

TO: City of Albany Industrial Development Agency Board

FROM: City of Albany Industrial Development Agency Staff

RE: Honest Weight Food Co-Operative, Inc. - IDA Application Final Summary

DATE: July 13, 2012

Applicant: Honest Weight Food Co-Operative, Inc.

Managing Members (% of Ownership): The Co-Operative has over 8,000 shareholders who each hold an equal single share.

Project Location: 100 Watervliet Avenue

Project Description: The 2.67 +/- acre property was purchased back in 2007 with the intent that it would serve as the future home of the applicant. Since the purchase, the applicant has been working towards commencement of the project. During that time, the existing building has been used for minimal dry storage. The applicant proposes demolishing the existing 41,100 sq.ft. industrial building and constructing a new 30,700 sq.ft. natural foods grocery store. The breakdown of this space is expected to be 18,000 sq.ft. of retail space; 5,000 sq.ft. of preparation space, coolers, and freezers; 3,000 sq.ft. of warehouse and mechanical space; 2,600 sq.ft. of administrative space; 850 sq.ft. community space and 600 sq.ft. of support space. The new building is intended to offer owners and customers an inviting, functional and aesthetically appealing shopping experience, consistent with new competition entering the regional market.

Estimated Project Cost: \$8,929,746 (estimated amount spent to date \$600,000)

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$1,875,000

Estimated Total Mortgage Amount: \$6,431,875

Current Assessment: \$1,350,000 (will be reduced to approximately \$270,800 upon demolition of existing building per discussion with Commissioner of Assessment & Taxation)

Estimated Improved Assessment: \$5,400,000 (per discussion with Commissioner of Assessment & Taxation)

Requested PILOT: PILOT deviation, which equates to 100% abatement on the increased assessment value for the first 3 years. At which time the abatement on the increased assessment

value will decrease to 75% in Year 4, 50% in Years 5-6, 40% in Year 7, 30% in Year 8, and 20% in Year 9. Full assessment will be paid in Year 10 and every year thereafter.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$1,037,788 (over 9 year PILOT period)

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$150,000
- Mortgage Recording Taxes: N/A
- Real Property Taxes: \$1,405,616 (over 9 year PILOT period)
- Other: N/A

Employment Impact:

- Projected Permanent: (71) retained FTEs and (30) new FTEs within first 2 years
- Projected Construction: (200) jobs

Other Economic Impacts:

- Increases local sales tax revenues
- Increases Central Avenue BID revenues that will be used to further the betterment of the district

Strategic Initiatives:

- Albany 2030
 - Targets blighting influences.
 - Identifies a local business with potential for growth within the local market and beyond.
 - Increases access to healthy food options.
 - Provides architectural compatibility between new and existing development.

Planning Board Actions:

- Issued a Negative Declaration for this Unlisted Action as per the provisions of SEQR on 5/17/12.
- Approved the site plan on 5/17/12 with the following conditions:
 - The applicant shall satisfy all conditions of the April 16, 2012 Division of Engineering memorandum.
 - The applicant shall obtain final approval from the Department of Water and Water Supply and the City Forester.
 - The applicant shall include a full detail sheet with the final plan set, to be approved by Planning Staff.
 - A license agreement shall be obtained for landscaping or other improvements proposed within the City right-of-way.
 - The applicant shall provide pedestrian signalization at the intersection of Watervliet Avenue and Watervliet Avenue Extension, to be approved by the Division of Traffic Engineering.

Estimated IDA Fee

- Fee amount: \$89,297

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.