

TO: City of Albany Industrial Development Agency Board

FROM: City of Albany Industrial Development Agency Staff

RE: Albany Medical Science Research, LLC - IDA Application Summary

DATE: December 14, 2012

Applicant: Albany Medical Science Research, LLC (formation is the result of the dissolution of the Center for Medical Science, Inc. from which title to all company assets will be taken)

Managing Members (% of Ownership): CMS Liquidating Trust (100%)

Project Location: 150 New Scotland Avenue

Project Description: The project consists of a 154,000 SF +/-, five-story biomedical research and administrative facility and a four-story, 606 space parking garage located on a 5.351 acre +/- ground lease site. At this time the biomedical and research facility is approximately 57% occupied with one of the remaining leases, accounting for 11% of the currently rented space, set to expire in 2013. The Applicant proposes undertaking the stabilization of the entire facility through actively marketing and leasing the vacant, highly specialized tenant space to new biomedical research tenants that will complement the current use (and tenants already in place). Due to the special circumstances in which the Applicant will obtain ownership, it is the intent of the Applicant to market and sell the stabilized facility.

Estimated Project Cost: N/A

Type of Financing: Straight Lease

Amount of Bonds Requested: N/A

Estimated Total Purchases Exempt from Sales Tax: N/A

Estimated Total Mortgage Amount: N/A

Current Total Assessment: \$22,369,000 (per discussion with Commissioner of Assessment & Taxation)

Estimated Improved Total Assessment: N/A

Requested PILOT: The Payment in Lieu of Tax Agreement with respect to the Land shall be an amount equal to 100% of the Normal Tax due for such tax year. The Payment in Lieu of Tax Agreement with respect to the Improvements shall be an amount equal to 10% of Normal Tax due in Year 1 increasing at 5% a year. Taxes on total assessment will be paid in Year 11 and every year thereafter. The Land or Improvement assessment values will not be fixed.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$4,827,278

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: N/A
- Mortgage Recording Taxes: N/A
- Real Property Taxes: \$7,349,352
- Other: N/A

Employment Impact:

- Projected Permanent: (120) new jobs
- Projected Construction: N/A

Other Economic Impacts:

- Likely increase in sales tax revenue as it is anticipated that there will be a certain degree of tenant up-fit associated with the leasing of the vacant space.
- Likely increase in mortgage recording tax revenue as it is anticipated that the property will be sold.

Strategic Initiatives:

- Albany 2030 – Applicable Strategies
 - Increases access to jobs
 - Targets regional growth industries by leveraging area intellectual capital
 - Makes Albany attractive for business development
 - Increases diversity by attending to the variety, type, scale, and location of business, industrial, and commercial activities
 - Uses an adaptive management approach to implementing the City’s economic goals and strategies

Planning Board Actions:

- N/A

Estimated IDA Fee

- Fee amount: \$370,000

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.