

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.

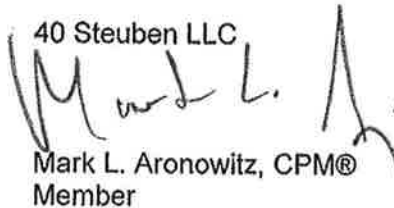
The financial assistance requested in our application is required to help make the project economically viable. Without this assistance the rents would need to be significantly above market and the project would not be undertaken. The City stakeholders will benefit by: the adaptive reuse of a significant 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 ^{contract} ~~option~~
 signed with owner to purchase the Project site? Yes x; No _____. If yes,
 indicate date ^{contract} ~~option~~ signed with owner: _____, 20___; and the date the ~~option~~ contract
 expires: December 31, 2013. [†] 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
TOTAL PROJECT COST	\$ 4,953,565

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
10th 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

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

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