  
Electric-Utility: **National Grid**  
Other (describe)  
Heat-Utility: **National Grid**  
Other (describe)
4. Present legal owner of project site: **412 Broadway Realty, LLC**
- a. If the Company owns project site, indicate date of purchase: 2/6/06;  
Purchase price: \$3,000,000.
- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes \_\_\_\_; No \_\_\_\_\_. **N/A** If yes, indicate date option signed with owner: \_\_\_\_\_, 20\_\_\_\_; and the date the option expires: \_\_\_\_\_, 20\_\_\_\_. **N/A**
- 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: **N/A**
5. a. Zoning District in which the project site is located:  
**C-3 Central Business District**
- b. Are there any variances or special permits affecting the site? Yes \_\_; No X. 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 X. 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 X; No \_\_\_\_\_. If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:  
**Gut existing interior of building, install finishes consistent with 32 apartments, and commercial first floor spaces.**
3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded:  
**32 apartments, 1 or 2 commercial/retail spaces**

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 X; No \_\_\_\_\_. If yes, describe the Equipment:  
**Security systems, access control systems, and furnishings consistent with a mixed use multifamily apartment building.**
2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes \_\_\_\_; No X. If yes, please provided detail:
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:  
**Support multifamily occupancy**

F. Project Use:

1. What are the principal products to be produced at the Project?  
N/A
2. What are the principal activities to be conducted at the Project?  
**Multifamily activities. Commercial/Retail space TBD**
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 X; No \_\_\_\_\_. If yes, please provide detail: **Possible retail tenants on first floor. Specific use undetermined at this time.**
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% est.
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 X. 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 X. 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 X. 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 X. 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 X; No\_\_\_\_. If yes, please explain: **The Project is in the City of Albany Empire Zone.**

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 X; No\_\_\_\_. If yes, please explain: **We will be adding maintenance staff to our employment, as well as preparing retail space for occupancy where there is a lack of quality space existing.**

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 X. 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 X. 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: **N/A**

- 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: **N/A**
- 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: **N/A**

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 Board, Historic Resources Commission, Building Department of the City of Albany.**

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

H. Construction Status:

1. Has construction work on this project begun? Yes \_\_\_; No X. 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:

**Architecture/Engineering: \$50,000**

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 X; 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 X; 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 X; No \_\_\_. If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee name: **To be determined at a later date.**



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: **N/A**

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: **N/A**

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?

**NONE**

IV. Employment Impact

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	NONE	NONE	NONE	NONE	NONE
Present Part Time	NONE	NONE	NONE	NONE	NONE
Present Seasonal	NONE	NONE	NONE	NONE	NONE
First Year Full Time	NONE	1	1	3	5
First Year Part Time	NONE	NONE	NONE	NONE	NONE
First Year Seasonal	NONE	NONE	NONE	NONE	NONE
Second Year Full Time	NONE	1	1	6	8
Second Year Part Time	NONE	NONE	NONE	NONE	NONE
Second Year Seasonal	NONE	NONE	NONE	NONE	NONE

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. **See schedule A attached hereto.**

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	\$ 75,000*
Buildings	\$2,655,000
Machinery and equipment costs	\$ 0
Utilities, roads and appurtenant costs	\$ 0
Architects and engineering fees	\$ 50,000
Costs of Bond issue (legal, financial and printing)	\$ <u>N/A</u>
Construction loan fees and interest (if applicable)	\$ 142,000
Other (specify)	\$ _____
<u>Furniture/ Fixture</u>	\$ 18,000
<u>Professional Fees</u>	\$ 92,000
 TOTAL PROJECT COST	 \$3,032,000

\*We have owned the site since 2006

B. Have any of the above expenditures already been made by applicant?

Yes X; No \_\_\_\_\_. (If yes, indicate particular.)

**Architectural/Engineering**

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 X. 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 \_\_\_\_\_. N/A
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes: N/A
  - 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. N/A
5.      Is the Project located in the City's federally designated Enterprise Zone? Yes\_\_\_\_; No X.
6.      Is the applicant requesting the Agency to issue federally tax-exempt Enterprise Zone bonds? Yes\_\_\_\_; No X.

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 X; No \_\_\_\_.
2.      Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes X; No \_\_\_\_\_. If yes, what is the approximate amount of financing to be secured by mortgages? \$4,700,000.
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 X; 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? \$1,094,000 est.
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:	\$ <u>88,000 est.</u>
b.	Mortgage Recording Taxes:	\$ <u>58,750 est.</u>
c.	Real Property Tax Exemptions:	\$ <u>2,541,845 est.*</u>
d.	Other (please specify):	\$ <u>N/A</u>
	_____	\$ _____
	_____	\$ _____

\*The value of the requested PILOT exemptions exceed the value of the 485(a) Exemptions by \$1,237,994 est.

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 X; No \_\_\_\_\_. If yes, please explain. **Seeking PILOT Deviation.**

6.      Is the Project located in the City's state designated Empire Zone? Yes X; 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.

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:

(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 Limited Liability Company)

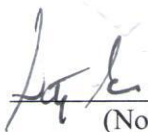
STATE OF New York )  
 ) SS.:  
COUNTY OF Albany )

Marc H. Paquin deposes and says that he is the  
(Name of chief executive of applicant)  
Managing Member of 412 Broadway Realty, LLC,  
(Title) (Company Name)

the limited liability company 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 limited liability company. 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 limited liability company.

  
(officer of applicant)

Sworn to before me this  
10<sup>th</sup> day of December, 2013.

  
(Notary Public)  
STEPHEN E. GREEN  
Notary Public, State of New York  
Qualified in Saratoga County  
Commission Expires 1/31/14

-----  
NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD  
HARMLESS AGREEMENT APPEARING ON PAGE 14 IS SIGNED BY THE APPLICANT.  
-----

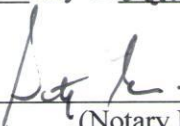


## HOLD HARMLESS AGREEMENT

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.

  
\_\_\_\_\_  
Marc H. Paquin

Sworn to before me this  
10<sup>th</sup> day of December, 2013.

  
\_\_\_\_\_  
(Notary Public)

STEPHEN E. GREEN  
Notary Public, State of New York  
Qualified in Saratoga County  
Commission Expires 1/31/14

Project Applicants

FROM: City of Albany Industrial Development Agency  
RE: Economic Impact Analysis

In order for the City of Albany Industrial Development Agency (the "Agency") to prepare a Economic Impact 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 Economic Impact Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

**PROJECT QUESTIONNAIRE**

1. Name of Project Beneficiary ("Company"):	412 Broadway Realty, LLC
2. Brief Identification of the Project:	Convert existing 5-story building into a mixed use project with 32 apartments on floors 2-5, with commercial/retail space on first floor.
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ <u>None</u>
B. Value of Sales Tax Exemption Sought	\$ <u>88,000 est.</u>
C. Value of Real Property Tax Exemption Sought	\$ <u>2,541,845 est.*</u>
*The value of the requested PILOT exemptions exceed the value of the 485(a) Exemptions by \$1,237,994 est.	
D. Value of Mortgage Recording Tax Exemption Sought	\$ <u>58,750 est.</u>

**PROJECTED PROJECT INVESTMENT**

A. Land-Related Costs	
1. Land acquisition	\$ <u>N/A</u>
2. Site preparation	\$ <u></u>
3. Landscaping	\$ <u>35,000</u>
4. Utilities and infrastructure development	\$ <u></u>
5. Access roads and parking development	\$ <u>40,000</u>
6. Other land-related costs (describe)	\$ <u></u>

B.	Building-Related Costs	
1.	Acquisition of existing structures	\$ <u>N/A</u>
2.	Renovation of existing structures	\$ <u>1,914,000</u>
3.	New construction costs	\$ <u></u>
4.	Electrical systems	\$ <u>245,000</u>
5.	Heating, ventilation and air conditioning	\$ <u>284,000</u>
6.	Plumbing	\$ <u>212,000</u>
7.	Other building-related costs (describe)	\$ <u></u>
C.	Machinery and Equipment Costs	
1.	Production and process equipment	\$ <u></u>
2.	Packaging equipment	\$ <u></u>
3.	Warehousing equipment	\$ <u></u>
4.	Installation costs for various equipment	\$ <u></u>
5.	Other equipment-related costs (describe)	\$ <u></u>
D.	Furniture and Fixture Costs	
1.	Office furniture	\$ <u></u>
2.	Office equipment	\$ <u></u>
3.	Computers	\$ <u></u>
4.	Other furniture-related costs (describe)	\$ <u>18,000</u>
E.	Working Capital Costs	
1.	Operation costs	\$ <u></u>
2.	Production costs	\$ <u></u>
3.	Raw materials	\$ <u></u>
4.	Debt service	\$ <u>142,000</u>
5.	Relocation costs	\$ <u></u>
6.	Skills training	\$ <u></u>
7.	Other working capital-related costs (describe)	\$ <u></u>
	<b>Insurance, Temporary Water, Utilities</b>	
F.	Professional Service Costs	
1.	Architecture and engineering	\$ <u>50,000</u>
2.	Accounting/legal	\$ <u>25,000</u>
3.	Other service-related costs (describe)	\$ <u>67,000 closing costs</u>
G.	Other Costs	
1.	<u></u>	\$ <u></u>
2.	<u></u>	\$ <u></u>
H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$ <u>75,000</u>
2.	Total Building-Related Costs	\$ <u>2,655,000</u>
3.	Total Machinery and Equipment Costs	\$ <u></u>
4.	Total Furniture and Fixture Costs	\$ <u>18,000</u>
5.	Total Working Capital Costs	\$ <u>142,000</u>
6.	Total Professional Service Costs	\$ <u>142,000</u>
7.	Total Other Costs	\$ <u></u>



### PROJECTED PROFIT

- I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization: **The profit will be the same with or without IDA Benefits in years 1-5 as we are matching the 485(a) benefits we qualify for.**

YEAR	Without IDA benefits	With IDA benefits
1	<u>\$57,375</u>	<u>\$57,375</u>
2	<u>\$61,117</u>	<u>\$61,117</u>
3	<u>\$63,700</u>	<u>\$63,700</u>
4	<u>\$66,279</u>	<u>\$66,279</u>
5	<u>\$68,857</u>	<u>\$68,857</u>

### 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	26	<u>\$ 1,350,000</u>	<u>\$ 129,564</u>
Year 1	0	<u>\$ 0</u>	<u>\$ 0</u>
Year 2	0	<u>\$ 0</u>	<u>\$ 0</u>
Year 3	0	<u>\$ 0</u>	<u>\$ 0</u>
Year 4	0	<u>\$ 0</u>	<u>\$ 0</u>
Year 5	0	<u>\$ 0</u>	<u>\$ 0</u>

### 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	0	0	0	0
Year 1	0	0	0	0
Year 2	0	0	0	0
Year 3	0	0	0	0
Year 4	0	0	0	0
Year 5	0	0	0	0



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

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	0	0	0	0
Year 1	0	1	1	3
Year 2	0	1	1	6
Year 3	0	1	1	6
Year 4	0	1	1	6
Year 5	0	1	1	6

- III. Please provide estimates for the following:

- A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.  
**General property maintenance, Retail management, Retail/office workers**

- IV. Provide the projected percentage of employment that would be filled by City of Albany residents:  
**Unable to determine at this time**

- 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 <sup>st</sup> year following project completion)	\$ <u>50,000.00 est.</u>
Additional Sales Tax Paid on Additional Purchases	\$ <u>4,000.00 est.</u>
Estimated Additional Sales (1 <sup>st</sup> full year following project completion)	\$ <u>N/A</u>
Estimated Additional Sales Tax to be collected on additional sales (1 <sup>st</sup> full year following project completion)	\$ <u>N/A</u>

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

Calendar Year	Project Year	(A)	(B)	Total Municipal Benefit (B-A)	Taxes with 485-a	Taxes (W/out Pilot) (With Project Fully Assessed)	Total Proposed Abatement	% of Abatement of Project Requested	% of 485a Abatement of Project Requested (D/C)	Total Proposed Abatement off 485-a
		Existing Real Property Taxes (W/out IDA involvement)	New Pilot Payments (With IDA) (& proposed project)							
2015	1	37,312	37,312	0	37,312	156,129	118,817	76.10%	0.00%	0
2016	2	38,058	38,058	0	38,058	159,252	121,194	76.10%	0.00%	0
2017	3	38,819	38,819	0	38,819	162,437	123,618	76.10%	0.00%	0
2018	4	39,596	39,596	0	39,596	165,685	126,089	76.10%	0.00%	0
2019	5	40,388	40,388	0	40,388	168,999	128,611	76.10%	0.00%	0
2020	6	41,195	41,195	0	41,195	172,379	131,184	76.10%	0.00%	0
2021	7	42,019	42,019	0	42,019	175,827	133,808	76.10%	0.00%	0
2022	8	42,860	42,860	0	42,860	179,343	136,483	76.10%	0.00%	0
2023	9	43,717	50,672	6,955	71,560	182,930	132,258	72.30%	29.19%	20,888
2024	10	44,591	65,512	20,921	101,390	186,589	121,077	64.89%	35.39%	35,878
2025	11	45,483	74,454	28,971	132,386	190,320	115,866	60.88%	43.76%	57,932
2026	12	46,393	75,943	29,550	164,581	194,127	118,184	60.88%	53.86%	88,638
2027	13	47,321	77,462	30,141	198,009	198,009	120,547	60.88%	60.88%	120,547
2028	14	48,267	79,011	30,744	201,970	201,970	122,959	60.88%	60.88%	122,959
2029	15	49,232	80,591	31,359	206,009	206,009	125,418	60.88%	60.88%	125,418
2030	16	50,217	82,203	31,986	210,129	210,129	127,926	60.88%	60.88%	127,926
2031	17	51,221	83,847	32,626	214,332	214,332	130,485	60.88%	60.88%	130,485
2032	18	52,246	85,524	33,278	218,618	218,618	133,094	60.88%	60.88%	133,094
2033	19	53,291	87,234	33,943	222,991	222,991	135,757	60.88%	60.88%	135,757
2034	20	54,357	88,979	34,622	227,450	227,450	138,471	60.88%	60.88%	138,471
Totals 20	Totals	906,583	1,251,679	345,096	2,489,673	3,793,524	2,541,845			1,237,994
Assumes reduction in current assessment being challenged, and 2 percent annual tax rate increase										

\*Assumes assessment lowered to 788,632 as challenged.


\*\*Assumes fully assessed at \$3,300,000 per Assessor's Office.

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.

<b>Date Signed</b> <u>December 10, 2013</u>	<b>Name of Person Completing Project Questionnaire on behalf of the Company.</b>  Name: <u>Marc H. Paquin</u> Title: <u>Managing Member</u> Phone Number: <u>518-371-2410</u> Address: <u>646 Plank Road, Suite 205,</u> <u>Clifton Park, NY 12065</u>  <b>Signature:</b> 
---	--

## CREATION OF NEW JOB SKILLS

[illegible]

26



**TO:** City of Albany Industrial Development Finance Committee

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

**RE:** 40 Stueben LLC – Preliminary Application Summary

**DATE:** December 6, 2013

---

*Staff Notes:*

*This is a preliminary project summary that will be updated as the project progresses through staff review and Agency consideration.*

---

**Applicant:** 40 Stueben LLC

**Managing Members (% of Ownership):** Mark Rosen (50%), I. David Swawite (35%), and Mark L. Aronowitz (15%)

**Project Location:** 58 North Pearl Street

**Project Description:** Proposed conversion of a vacant 6 story, 47,300 sq.ft. mixed-use retail and commercial office building into mixed-use retail and residential. The Applicant is proposing 26 residential rental units (floors 2 - 5) with one and two bedroom units. The residential units will be serviced by an elevator with parking located off-site. Each residential unit will be finished with pre-engineered wood and tile floors, granite countertops, stainless steel appliances, etc.. The first floor will include over 2,600 sq.ft. of rentable commercial space that could accommodate up to two potential commercial tenants. The project will require the removal and replacement of many of the existing partition walls, plumbing, electrical wiring, HVAC, windows, etc..

**Estimated Project Cost:** \$4,953,565 (estimated amount spent to date \$50,000)

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$1,800,000

**Estimated Total Mortgage Amount:** \$3,712,500

**Current Total Assessment:** \$850,000 (Based on estimated reduction in assessment)

**Estimated Improved Total Assessment:** \$2,800,000 (per discussion with Commissioner of Assessment & Taxation)

**Requested PILOT:** The proposal entails the Applicant entering into a 20 year PILOT agreement with the IDA. The PILOT will include two scenarios, Scenario #1 and Scenario #2.

- For Years 1-13, annual payments in lieu of taxes will be calculated by:
  - For Scenario #1 and Scenario #2, adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) of \$850,000 and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.
- For Years 14-20, annual payments in lieu of taxes will be calculated by the greater of:
  - For Scenario #1, adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) of \$850,000 and B) an amount equal to a percentage of the Normal Tax due with respect to the additional improved assessment from completion of the project.
  - For Scenario #2, multiplying eleven and a half (11.5%) of gross rental revenue.

Please see attached Revised PILOT Analysis for specifics.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments:
  - Scenario: #1: \$1,231,418
  - Scenario: #2: Greater than Scenario #1

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$144,000
- Mortgage Recording Taxes: \$46,406
- Real Property Taxes:
  - Scenario #1: \$2,390,111 (*Not a Net Present Value*)
  - Scenario #2: Less than Scenario #1
- Other: N/A

**Employment Impact:**

- Projected Permanent: (5) new jobs
- Projected Construction: (15) jobs

**Other Economic Impacts:**

- Decreases the overall commercial vacancy rate downtown
- Adds to the supply of downtown residential to help meet the demand for such living options (as stated in Zimmerman/Volk Associates downtown residential market study)
- Increases retail options
- Increases consumer base to support downtown businesses
- Increases local sales tax revenues
- Increases Downtown BID revenues that will be used to further the betterment of the district

**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.
- Revitalization and diversification of downtown - adaptive reuse of underutilized or vacant buildings
  - Eligible for the 485a Real Property Tax Abatement Program
  - Part of NYS Main Street Grant CFA application sponsored by Capitalize Albany Corporation

**Planning Board Actions:**

- Currently seeking necessary approvals. Expected approvals in January.

**Estimated IDA Fee**

- Fee amount: \$49,536

**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.





40 STEUBEN LLC  
C/O OMNI DEVELOPMENT COMPANY  
40 BEAVER STREET  
ALBANY, NY 12207

December 10, 2013

Mr. Michael Yevoli  
Chief Executive Officer  
City of Albany Industrial Development Agency  
21 Lodge Street  
Albany, NY 12207

RE: Revised Request for IDA Assistance for 58 North Pearl Street aka 40 Steuben Place

Dear Mr. Yevoli:

Attached is a revised application, as well as the appropriate supplementary material required by the City of Albany Industrial Development Agency ("IDA"), for consideration of financial assistance associated with the renovation of 58 North Pearl Street.

Based upon subsequent discussions with staff after submission of our original application and our presentation to the Finance Committee, we have revised our application to reduce the benefit period from 21 to 20 years, increase the Estimated Total Improved Assessment from \$2,000,000 to \$2,800,000 (28 units including 2 retail spaces x \$100,000 per unit) and adjust the requested exemption percentages to more accurately reflect the model being considered by the staff and board.

It is our hope and expectation that all residential projects currently under consideration for PILOT Agreements will be treated equally so one project does not have a competitive advantage over another. We reserve the right to revisit our application if the public information shows that other properties receive significantly enhanced PILOT Agreements.

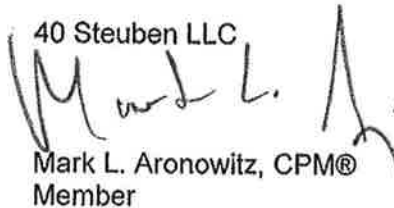
The financial assistance requested in our application is required to help make the project economically viable. Without this assistance the rents would need to be significantly above market and the project would not be undertaken. The City stakeholders will benefit by: the adaptive reuse of a significant structure located in the middle of downtown Albany's Historic District; 26 to 50 new residents in downtown Albany; one to two new retail locations with approximately 3 to 5 new jobs; and, upwards of 25 construction jobs for 6-9 months. All of these items will increase the demand for services, increase sales tax revenue to the City of Albany and help continue the momentum in downtown Albany as it becomes a 24/7 location to live, work and play.

In accordance with Article 6 of the Public Officers Law, we are requesting the Pro-Forma Development Summary and supporting projections be kept confidential since dissemination would cause substantial injury to our competitive position.

Please do not hesitate to contact me should you have any questions or require additional information. I look forward to working with the IDA staff, officers and directors on this project. Thank you.

Sincerely,

40 Steuben LLC

A handwritten signature in black ink, appearing to read "Mark L. Aronowitz", with a stylized flourish at the end.

Mark L. Aronowitz, CPM®  
Member

MLA

*Enclosure*

**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 Steuben LLC

APPLICANT'S ADDRESS: c/o Omni Development Company, Inc. 40 Beaver Street

CITY: Albany STATE: NY ZIP CODE: 12207

PHONE NO.: 518.432.4500 FAX NO.: 518.432.8345 E-MAIL: maronowitz@omnidevelopment.com

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

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

NAME OF ATTORNEY: Frank O'Connor

ATTORNEY'S ADDRESS: 40 Beaver Street

CITY: Albany STATE: NY ZIP CODE: 12207

PHONE NO.: 518.432.7511 FAX NO.: 518.432.5221 E-MAIL: foconnor@gdwo.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 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.

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 Steuben LLC

Contact Person: Mark L. Aronowitz

Phone Number: 518-432-4500

Occupant: None

Project Location: 58 North Pearl Street, a/k/a Steuben Place

Approximate Size of Project Site: 8,075 sf

Description of Project: conversion of vacant office building containing approximately 37,000 rentable square feet to 26 apartments and 2 retail spaces.

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

Employment Impact: Existing Jobs 0  
New Jobs 3-5 retail jobs

Project Cost: \$ 4,953,565

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

Amount of Bonds Requested: \$ N/A

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$ 128,000 est
Mortgage Recording Taxes:	\$ 46,500
Real Property Tax Exemptions:	\$ 2,354,457 est
Other (please specify):	\$

Owner

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

A. Identity of Company:

1. Company Name: 40 Steuben LLC

Present Address: c/o Omni Development Company, Inc., 40 Beaver St., Albany, NY

Zip Code: 12207

Employer's ID No.: 46-4006190

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

N/A

3. Indicate type of business organization of Company:

a. N/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. N/A Partnership (if so, indicate type of partnership \_\_\_\_\_,  
Number of general partners \_\_\_\_, Number of limited partners \_\_\_\_).

c. x Limited liability company,  
Date created? 10/30/13.

d. N/A 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:

No

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
I. David Swawite 887 Lenox Road Richmond, MA 01254	Managing Member	Omni Development Company, Inc.
Mark Rosen 75 Bittersweet Lane Slingerlands, NY 12159	Managing Member	Dawn Homes
Mark L. Aronowitz 8 Fox Run Latham, NY 12110	Member	Omni Development Company, Inc.

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

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

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 x.  
(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 x.  
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
Mark Rosen	75 Bittersweet Lane Slingerlands, NY 12159	50%
I. David Swawite	887 Lenox Road Richmond, MA 01254	35%
Mark L. Aronowitz	8 Fox Run Latham, NY 12110	15%

D. Company's Principal Bank(s) of account: M & T Bank  
327 Great Oaks Blvd.  
Albany, NY 12203



II. DATA REGARDING PROPOSED PROJECT

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

Conversion of a vacant office building into approximately 26 one and two bedroom apartments containing 28,655 sq ft and two 1st floor retail spaces fronting on North Pearl Street containing approximately 2,580 sq ft.

B. Location of Proposed Project:

1. Street Address 58 North Pearl Street
2. City of Albany
3. Town of N/A
4. Village of N/A
5. County of Albany

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: 8,025 sq ft  
Is a map, survey or sketch of the project site attached? Yes x; No \_\_\_\_.
2. Are there existing buildings on project site? Yes x; No \_\_\_\_.
  - a. If yes, indicate number and approximate size (in square feet) of each existing building:  
Six story plus basement building containing approximately 47,000 gross sq ft.  
31,235 rentable sq ft after conversion.

- b. Are existing buildings in operation? Yes \_\_\_\_; No x.  
If yes, describe present use of present buildings:  
Vacant office building

- c. Are existing buildings abandoned? Yes \_\_\_\_; No x. About to be abandoned? Yes \_\_\_\_; No \_\_\_\_\_. If yes, describe:

- d. Attach photograph of present buildings.

See attached

3. Utilities serving project site:  
 Water-Municipal: Yes  
       Other (describe)  
 Sewer-Municipal: Yes  
       Other (describe)  
 Electric-Utility: National Grid  
       Other (describe)  
 Heat-Utility: National Grid  
       Other (describe)
4. Present legal owner of project site: Berkshire Acquisition II, LLC
  - a. If the Company owns project site, indicate date of purchase:  
       N/A, 20\_\_\_\_; Purchase price: \$ N/A.
  - b. If Company does not own the Project site, does Company have <sup>contract</sup> ~~option~~  
       signed with owner to purchase the Project site? Yes x; No \_\_\_\_\_. If yes,  
       indicate date <sup>contract</sup> ~~option~~ signed with owner: \_\_\_\_\_, 20\_\_\_\_; and the date the ~~option~~ contract  
       expires: December 31, 2013. <sup>†</sup> as of November 1, 2013
  - 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 x. If yes, describe:
5.
  - a. Zoning District in which the project site is located:  
       Commercial C-3
  - b. Are there any variances or special permits affecting the site? Yes \_\_\_\_;  
       No x. If yes, list below and attach copies of all such variances or special  
       permits:  
       Not aware of any at this time.

D. Buildings:

1. Does part of the project consist of a new building or buildings? Yes \_\_\_\_; No  
x. 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 x; No \_\_\_\_\_. If yes, indicate the buildings to be expanded or  
 renovated, the size of any expansions and the nature of expansion and/or renovation:  
 Complete renovation of existing building.
3. Describe the principal uses to be made by the Company of the building or  
 buildings to be acquired, constructed or expanded:  
 26 +/- one & two bedroom apartments, 2 retail spaces, storage and residential amenities possibly including  
 a fitness center and rooftop deck.

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 x; No \_\_\_\_\_. If yes, describe the Equipment:  
Equipment consistant with a mixed use multifamily apartment building
2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes \_\_\_\_; No x. If yes, please provided detail:
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:  
Decorative to support multifamily building  
Fitness Facility

F. Project Use:

1. What are the principal products to be produced at the Project?  
N/A
2. What are the principal activities to be conducted at the Project?  
Residential & Retail
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 x; No \_\_\_\_\_. If yes, please provide detail:  
Retail and Residential
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: N/A
  - a. Will the Project be operated by a not-for-profit corporation? Yes \_\_\_\_; No x. 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 x. 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 x. 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 x. 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 x; No\_\_\_\_. If yes, please explain: Empire Zone

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 x; No\_\_\_\_. If yes, please explain:

3-5 retail jobs will be created.

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 x. 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 x. 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: N/A

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:

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:

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 Board - Site Plan Approval

Building dept. - Building permit

Historic Resource Committee-Review exterior renovation

NYS Parks, Recreation & Historic Preservation-Historic Tax Credit Application

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

US Dept. of Interior & National Park Service-Historic Tax Credit Application

H. Construction Status:

1. Has construction work on this project begun? Yes \_\_\_\_; No x. 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:  
\$50,000 deposit on purchase

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 x ; 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 x ; 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 x ; No \_\_\_\_\_. If yes, please complete the following for each existing or proposed tenant or subtenant: Unknown at this time

1. Sublessee name:  
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:  
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:  
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? None

IV. Employment Impact

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
Present Part Time					0
Present Seasonal					0
First Year Full Time					0
First Year Part Time					0
First Year Seasonal					0
Second Year Full Time			3	2	5
Second Year Part Time		.25	.25		.5
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.

See attached Schedule A

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	\$ 100,000
Buildings	\$ 3,785,793
Machinery and equipment costs	\$ 0
Utilities, roads and appurtenant costs	\$ included in bldg.
Architects and engineering fees	\$ 131,000
Costs of Bond issue (legal, financial and printing)	\$ 0
Construction loan fees and interest	

(if applicable)	\$ 120,688
Other (specify) Marketing & Brokerage	\$ 36,610
Professional & IDA	\$ 140,500
Furniture & Fixtures	\$ 87,000
Working Capital	\$ 201,995
Contingency	\$349,979
<b>TOTAL PROJECT COST</b>	<b>\$ 4,953,565</b>

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

\$50,000 deposit on purchase

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 x. 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 x.
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes: N/A
  - 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. N/A
5. Is the Project located in the City's federally designated Enterprise Zone?  
 Yes \_\_\_\_; No x.

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   x  ; No       .

2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes   x  ; No       . If yes, what is the approximate amount of financing to be secured by mortgages? \$ 3,712,500.

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   x  ; 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? \$ 1,600,000 est..

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:	\$ <u>128,000 est.</u>
b.	Mortgage Recording Taxes:	\$ <u>46,500</u>
c.	Real Property Tax Exemptions:	\$ <u>2,354,457 est.</u>
d.	Other (please specify):	\$ <u>                    </u>
		\$ <u>                    </u>

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   x  ; 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.

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:

(Applicant)

BY: Mark L. J. Member

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 limited liability company)

STATE OF NY )  
 ) SS.:  
COUNTY OF Albany

Mark L. Fronowitz deposes and says  
(Name of Individual)

that he is one of the members of the firm of 40bteuben 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.

Maria Lisa Reddy

Sworn to before me this  
10<sup>th</sup> day of Dec, 2013

MARIA LISA REDDY  
Notary Public, State of New York  
No. 01RE4976865  
Qualified in Albany County  
Commission Expires 1/20/15

\_\_\_\_\_  
(Notary Public)

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: Mark L. [Signature] Member

Sworn to before me this

10<sup>th</sup> day of Dec, 2013

Maria Lisa Reddy  
(Notary Public)

MARIA LISA REDDY  
Notary Public, State of New York  
No. 01RE4976665  
Qualified In Albany County  
Commission Expires 11/20/15

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 Steuben LLC
2. Brief Identification of the Project:	Conversion of vacant office building to 26 apartments and 2 retail spaces
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ 0
B. Value of Sales Tax Exemption Sought	\$ 128,000 est
C. Value of Real Property Tax Exemption Sought	\$ 2,354,457 est
D. Value of Mortgage Recording Tax Exemption Sought	\$ 46,500

### PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ 100,000
2. Site preparation	\$
3. Landscaping	\$
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	\$ 750,000
2. Renovation of existing structures	\$ 1,783,143
3. New construction costs	\$
4. Electrical systems	\$ 376,500
5. Heating, ventilation and air conditioning	\$ 207,650
6. Plumbing	\$ 343,500
7. Other building-related costs (describe)	\$ 325,000

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	\$ 35,000
2.	Office equipment	\$
3.	Computers	\$
4.	Other furniture-related costs (describe) appliances	\$ 52,000
E.	Working Capital Costs	
1.	Operation costs	\$ 201,995
2.	Production costs	\$
3.	Raw materials	\$
4.	Debt service	\$ 83,563
5.	Relocation costs	\$
6.	Skills training	\$
7.	Other working capital-related costs (describe)	\$
8.	Contingency	\$ 349,979
F.	Professional Service Costs	
1.	Architecture and engineering	\$ 113,500
2.	Accounting/legal /IDA	\$ 140,500
3.	Other service-related costs (describe) Appraisal, Survey, Permits	\$ 17,500
G.	Other Costs	
1.	Marketing	\$ 25,000
2.	Brokerage	\$ 11,610
3.	Financing	32,125
H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$ 100,000
2.	Total Building-Related Costs	\$ 3,785,793
3.	Total Machinery and Equipment Costs	\$ -0-
4.	Total Furniture and Fixture Costs	\$ 87,000
5.	Total Working Capital Costs	\$ 635,537
6.	Total Professional Service Costs	\$ 271,500
7.	Total Other Costs	\$ 73,735
		\$ 4,953,565

### PROJECTED PROFIT

I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization:

YEAR	Without IDA benefits	With IDA benefits
1	\$ (135,194)	\$ (39,957)
2	\$ (80,656)	\$ 17,438
3	\$ (78,841)	\$ 22,196
4	\$ (77,048)	\$ 27,020
5	\$ (75,278)	\$ 31,912

### 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		\$	\$
Year 1		\$ 585,000	\$ 40,075
Year 2		\$	\$
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	0	0	0	0
Year 1	0	0	0	0
Year 2				
Year 3				
Year 4				
Year 5				

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	0	0
Year 1	under	construction		
Year 2		.25	3.25	2
Year 3		.25	3.25	2
Year 4		.25	3.25	2
Year 5		.25	3.25	2

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:  
goal of 50%

A. Provide a brief description of how the project expects to meet this percentage:  
Listing in Times Union, Craigs List, City of Albany Job Site. Preference will be given to City of Albany residents who meet the job requirements.

#### PROJECTED OPERATING IMPACT

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

Additional Purchases (1 <sup>st</sup> year following project completion)	\$ 10,000 est
Additional Sales Tax Paid on Additional Purchases	\$ 800 est
Estimated Additional Sales (1 <sup>st</sup> full year following project completion)	\$ 125,000 est
Estimated Additional Sales Tax to be collected on additional sales (1 <sup>st</sup> full year following project completion)	\$ 10,000 est

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

Applicant is seeking a 20 year PILOT agreement whereby the tax payment for 2014 during construction and first 12 years of occupancy 2015 - 2026 are fixed at an assessment of \$850,000 (100% exemption on improvements); Starting in 2027 (years 14-20) the assessment shall increase to \$1,093,750 (87.5% exemption on improvements)

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year	132,767	40,304	92,463
Year 1	136,750	41,513	95,237
Year 2	140,853	42,759	98,094
Year 3	145,078	44,042	101,037
Year 4	149,431	45,363	104,068
Year 5	153,914	46,724	107,190
Year 6	158,531	48,125	110,406
Year 7	163,287	49,569	113,718
Year 8	168,186	51,056	117,129
Year 9	173,231	52,588	120,643
Year 10	178,428	54,166	124,262

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

A vacant building in the heart of North Pearl Street will be re-energized with 26-50 residents many of whom may not currently live in the City of Albany. Average income of the residents is estimated at \$50,000 to \$150,000 per person. Thus providing significant disposable income to be spent in downtown, including at restaurants, stores and entertainment venues.



### 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: 12/10, 2003

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

Name: Mark L. Aronowitz

Title: Member

Phone Number: 518-432-4500

Address: 40 Beaver Street, Albany, NY 12207

Signature: Mark L. Aronowitz

## CREATION OF NEW JOB SKILLS

[illegible]

29