

TO: City of Albany Industrial Development Agency Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: FC 178WAE, LLC - IDA Application Summary

DATE: July 6, 2012

Applicant: FC 178WAE, LLC

Managing Members (% of Ownership): Kevin Bette (50% or more), Mark Bette (5% or more), Christopher Bette (5% or more)

Project Location: 178 Washington Avenue Extension

Project Description: This property will be the second one developed by First Columbia, LLC on the front portion of the Daughters of Sarah lands. The first building, 176 Washington Avenue Extension, which received financial assistance from the City of Albany IDA (sales tax exemption, mortgage recording tax exemption, and 10 year PILOT – same as currently being requested) in 2010, is built and fully leased with two medical related practices. The second building, located right next door, is planned to be a one-story 24,000 SF medical/ general office building. Currently, a lease for 60% of the building is being negotiated with a large medical practice that is looking for more space to grow. The larger space will allow them to stay competitive with other practices in the area.

Estimated Project Cost: \$4,472,432 (estimated amount spent to date \$37,300)

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$1,361,338

Estimated Total Mortgage Amount: \$3,500,000

Current Assessment: \$522,500 (Note: Property is currently tax-exempt)

Estimated Improved Assessment: \$960,000 (per discussion with Commissioner of Assessment & Taxation)

Requested PILOT: PILOT which equates to 50% abatement on the increased assessment value in Year 1. At which time the abatement on the increased assessment value decreases at 5% per year for the following 9 years. Taxes on full assessment will be paid in Year 11 and every year thereafter.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$444,405 (over 10 year PILOT period)

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$108,907
- Mortgage Recording Taxes: \$43,750
- Real Property Taxes: \$60,473 (over 10 year PILOT period)
- Other: N/A

Employment Impact:

- Projected Permanent: (18) new FTE jobs created and (26) FTE jobs retained by Year 3
- Projected Construction: (30) jobs

Strategic Initiatives:

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

Planning Board Actions:

- Issued a Negative Declaration for this Unlisted Action as per the provisions of SEQR, finding that there will be no significant adverse environmental impacts as per 617.7 of SEQR regulations on 9/16/10.
- Approved the original site plan on 9/16/10 and the amended site plan on 6/21/12.

Estimated IDA Fee

- Fee amount: 44,725

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.