

TO: City of Albany Industrial Development Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: Tricentennial Properties LLC – Project Summary

DATE: February 7, 2014

Staff Notes:

This project summary is in response to the request for financial assistance by the Applicant which was introduced at the January 16th Finance Committee meeting. The Applicant respectfully requests that the Finance Committee make a positive recommendation for consideration by the Board for project approvals at the February Board meeting. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.

Applicant: Tricentennial Properties LLC

Managing Members (% of Ownership): Joseph R. Nicolla (100%)

Project Location: On campus of College of Nanoscale Science and Engineering (off Tricentennial Drive)

Project Description: Proposed construction of a two story, 25,000 sq.ft. interdisciplinary academic facility to be located on a 0.36 acre parcel currently controlled by Fuller Road Management Corporation that will serve as the home for TechValley High School.

Fuller Road Management Corporation is a not for profit corporation organized for the purpose of taking leasehold title from the State University of New York to the land at the College of Nanoscale Science and Engineering. The land is currently tax exempt and no real property taxes are paid.

TechValley High School is a regional public high school for students in grades 9 through 12. The school has a focus on STEM education (Science, Technology, Engineering, and Mathematics) and currently draws students from 40 public school districts in 7 counties. TechValley High School is operated by Capital Region and Questar III BOCES.

TechValley High School requires the facility be open for the 2014/2015 academic year. The framework of the project structure, and the Applicant's involvement, were derived to ensure the short timeframe of which to construct/occupy facility is met.

Estimated Project Cost: \$8,523,000

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$4,062,500

Estimated Total Mortgage Amount: \$7,523,000

Current Total Assessment: No delineation from rest of University (per discussion with Commissioner of Assessment & Taxation)

Estimated Improved Total Assessment: \$6,200,000 (per discussion with Commissioner of Assessment & Taxation)

Requested PILOT: The proposal entails the Applicant entering into a 5 year PILOT agreement with the IDA in which the Applicant would not make PILOT payments. Upon, or prior to, completion of the PILOT the ground lease would be dissolved and the Project ownership would revert back to Fuller Road Management Corporation. The Project would be become fully tax-exempt.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$0
 - *Note: Property is currently tax-exempt and would remain so if not but for the necessity to create the ownership structure which will ensure TechValley High School will be open for the 2014/2015 academic year. Otherwise project would occur without need for Agency.*

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$325,000
- Mortgage Recording Taxes: \$94,038
- Real Property Taxes: \$1,516,872
 - *Note: Property is currently tax-exempt and would remain so if not but for the necessity to create the ownership structure which will ensure TechValley High School will be open for the 2014/2015 academic year. Otherwise project would occur without need for Agency.*
- Other: N/A

Employment Impact:

- Projected Permanent: (15) new jobs
- Projected Construction: (25) jobs

Strategic Initiatives:

- Albany 2030
 - Increase employment opportunities.
 - Increase job opportunities for all residents.
 - Support the retention, expansion and recruitment of businesses that hire local residents.
 - Encourage investment in urban land and buildings for employment and housing.

Planning Board Actions:

- N/A

Estimated IDA Fee

- Fee amount: \$85,230

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.