

TO: City of Albany Industrial Development Agency Board

FROM: City of Albany Industrial Development Agency Staff

RE: 4-6 Sheridan, LLC- IDA Application Summary

DATE: August 12, 2011

Applicant: 4-6 Sheridan, LLC

Managing Members (% of Ownership): Guy Alonge, III (90%), Clemente Parente (5%), Daniel Sanders (5%)

Project Location: 4-6 Sheridan Avenue

Project Description: This building, a former restaurant and brewery, was vacant for two years due to bank foreclosure under the previous owner. The applicant is currently in the midst of rehabilitating the five story, 21,000 sq.ft. commercial building into a mixed-use structure. The building will house 13 market rate apartments (studio, one bedroom and two bedroom) on floors 2-5 and 3,000 sq.ft. of retail/ restaurant space on the first floor. The project requires the removal and replacement of many of the existing partition walls, plumbing, electrical wiring, HVAC, windows, etc.

Estimated Project Cost: \$1,750,000 (estimated amount spent to date \$750,000)

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$100,000-\$200,000

Total Mortgage Amount: \$325,000

Current Assessment: \$400,000

Estimated Improved Assessment: \$1,200,000

Requested PILOT: A 15 year PILOT with 100% abatement on the increased assessment value for the first 10 years. Then the abatement on the increased assessment value decreases for the following 5 years at 16.66% per year. At which time full assessment will be paid in Year 16 and every year thereafter.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$447,761 (over 15 year PILOT period)

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$8,000-\$16,000
- Mortgage Recording Taxes: N/A
- Real Property Taxes: \$517,808 (over 15 year PILOT period)
- Other: N/A

Employment Impact:

- Projected Permanent: (40-50) new jobs via property management and restaurant staff
- Projected Construction: (25-40) 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 consumer base to support downtown businesses
- Offers another option to downtown dining
- Increases local sales tax revenues

Strategic Initiatives:

- Revitalization and Diversification of Downtown - adaptive reuse of underutilized or vacant buildings
 - Eligible for the 485a Real Property Tax Abatement Program
 - Part of Main Street Grant sponsored by Capitalize Albany Corporation
 - Part of Capitalize Albany Corporation Real Estate Loan Program

Planning Board Actions:

- Issued a Negative Declaration for this Unlisted Action as per the provisions of SEQR on 2/10/11
- Approved the site plan on 2/10/11 with the following conditions:
 - The applicant shall submit plans depicting the size, material and location of the existing water and sewer service, as requested by the Department of Water & Water Supply.
 - The applicant shall establish traffic access and delivery patterns to be agreed upon with the Division of Traffic Safety.
 - The applicant shall obtain all necessary permits and approval from the Division of Engineering.

Estimated IDA Fee

- Fee amount: \$13,125

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.