

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

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

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

**DATE:** May 12, 2015

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*Staff Notes:*

*This project summary is in response to the request for financial assistance by the Applicant which was formally introduced at the March 19<sup>th</sup>, 2015 Regular Board meeting. The project was subsequently discussed at the April 8<sup>th</sup> Finance Committee meeting and the April 23<sup>rd</sup>, 2015 Regular Board meeting. A public hearing on this project is scheduled on May 12<sup>th</sup>, 2015. Staff seeks feedback and direction from the Finance Committee. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.*

**Applicant:** 40-48 South Pearl Street, LLC

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

**Project Location:** 40-48 South Pearl St

**Project Description:** The project is the revitalization of two adjoining vacant buildings encompassing 24,000 SF directly across from the Times Union Center. The property will be converted into 16 market rate apartments (12,500 SF) on the upper floors, a 4,500 SF restaurant and three retail spaces of approx. 600 SF each at ground level. The Applicant currently has a \$5,000 deposit to purchase the property.

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

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

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

**Estimated Total Mortgage Amount:** \$2,067,000

**Current Total Assessment:** \$986,000

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

**Requested PILOT:** (Applicant is seeking as-of-right 485a through the City of Albany.)

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments: None

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$64,000
- Mortgage Recording Taxes: \$25,837
- Real Property Taxes: None
- Other: N/A

**Employment Impact:**

- Projected Permanent: 35 jobs (part time and full time)
- Projected Construction: 15 jobs

**Strategic Initiatives:**

- Albany 2030
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and historic buildings for employment and housing.
  - Provide a variety of housing types to meet the varied needs of Albany’s households, including market, moderate and low income housing.
  - Encourage diverse intergenerational housing. Diverse housing includes options for residents throughout different stages of life (e.g. students, couples, families with children, seniors) in the same neighborhood.
- Revitalization and diversification of downtown - adaptive reuse of underutilized or vacant buildings

**Planning Board Actions:**

- Applicant has appeared before the Planning Board and received site plan approval.

**Estimated IDA Fee**

- Fee amount: \$12,213

**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.