

City of Albany Industrial Development Agency

21 Lodge Street
Albany, New York 12207
Telephone: (518) 434-2532
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Tracy Metzger, Chair
Susan Peto, Vice Chair
Darius Shahinfar, Treasurer
Lee Eck, Secretary

Dominick Calsolaro
Robert Schofield
Jahkeen Hoke

Sarah Reginelli, Chief Executive Officer
Mark Opalka, Chief Financial Officer
Marisa Franchini, Agency Counsel
A. Joseph Scott, Special Counsel

To: Tracy Metzger
Susan Peto
Darius Shahinfar
Lee Eck

Dominick Calsolaro
Robert Schofield
Jahkeen Hoke

CC: Sarah Reginelli
Marisa Franchini
Joe Scott
Mark Opalka

Tom Conoscenti
Andy Corcione
Virginia Rawlins
Tammie Fanfa

Date: May 15, 2020

IDA REGULAR BOARD MEETING

A Regular Meeting of the City of Albany Industrial Development Agency Board of Directors will be held on
Thursday, May 21st, 2020 at 12:15 pm
and conducted telephonically pursuant to Executive Order No. 202.1 issued by the New York State Governor's Office.

AGENDA

Roll Call, Reading & Approval of the Minutes of the Board Meeting of April 15, 2020

Report of Chief Financial Officer

- A. Financial Report

Unfinished Business

None

Other Business

- A. Agency Update

New Business

- A. Project Evaluation & Assistance Framework
 - i. Review of Student Housing Abatement Analysis
 - ii. Resolution Amending Project Evaluation & Assistance Framework
- B. Capitalize Albany Corporation (Liberty Park Acquisition Assistance)
 - i. Resolution Authorizing the Solicitation of Proposals for Appraisal Services

Please note that any materials for this item will be included in a supplemental packet available on the CAIDA website.

Adjournment

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Tracy Metzger, *Chair*
Susan Pedo, *Vice Chair*
Darius Shahinfar, *Treasurer*
Lee Eck, *Secretary*
Dominick Calsolaro
Robert Schofield
Jahkeen Hoke

Sarah Reginelli, *Chief Executive Officer*
Mark Opalka, *Chief Financial Officer*
Marisa Franchini, *Agency Counsel*

IDA MINUTES OF THE REGULAR BOARD MEETING

April 15, 2020 at 12:15 p.m.

Attending: Lee Eck, Tracy Metzger, Susan Pedo, Robert Schofield, Dominick Calsolaro, Jahkeen Hoke

Absent: Darius Shahinfar

Public Present: None

Also Present: Sarah Reginelli, Amy Lavine, Joe Scott, Andy Corcione, Mark Opalka, Virginia Rawlins, Mike Bohne, Ashley Mohl, Tom Conoscenti, Ashley Mohl and Tammie Fanfa

These minutes are of a meeting conducted telephonically pursuant to Executive Order No. 202.1 issued by New York State Governor Andrew M. Cuomo, which suspended provisions of Article 7 of the Public Officers Law requiring public in-person access to public meetings and authorizing board members to participate in said meetings by conference call or similar service. Each of the members and staff present participated by conference/video call.

Chair Tracy Metzger called the Regular Meeting of the IDA to order at 12:18 p.m.

Roll Call, Reading and Approval of Minutes of the March 19, 2020 Board Meeting

Chair Metzger conducted a roll call of Board members establishing that all members were present, with the exception of Darius Shahinfar. Since the minutes of the previous meeting had been distributed to Board members in advance for review, Chair Metzger made a proposal to dispense with the reading of the minutes and to approve the minutes of the regular Board meeting of March 19, 2020 as presented. A motion to accept the minutes, with suggested amendments, was made by Susan Pedo and seconded by Dominick Calsolaro. A vote being taken, the motion passed with all members voting aye.

Report of Chief Financial Officer

Monthly Financial Report

Staff reviewed the financial report that was provided in advance to the Board for their for review.

Unfinished Business

None

New Business

None

Other Business

Agency Update

COVID-19 Response

Staff informed the Board that they are working on a COVID-19 response effort in cooperation with other local entities. The group is tracking emerging resources, and draft guidelines for potential financial responses to assist businesses including programming for continuity, adaptation, recovery and reopening. Staff and counsel are tracking whether any resources from the IDA will be allowed to be used in the COVID-19 relief efforts and are preparing plans for that scenario which would coincide with any potential state and local guidance.

Staff also discussed the possibility of holding a Governance Committee and/or special meeting (if necessary) regarding potential guidance on IDA funds being sourced for businesses.

Compliance Update

Dilek, LLC- Resolution Authorizing Termination of Documents

Staff advised the Board that the Agency still had not received a signed lease agreement for the retail space as was agreed to be necessary on or before April 15th. Staff reviewed the history of the Board having worked with this project over the course of multiple years to provide an opportunity to lease up the space and to attain the job creation on site as per the employment goals. Agency counsel reviewed the resolution at hand in depth and noted the financial assistance was based on the representations of the company in the application including jobs creation numbers and noted that as of the most recent reporting period, the project was still incomplete. Counsel also highlighted the numerous points of communication between the Board, counsel and staff with the Project Beneficiary. The Board discussed the opportunities it had provided to the Project Beneficiary and their disappointment that the resolution was ultimately necessary because the project was incomplete. Staff also reviewed the history of the project including significant unanticipated construction delays and the Project Beneficiary's stated willingness to adapt its practices to encourage project completion, which, when reviewed by the Board, had led to the IDA's flexibility in earlier years. A motion to approve the *Resolution Authorizing Termination of Documents* was made by Lee Eck and seconded by Robert Schofield. Dominick Calsolaro disclosed that a family member had a relationship with the Project Beneficiary and abstained from the vote. A vote was taken, the motion passed with all other members voting aye.

There being no further business, Chair Metzger adjourned the meeting at 12:44 p.m.

Respectfully submitted,

Lee Eck, Secretary

City of Albany IDA
2020 Monthly Cash Position
April 2020

	<i>Actual</i>				<i>Projected</i>								
	January	February	March	April	May	June	July	August	September	October	November	December	<i>YTD Total</i>
Beginning Balance	\$ 3,361,084	\$ 3,386,228	\$ 3,618,874	\$ 3,527,576	\$ 3,514,819	\$ 3,386,047	\$ 3,488,548	\$ 3,444,353	\$ 3,802,925	\$ 3,682,717	\$ 3,643,668	\$ 3,604,590	\$ 3,361,084
Revenue													
Fee Revenue													
Application Fee	\$ -	\$ 1,500	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500
Agency Fee	68,474	130,045	-	26,611	26,000	222,075	-	397,800	-	-	-	-	\$ 871,005
Administrative Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Modification Fee	500	1,000	-	-	-	-	-	-	-	-	-	-	1,500
Subtotal - Fee Revenue	\$ 68,974	\$ 132,545	\$ 1,500	\$ 28,111	\$ 26,000	\$ 222,075	\$ -	\$ 397,800	\$ -	\$ -	\$ -	\$ -	\$ 877,005
Other Revenue													
Project Benefit Agreement	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
9% LIHTC Fee	10,000	-	10,000	-	-	-	-	-	-	-	-	-	20,000
Interest Income	2,529	2,457	2,644	1,833	2,561	2,465	2,541	2,508	2,777	2,687	2,658	2,628	30,288
CRC	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc	-	-	-	-	-	946	-	-	-	-	-	-	946
Subtotal - Other Revenue	\$ 12,529	\$ 102,457	\$ 12,644	\$ 1,833	\$ 2,561	\$ 3,410	\$ 2,541	\$ 2,508	\$ 2,777	\$ 2,687	\$ 2,658	\$ 2,628	\$ 151,234
Total - Revenue	\$ 81,503	\$ 235,002	\$ 14,144	\$ 29,944	\$ 28,561	\$ 225,485	\$ 2,541	\$ 400,308	\$ 2,777	\$ 2,687	\$ 2,658	\$ 2,628	\$ 1,028,239
Expenditures													
Management Contract	\$ -		\$ 82,371	\$ 41,186	\$ 82,372	\$ 41,185	\$ 41,186	\$ 41,186	\$ 41,185	\$ 41,186	\$ 41,186	\$ 41,186	\$ 494,229
Consulting Fees	13,999	-	3,799	-	-	-	-	-	-	-	-	-	\$ 17,798
Strategic Activities	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000
Website Maintance/Livestream Setup	-	-	-	-	4,691	-	5,000	-	-	-	-	-	9,691
Audits	-	-	-	1,500	5,500	-	-	-	-	-	-	-	7,000
Agency Counsel	42,000	-	-	-	-	-	-	-	-	-	-	-	42,000
ED Support	-	-	-	-	62,500	62,500	-	-	62,500	-	-	62,500	250,000
Sub-lease AHCC	-	-	18,321	-	-	18,750	-	-	18,750	-	-	18,750	74,571
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
D & O Insurance	-	-	-	-	1,720	-	-	-	-	-	-	-	1,720
Misc.	360	186	950	15	550	550	550	550	550	550	550	550	5,911
Legal Expenses	-	-	-	-	-	-	-	-	-	-	-	20,000	20,000
Other Expenses	-	2,170	-	-	-	-	-	-	-	-	-	-	2,170
Total - Expenditures	\$ 56,359	\$ 2,356	\$ 105,441	\$ 42,701	\$ 157,333	\$ 122,985	\$ 46,736	\$ 41,736	\$ 122,985	\$ 41,736	\$ 41,736	\$ 342,986	\$ 1,125,090
Ending Balance	\$ 3,386,228	\$ 3,618,874	\$ 3,527,576	\$ 3,514,819	\$ 3,386,047	\$ 3,488,548	\$ 3,444,353	\$ 3,802,925	\$ 3,682,717	\$ 3,643,668	\$ 3,604,590	\$ 3,264,233	\$ 3,264,233

City of Albany IDA

Fee Detail by Month

April 2020

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>January</i>	363 Ontario Street		\$ -	\$ -	\$ 500	\$ 500
	New Scotland Avenue	-	13,500	-	-	13,500
	1385 Washington Avenue		54,974			-
	TOTAL	\$ -	\$ 68,474	\$ -	\$ 500	\$ 68,974
<i>February</i>	The REP	\$ -	\$ 95,045	\$ -	\$ -	\$ 95,045
	705 Broadway Hotel				500	500
	Capital District Apartments				500	500
	45 Columbia Street Associates, LLC		35,000			-
<i>March</i>	Lofts at Pine Hills	1,500				-
	TOTAL	\$ 1,500	\$ 130,045	\$ -	\$ 1,000	\$ 132,545
	FC 705 Broadway LLC	\$ 1,500		\$ -	\$ -	\$ 1,500
	TOTAL	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
<i>April</i>	39 Columbia Street	\$ -	\$ 26,611	\$ -		\$ 26,611
	Capitalize Albany Corporation	\$ 1,500				
	TOTAL	\$ 1,500	\$ 26,611	\$ -	\$ -	\$ 28,111
<i>May</i>	427 Washington Avenue	\$ -	\$ 26,000	\$ -	\$ -	\$ 26,000
	TOTAL	\$ -	\$ 26,000	\$ -	\$ -	\$ 26,000
<i>June</i>	705 Broadway Hotel	\$ -	\$ 152,075	\$ -	\$ -	\$ 152,075
	45 Columbia Strreet		\$ 70,000	-		70,000
	TOTAL	\$ -	\$ 222,075	\$ -	\$ -	\$ 222,075
		\$ -	\$ 222,075	\$ -	\$ -	\$ 222,075

City of Albany IDA

Fee Detail by Month

April 2020

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
July				\$ -	\$ -	\$ -
					-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
August	New Scotland Village	\$ -	\$ 397,800	\$ -	\$ -	\$ 397,800
			-			-
						-
	TOTAL	\$ -	\$ 397,800	\$ -	\$ -	\$ 397,800
September		\$ -	\$ -	\$ -	\$ -	\$ -
						-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
October		\$ -	\$ -	\$ -	\$ -	\$ -
						-
						-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
November		\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -
						-
						-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
December		\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -		\$ -	\$ -	\$ -
				-	-	-
						-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
	2020 TOTAL	\$ 4,500	\$ 871,005	\$ -	\$ 1,500	\$ 877,005

MEMO

TO: City of Albany Industrial Development Agency Board

FROM: City of Albany Industrial Development Agency Staff

RE: Project Evaluation & Assistance Framework Amendment – Student Housing

DATE: May 15, 2020

In a response to the City of Albany’s updated approach to valuing purpose-built student housing projects, Agency staff reviewed the financial implications and determined the current commercial abatement schedule allocated to eligible and qualifying student housing projects no longer provided the necessary assistance to render a project financially feasible. The Agency retained a third party consultant (“W-ZHA”) to provide additional review and analysis on the topic. W-ZHA conducted an independent economic analysis of investment returns under the City’s prior and new valuation approach. W-ZHA also tested how the IDA’s various existing Multi-Family Commercial project assistance schedules impacted student housing project feasibility and provided a recommendation of a more appropriate project assistance schedule for student housing projects. The proposed amendments to the Project Evaluation & Assistance Framework are outlined below.

Page 5 – Baseline Eligibility Requirements

5. Fall into one of the following categories:

Multi-Family Commercial Project

Vacant or commercial property redeveloped for non-homestead residential rental uses. Non-homestead residential rental uses that include commercial uses will be considered Multi-Family Commercial Projects.

Commercial Project

A property developed for one or more of the following uses: manufacturing, processing, and/or fabrication; distribution; commercial office space; ~~private student housing~~; service industry uses; retail; hotel; parking facilities; and event or conference space (the primary purpose of the project and the primary intended use of the site must be listed).

Page 7 – General Restrictions

Requests for assistance that are a part of a large investment involve added complexity and, as such, may be analyzed and acted upon outside of the Project Evaluation and Assistance Framework by CAIDA Board of Directors in accordance with all State regulations and Agency policies. Large investments are defined as a proposed project with a minimum investment of \$25 million dollars OR for a project totaling a

minimum of fifteen (15) acres OR a full service hotel. Student housing projects will be analyzed through the Project Evaluation and Assistance Framework's Project Evaluation Criteria and qualify for up to the ~~standardized commercial-schedules~~ Multi-Family Commercial assistance schedule for projects assessed at \$80,000-\$89,999 in value per unit as their score dictates, regardless of size.

EXECUTIVE SUMMARY

TO: Capitalize Albany

FROM: Sarah Woodworth, Managing Member

RE: Executive Summary: Student Housing Analysis

DATE: May 5, 2020

INTRODUCTION

W-ZHA, LLC was retained to review the financial implications of the City of Albany's updated appraisal approach to student housing valuation. The new valuation approach results in higher assessed values for student housing projects. The CAIDA staff provided the financial contents of the original applications for two recently completed student housing projects: 1385 Washington Avenue and 1475 Western Avenue. The staff also provided their analysis of how project feasibility would be impacted with the anticipated increase in student housing assessed value.

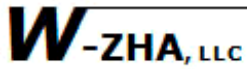
W-ZHA reviewed the information provided and conducted our own economic analyses of investment return under the City's prior and new valuation approach. W-ZHA also tested how CAIDA's various project assistance schedules impacted student housing project feasibility in order to recommend the appropriate project assistance schedule for student housing projects.

PRIOR POLICIES

In the past, the City of Albany's Assessor assessed the value of a student housing project at approximately \$29,200 per bed. Considering this valuation, CAIDA applied the Commercial Project Assistance Schedule to student housing projects.

It is our understanding that the City Assessor will now apply the income capitalization approach to calculate value. This approach will result in a higher assessed value for student housing projects (\$100,000-plus per unit).

This Memo answers the question whether student housing development is financially feasible with the higher valuation applying the Commercial Project Assistance Schedule. If not feasible, W-ZHA's analysis identifies the project assistance schedule that supports student housing investment by generating reasonable financial returns to the investor.



METHODOLOGY

W-ZHA tested private investment return by applying three measures: the internal rate of return on equity, the equity multiplier, and the cash-on-cash return in the first year of stabilized occupancy. A 14% internal rate of return on equity was considered reasonable for a ten-year hold period. An equity multiplier above 2.0 was considered reasonable. A cash-on-cash return of 7% or higher was considered reasonable for the first stabilized year of occupancy.

For the internal rate of return on equity calculation, W-ZHA assumed there would be a refinancing or sale at the end of 10 years. Typically, the Year 10 net operating income is capitalized to determine the sale price. However, many of CAIDA's project assistance schedules extend beyond ten years with net operating income declining after Year 10. To determine a reasonable sale price in Year 10, W-ZHA capitalized the average net operating income from Year 11 to Year 20 in Year 10 dollars.

FINDINGS

W-ZHA analyzed the economics of two existing housing projects under the old valuation approach and the new valuation approach. Ten-year pro formas were prepared using the assumptions contained in the original CAIDA application. (The one exception is that W-ZHA solved for supportable debt using a debt coverage ratio of 1.25 and a minimum equity requirement of 20%.)

The analysis indicates that under the Commercial Project Assistance Schedule a student housing project using the new assessment methodology does not generate enough financial return to warrant investment. More assistance is necessary with the higher valuation.

While the new valuation approach will result in student housing projects being valued at over \$100,000 per unit, student housing economics are different from market-rate multi-family rental projects. When the project assistance schedule for multi-family rental projects assessed at over \$100,000 per unit is applied to student housing, the investment returns are above average returns. This level of assistance is not necessary.

W-ZHA analyzed investment returns given CAIDA's other multi-family rental project assistance schedules. W-ZHA concludes that the Multi-Family \$80,000 - \$89,999 Project Assistance Schedule offers reasonable returns to student housing investors. The Multi-Family \$80,000 - \$89,999 Project Assistance Schedule is presented in Table 1.

Table 1

**Multi-Family \$80,000 - \$89,999
Project Assistance Schedule
CAIDA**

Year	Abatement
1	90%
2	90%
3	90%
4	90%
5	90%
6	90%
7	90%
8	90%
9	90%
10	85%
11	80%
12	70%
13	60%
14	50%
15	45%
16	40%
17	30%
18	20%
19	0%
20	0%

Source: CAIDA



**City of Albany
Industrial Development Agency (CAIDA)
Project Evaluation and Assistance Framework**

21 Lodge Street
Albany, NY 12210
518-434-2532

IDA Info: www.albanyida.com





Project Evaluation and Assistance Framework

I. Introduction and Application Process

II. Project Evaluation Criteria: Baseline Eligibility Requirements and Community Benefit Metrics

III. Restrictions

IV. Project Assistance

V. Community Benefit Metrics Definitions

Phone: 518-434-2532

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Website: www.albanyida.com



SECTION I.

Introduction and Application Process

Introduction to the Project Evaluation and Assistance Framework

The Project Evaluation and Assistance Framework is designed to encourage responsible and catalytic commercial real estate investments in the City of Albany for those projects seeking deviations from Uniform Tax Exemption Policy assistance. The Project Evaluation and Assistance Framework is offered for real estate development projects within the City of Albany that meet specified criteria set by the City of Albany Industrial Development Agency (CAIDA) Board of Directors. The project evaluation criteria described in Section II of these program guidelines ensure that projects that receive assistance will meet baseline requirements and have a significant impact on the local economy and positive benefit to the community- for example, projects that generate substantial private investment, result in a large number of jobs and/or are located within distressed census tracts. Assistance through CAIDA is reserved for projects that would not be feasible in the absence of the assistance. Utilizing guidance set forth in these program guidelines and CAIDA Policy Manual, the Board of Directors will make the final determination for assistance. All projects, regardless of the assistance being sought, are subject to CAIDA Policy Manual.

Summary of Baseline Eligibility Requirements

In order for a project to be evaluated through the Project Evaluation and Assistance Framework, the project must: (1) submit a completed application and applicable supplemental materials along with the application fee; (2) meet all New York State and CAIDA legal, regulatory, and policy requirements; (3) be aligned with the City of Albany Comprehensive Plan, *Albany 2030*; (4) meet, or are in the process of meeting, all applicable City of Albany Department of Development and Planning requirements (including zoning, site plan, etc.); (5) fall into one of the following categories: Commercial or Multi-Family Commercial as defined in Section II; and (6) be able to attest to that but for the assistance the project would not move forward.

Application Process

1. Pre-Submittal Conference – A meeting with CAIDA staff should be held prior to submission of an application. This meeting is to acquaint all parties with the scope of the project, to familiarize the applicant with the Framework and overall Agency's process, procedures, and policies.

2. Submittal of Application – One original executed copy of the application and applicable supplementary materials with appropriate form of payment for the application fee should be submitted no later than two weeks prior to a regularly scheduled Finance Committee meeting. A copy of the Agency's application, which provides further details, is available on the website (www.AlbanyIDA.com). Staff will review the application for completeness, request any missing documentation and provide initial observations. Applications deemed incomplete will not be presented to the Finance Committee or Board of Directors for review.

SECTION I.

Introduction and Application Process

3. Committee Review – Once an application is deemed complete, the applicant will prepare and provide a preliminary presentation to the Finance Committee. At this time, the Finance Committee will provide observations, ask questions, request supplemental information and provide direction to staff. The review process will continue until the Finance Committee makes a recommendation regarding the project to the Board of Directors. Please note that the Agency reserves the right to make changes to its policies and procedures at any time.

4. Public Hearing – As directed by the Agency Policy Manual, the Board of Directors will request a public hearing be held and the applicant will be expected to prepare and provide a presentation to the public about the project and financial assistance requested. The public will have an opportunity to make comments in regards to the project. Public notices will be provided as required by the Agency Policy Manual. A transcript of the public hearing will be created, posted on CAIDA website.

5. Board Review – The Board of Directors will consider the analysis and recommendations of the Finance Committee and, if holding a public hearing was required, public comments from the public hearing before taking action. In order for the application to be considered by the Board of Directors, the applicant or his/her appointed representative, should be present at the meeting. An appropriate representative could be any of the project principals, professionals contracted on the project or an individual identified and authorized by the applicant to be a project representative. Prior to consideration of potential approving resolutions, the proposed project must have met all applicable City of Albany Department of Development and Planning requirements. The Board has the responsibility to review each project to determine if a project and project assistance are in the best interest of the community. CAIDA assistance is not as-of-right or an entitlement; all assistance must be reviewed, analyzed and approved by the Board of Directors regardless of eligibility status.

6. Closing – If the project receives all required approvals from the Board of Directors, legal counsel will arrange for a project closing.

The Finance Committee typically meets on the second Wednesday of the month at 12:15 p.m. and the Board of Directors meets on the third Thursday of the month at 12:15 p.m. Meetings are held at the office of the City of Albany Industrial Development Agency at 21 Lodge Street, Albany, New York. All board and finance committee meetings are conducted in accordance with the New York State Open Meetings Law and as such are open to the public. Finance committee and board meeting notices, agendas, minutes and other materials are posted on the website as well as circulated to the Board of Directors and City of Albany Common Council prior to the meeting.

Applicant Fees

An application fee of \$1,500 dollars, payable to the City of Albany Industrial Development Agency will be due upon submission of a complete application. CAIDA also requires an administrative fee due at closing of one percent (1%) of the total project costs. Applicant is also responsible for all CAIDA attorney fees, filing fees, etc.



SECTION II.

Project Evaluation Criteria: Baseline Eligibility Requirements and Community Benefit Metrics

Baseline Eligibility Requirements

In order for a project to be evaluated under this program, the project must:

1. Submit a completed application and applicable supplemental materials along with the application fee.
2. Meet all New York State and CAIDA legal, regulatory and policy requirements.
3. Be aligned with the City of Albany Comprehensive Plan, Albany 2030.
4. Meet, or are in the process of meeting, all applicable City of Albany Department of Development and Planning requirements (including zoning, site plan, etc.)
5. Fall into one of the following categories:

Multi-Family Commercial Project

Vacant or commercial property redeveloped for non-homestead residential rental uses. Non-homestead residential rental uses, **including private student housing**, that include commercial uses will be considered Multi-Family Commercial Projects.

Commercial Project

A property developed for one or more of the following uses: manufacturing, processing, and/or fabrication; distribution; commercial office space; ~~private student housing~~; service industry uses; retail; hotel; parking facilities; and event or conference space (the primary purpose of the project and the primary intended use of the site must be listed).

6. As required by New York State, the applicant must be able to attest that but for the assistance, the project would not move forward.

Community Benefit Metrics

Projects that meet the baseline eligibility requirements seeking assistance through the Project Evaluation and Assistance Framework will be evaluated using Community Benefit Metrics. The Project Evaluation Criteria ensure that only projects that meet baseline requirements and a standard based on defined measures of community benefit (revitalization, investment and job creation) are considered for assistance through a deviation. All projects must meet the baseline eligibility requirements prior to being considered for any assistance through the Project Evaluation and Assistance Framework.

If a project meets the baseline eligibility requirements and achieves a threshold of at least ten (10) community benefit metrics (checkmarks on the scoring sheet described on page six (6)), the project is eligible to be considered for a deviation in financial assistance. If the project meets the threshold, the level of assistance the project is eligible to be considered by the Board for is based on standardized assistance schedules. CAIDA assistance is not as-of-right or an entitlement; all assistance must be approved by the Board of Directors regardless of eligibility. The Board has the responsibility to review each project to determine if a project and requested assistance are in the best interest of the community. Detailed definitions of the Community Benefit Metrics are included in Section V.

SECTION II.

Eligibility Requirements and Project Evaluation

Community Commitment

Additional assistance may be available to project applicants that agree to commit to and provide third-party verification of completion of additional Community Commitment metrics, including: Minority and Woman-Owned Business Enterprise/ Disadvantaged Business Enterprise Participation; Equal Opportunity Employment Workforce Utilization; Regional Labor (as defined by the Agency's Local Labor Policy); City of Albany Labor; Inclusionary Housing; and Licensed Apprenticeships (see Section V). Projects that provide third-party verification of the completion of three (3) of six (6) Community Commitments above the minimum threshold score of ten (10) may be eligible for additional assistance through standardized enhanced schedules (see Section IV, page 10.) Additional assistance is not as-of-right or an entitlement; all assistance must be approved by the CAIDA Board of Directors regardless of pledged commitment. Any project pledging Community Commitments and failing to meet the requirements may be subject to assistance termination, modification or recapture.

Summary of Baseline Eligibility Requirements and Community Benefit Metrics

The following table summarizes the Baseline Requirements and Community Benefit Metrics. Detailed definitions of the Community Benefit Metrics below are included in Section V. Please note that if the project owner/applicant agrees to a community benefit, and that commitment is not met by the project owner/applicant, the Agency shall reduce the assistance provided and may, in certain circumstances, terminate any agreements for assistance or recapture previously-received benefits.

Baseline Requirements (Must Achieve All)		
<input type="checkbox"/> Complete Application	<input type="checkbox"/> Albany 2030 Aligned	<input type="checkbox"/> Meet Project Use Definition
<input type="checkbox"/> Meets NYS/CAIDA Requirements	<input type="checkbox"/> Planning Approval (if applicable)	<input type="checkbox"/> "But For" Requirement
Community Benefit Metrics (Must Achieve 10)		
<p style="text-align: center;">Revitalization</p> <p>Target Geography</p> <input type="checkbox"/> Distressed Census Tract <input type="checkbox"/> High Vacancy Census Tract <input type="checkbox"/> Downtown <input type="checkbox"/> BID <input type="checkbox"/> Neighborhood Plan <p>Identified Priority</p> <input type="checkbox"/> Downtown Residential <input type="checkbox"/> Tax Exempt/Vacant <input type="checkbox"/> Identified Catalyst Site <input type="checkbox"/> Historic Preservation <input type="checkbox"/> Community Catalyst <p>Identified Growth Area</p> <input type="checkbox"/> Manufacturing / Distribution <input type="checkbox"/> Technology <input type="checkbox"/> Hospitality <input type="checkbox"/> Existing Cluster <input type="checkbox"/> Conversion to Residential	<p style="text-align: center;">Investment</p> <p>Financial Commitment (cumulative)</p> <input type="checkbox"/> 2.5M - 10M <input type="checkbox"/> 10.1M-17.5M <input type="checkbox"/> 17.6M-25M <p>Community Commitment</p> <input type="checkbox"/> MWBE/DBE Participation <input type="checkbox"/> EEO Workforce Utilization <input type="checkbox"/> Inclusionary Housing <input type="checkbox"/> Regional Labor <input type="checkbox"/> City of Albany Labor <input type="checkbox"/> Apprenticeship Program	<p style="text-align: center;">Employment</p> <p>Permanent Jobs (cumulative)</p> <input type="checkbox"/> 3 - 40 <input type="checkbox"/> 41-80 <input type="checkbox"/> 81 - 120 <input type="checkbox"/> 121-180 <input type="checkbox"/> >180 <p>Retained Jobs (cumulative)</p> <input type="checkbox"/> 3 - 40 <input type="checkbox"/> 41-80 <input type="checkbox"/> 81 - 120 <input type="checkbox"/> 121-180 <input type="checkbox"/> >180 <p>Construction Jobs (cumulative)</p> <input type="checkbox"/> 6 - 80 <input type="checkbox"/> 81 - 160 <input type="checkbox"/> 161 - 240 <input type="checkbox"/> > 240



SECTION III.

Restrictions

General Restrictions

- Applications for assistance through the CAIDA Uniform Tax Exemption Policy (UTEP) will be evaluated by the Board of Directors per the Agency's policy manual.
- Requests for deviations from the UTEP will be evaluated by the CAIDA Board of Directors using the Agency Policy Manual and Project Evaluation and Assistance Framework unless otherwise specified.
- Requests for assistance that are a part of a large investment involve added complexity and, as such, may be analyzed and acted upon outside of the Project Evaluation and Assistance Framework by CAIDA Board of Directors in accordance with all State regulations and Agency policies. Large investments are defined as a proposed project with a minimum investment of \$25 million dollars *OR* for a project totaling a minimum of fifteen (15) acres *OR* a full service hotel. Student housing projects will be analyzed through the Project Evaluation and Assistance Framework's Project Evaluation Criteria and qualify for up to the **standardized Multi-Family Commercial assistance schedule for projects assessed at \$80,000-\$89,999 in value per unit** as their score dictates, regardless of size.
- Affordable Multi-Family Commercial Projects will be analyzed and acted upon outside of the Project Evaluation and Assistance Framework and will be subject to the Agency Policy Manual.
- Proposed projects that total less than \$2.5 million in investment *AND* also qualify for either the 485-A or 485-B real property tax abatement program are deemed ineligible for assistance under the Project Evaluation and Assistance Framework.
- Proposed projects that qualify for \$1.5 million or more in Historic Tax Credits *AND* also qualify for either the 485-A or 485-B real property tax abatement program are deemed ineligible for assistance under the Project Evaluation and Assistance Framework.
- Percent abatement will be calculated off of the estimated improved assessed value over the base assessed value as follows:
 - i. For all projects, the base assessed value must be equal to the greater of: a) the City of Albany Assessor value b) the previous assessed value, (c) the purchase price.
 - ii. Requirement (i) above is subject to a minimum per door or minimum per square foot PILOT payment. The per door and per square foot minimum PILOT payment is described in Multi-Family Commercial Project Restrictions and Commercial Project Restrictions, respectively.
 - iii. All projects must result in a City of Albany Assessor-provided estimated total assessed value upon completion that is greater than the most recent total assessed value recorded within the 12-month period prior to the date the project application is submitted. If a proposed project does not meet this requirement, then the project is deemed ineligible for assistance under the Project Evaluation and Assistance Framework.

Multi-Family Commercial Project Restrictions

- All Multi-Family Commercial projects shall pay at least a \$675 dollar per door minimum PILOT payment from the start of assistance. Multi-Family Commercial Projects where the per door PILOT payment does not meet the minimum PILOT payment of \$675 dollars per door, will have the base assessment value determination adjusted upward to result in a \$675 dollars per door minimum PILOT payment.
- Multi-Family Commercial projects that result in an estimated improved assessment value (value after project is completed), as determined by the City of Albany Assessor, of less than 60,000/unit are eligible for assistance through the CAIDA Uniform Tax Exemption Policy (UTEP) and will be evaluated by the Board of Directors per the Agency's policy manual.
- All Multi-Family Commercial Projects that result in an estimated improved assessment value (value after project is completed), as determined by the City of Albany Assessor, of less than \$85,000 per unit *AND* the project also qualifies for the 485-a real property tax abatement program are ineligible for assistance under the Project Evaluation and Assistance Framework.
- After year twelve (12) of any Multi-Family Commercial PILOT, a bifurcated structure commences whereby projects shall pay the greater of: (a) scheduled pilot payments as stated by assistance schedule or (b) 11.5% of gross revenue.
- Retail Square Footage included in a new construction Multi-Family Commercial Project is only eligible for the first five (5) years any Multi-Family Commercial assistance schedule.
- Commercial Square Footage excluding retail uses included in a new construction Multi-Family Commercial Project is only eligible for the Commercial assistance schedule corresponding to the achieved score.

Commercial Project Restrictions

- Commercial Projects shall pay at least \$0.97 per square foot minimum PILOT payment from the start of assistance. Commercial projects where the per square foot PILOT payment does not meet the minimum PILOT payment, will have the base assessment value determination adjusted upward to result in \$0.97 per square foot minimum PILOT payment.
- Projects with a Multi-Family Commercial component are subject to Multi-Family Commercial Project Restrictions.

City of Albany Industrial Development Agency Policy Manual

Some restrictions and requirements may not be listed. For detailed information regarding legal and regulatory matters for CAIDA projects, please see the CAIDA Policy Manual located on the CAIDA website (www.AlbanyIDA.com). Decisions related to potential assistance are made by CAIDA Board of Directors. Please note that the Agency reserves the right to make changes to its policies and procedures at any time.



SECTION IV.

Project Assistance

Project Assistance

Proposed projects must meet evaluation criteria requirements including baseline eligibility requirements and community benefit thresholds in order to be eligible for assistance through this Framework. The following assistance schedules are applied only to the estimated improved assessment value and are subject to any restrictions described in Section III such as minimum PILOT payments and base adjustments.

Multi-Family Commercial						
Assessed Value per Unit						
AV	\$60,000-\$69,999	\$70,000-\$79,999	\$80,000-\$89,999	\$90,000-\$99,000	\$100,000+	
Year 1	90%	90%	90%	90%	90%	
Year 2	90%	90%	90%	90%	90%	
Year 3	90%	90%	90%	90%	90%	
Year 4	90%	90%	90%	90%	90%	
Year 5	90%	90%	90%	90%	90%	
Year 6	90%	90%	90%	90%	90%	
Year 7	90%	90%	90%	90%	90%	
Year 8	90%	80%	90%	90%	90%	
Year 9	80%	70%	90%	90%	90%	
Year 10	60%	60%	85%	90%	90%	
Year 11	40%	50%	80%	85%	85%	
Year 12	20%	40%	70%	75%	80%	
Year 13	-	30%	60%	65%	70%	
Year 14	-	20%	50%	60%	65%	
Year 15	-	10%	45%	50%	65%	
Year 16	-	-	40%	40%	60%	
Year 17	-	-	30%	30%	55%	
Year 18	-	-	20%	20%	50%	
Year 19	-	-	-	20%	45%	
Year 20	-	-	-	20%	40%	

Commercial	
50%	Year 1
45%	Year 2
40%	Year 3
35%	Year 4
30%	Year 5
25%	Year 6
20%	Year 7
15%	Year 8
10%	Year 9
5%	Year 10
-	Year 11
-	Year 12
-	Year 13
-	Year 14
-	Year 15
-	Year 16
-	Year 17
-	Year 18
-	Year 19
-	Year 20

SECTION IV. Project Assistance

Community Commitment

Additional assistance may be available to project applicants that agree to commit to and provide third-party verification of completion of additional Community Commitment metrics, including: Minority and Woman-Owned Business Enterprise/ Disadvantaged Business Enterprise Participation; Equal Opportunity Employment Workforce Utilization; Regional Labor (as defined by the Agency's Local Labor Policy); City of Albany Labor; Inclusionary Housing; and Licensed Apprenticeships (see Section V). Projects that provide third-party verification of the completion of three (3) of six (6) Community Commitments above the minimum threshold score of ten (10) may be eligible for additional assistance through standardized enhanced schedules (see Section IV, page 10.) Additional assistance is not as-of-right or an entitlement; all assistance must be approved by the CAIDA Board of Directors regardless of pledged commitment. Any project pledging Community Commitments and failing to meet the requirements may be subject to assistance termination, modification or recapture.

Multi-Family Commercial Community Commitment						
AV	Assessed Value per Unit					
	\$60,000-\$69,999	\$70,000-\$79,999	\$80,000-\$89,999	\$90,000-\$99,000	\$100,000+	
Year 1	100%	100%	100%	100%	100%	
Year 2	100%	100%	100%	100%	100%	
Year 3	100%	100%	100%	100%	100%	
Year 4	100%	100%	100%	100%	100%	
Year 5	100%	100%	100%	100%	100%	
Year 6	100%	100%	100%	100%	100%	
Year 7	100%	90%	100%	100%	100%	
Year 8	100%	80%	100%	100%	100%	
Year 9	80%	70%	100%	90%	90%	
Year 10	60%	60%	85%	90%	90%	
Year 11	40%	50%	80%	85%	85%	
Year 12	20%	40%	70%	75%	80%	
Year 13	-	30%	60%	65%	70%	
Year 14	-	20%	50%	60%	65%	
Year 15	-	10%	45%	50%	65%	
Year 16	-	-	40%	40%	60%	
Year 17	-	-	30%	30%	55%	
Year 18	-	-	20%	20%	50%	
Year 19	-	-	-	20%	45%	
Year 20	-	-	-	20%	40%	

Commercial Community Commitment	
100%	Year 1
90%	Year 2
80%	Year 3
70%	Year 4
60%	Year 5
50%	Year 6
40%	Year 7
30%	Year 8
20%	Year 9
10%	Year 10
-	Year 11
-	Year 12
-	Year 13
-	Year 14
-	Year 15
-	Year 16
-	Year 17
-	Year 18
-	Year 19
-	Year 20



SECTION V.

Community Benefit Metrics Definitions

Target Geography

Distressed Census Tract

Proposed project is located in a distressed census tract as defined by New York State.

High Vacancy Census Tract

Proposed project is located in a census tract with a vacancy rate of at least fifteen percent (15%), rounded to the nearest percentage point, according to the most recent census data.

Downtown

Proposed project is located within the physical boundaries of Downtown Albany as defined by Impact Downtown Albany.

BID District

Proposed project is located within the physical boundaries of the Downtown Albany Business Improvement District, the Central Avenue Business Improvement District or the Lark Street Business Improvement District.

Neighborhood Plan

Proposed project is located within City of Albany neighborhood plan as listed: Arbor Hill Neighborhood Plan areas, Capital South Plan, Park South Urban Renewal Plan, West Hill/West End Revitalization Plan, Midtown Colleges & University Study and the Albany Education District Enhancement Study.

Identified Priority

Downtown Residential

Proposed project consists of new construction or conversion of an existing commercial building resulting new non-homestead residential rental units located within the physical boundaries of Impact Downtown Albany.

Tax Exempt/Vacant

Proposed project is located on a parcel designated tax exempt prior to the time of purchase by the project owner/applicant and/or an unoccupied parcel(s) of land or building that is at least ninety percent (90%) vacant. Cases in which a property is vacated for the purpose of pursuing the proposed project, or property that was formerly designated parkland may not be considered vacant.

Identified Catalyst Site

Proposed project is located on a site specifically identified in ReZone Albany, Impact Downtown Albany or in a neighborhood plan as listed hereafter: Arbor Hill Neighborhood Plan, Capital South Plan, Park South Urban Renewal Plan, West Hill/West End Revitalization Plan, the Midtown Colleges & University Study and the Albany Education District Enhancement Study.

SECTION V.

Definitions

Historic Preservation

Proposed project results in the rehabilitation/renovation of a building listed individually on the National Register of Historic Places or located within a historic district and at least fifty (50) years old.

Community Catalyst

Proposed project contributes to an existing City of Albany policy or initiative for improving conditions and catalyzing change in an Albany community.

Identified Growth Area

Manufacturing/ Distribution

Proposed project must result in the creation, retention or expansion of manufacturing or distribution facilities as well as the creation and/or retention of permanent jobs in the City of Albany.

Technology

Proposed project must result in the creation, retention or expansion of tech sector facilities as well as the creation and/or retention of permanent jobs in the City of Albany.

Hospitality

Proposed project must result in the creation, retention or expansion of hospitality sector facilities as well as the creation and/or retention of permanent jobs in the City of Albany.

Existing Cluster

Proposed project supports the creation, retention or expansion of facilities or the creation and/or retention of permanent private sector jobs in an existing City of Albany industry cluster, including the technology, medical, education and government sectors.

Conversion to Residential

Proposed project must result in the conversion of an existing structure that is not designated residential (such as commercial office or warehouse).

Investment

Proposed project investment is the amount in dollars (\$) that will be spent in order to complete the project and includes, but is not limited to: acquisition costs, construction hard costs (inc. material, labor, etc.), soft costs (inc. professional, lending, etc.), and contingency costs required to complete the project. Project owner/applicant will be responsible for providing verification upon project completion.

Community Commitment

Minority and Woman-Owned Business Enterprise/Disadvantaged Business Enterprise Participation

Proposed project commits that at least twenty percent (20%) of the value of awarded construction of the proposed project is performed by minority or woman – owned operators. Project owner/applicant will be responsible for providing independent third-party verification upon project completion. MWBE/DBE participation goals indicate the percentage (in dollars) of a contract that must be performed by a NYS-certified woman– or minority-owned business enterprise or Federally-certified disadvantaged business enterprise. The goals may be met through an MWBE/DBE prime contractor’s self-performance, a joint venture between an MWBE/DBE and non-MWBE/DBE firm, or through the use of MWBE/DBE subcontractors.

EEO Workforce Utilization

Proposed project commits that at least fifteen percent (15%) of the workforce employed during construction of the proposed project are minorities or women. Project owner/applicant will be responsible for providing independent third party verification upon project completion.

SECTION V.

Definitions

Regional Labor

Proposed project commits to at least ninety percent (90%) of construction jobs will be filled by local residents as defined in by the CAIDA Local Labor Policy. Project owner/applicant will be responsible for providing independent third party verification upon project completion.

City of Albany Labor

Proposed project commits to at least fifteen percent (15%) of construction jobs will be filled by local City of Albany residents. Project owner/applicant will be responsible for providing independent third party verification upon project completion.

Inclusionary Housing

Proposed project commits to at least ten percent (10%) of total residential rental units are to be reserved for and/or rented to low-income households as defined by the U.S. Housing and Urban Development FY 2015 State Income Limits for the term of the Agency financial assistance. Project owner/applicant will be responsible for providing independent third party verification on an annual basis.

Licensed Apprenticeship Program

Proposed project commits to at least fifty percent (50%) of the contractors or subcontractors maintain a New York State certified apprenticeship program. Project owner/applicant will be responsible for providing independent third party verification upon project completion.

Employment

Permanent Created (New) Job

A created (new) permanent job is a new a position created over and above the business' current baseline. Construction jobs are not considered to be permanent new jobs. Project owner/applicant will be responsible for reporting on an annual basis.

Permanent Retained Job

A permanent retained job is a position that, but for the project investment, would be removed, relocated, or eliminated. Construction jobs are not considered to be permanent retained jobs. Project owner/applicant will be responsible for reporting on an annual basis.

Construction Jobs

A construction job is a position created during the construction phase and for the purpose of completing the project. Project owner/applicant will be responsible for reporting on an annual basis until construction project completion.

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION AMENDING PROJECT EVALUATION
AND ASSISTANCE FRAMEWORK**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on May 21, 2020 at 12:15 o’clock p.m., local time.

The meeting was called to order by the (Vice) Chair of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Tracy L. Metzger	Chair
Susan Pedo	Vice Chair
Hon. Darius Shahinfar	Treasurer
Lee E. Eck, Jr.	Secretary
Dominick Calsolaro	Member
Jahkeen Hoke	Member
Robert T. Schofield, Esq.	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sarah Reginelli	Chief Executive Officer
Mark Opalka	Chief Financial Officer
Ashley Mohl	Director of Development, Capitalize Albany Corporation
Andrew Corcione	Senior Economic Developer II, Capitalize Albany Corporation
Michael Bohne	Communications & Marketing, Capitalize Albany Corporation
Tammie Fanfa	Executive Assistant, Capitalize Albany Corporation
Amy Lavine, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 0520-

**RESOLUTION AMENDING THE CITY OF ALBANY INDUSTRIAL
DEVELOPMENT AGENCY’S PROJECT EVALUATION AND ASSISTANCE
FRAMEWORK.**

WHEREAS, City of Albany Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter

collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, the Agency has a uniform tax exemption policy (the “Uniform Tax Exemption Policy”) providing for the granting of certain “financial assistance” relating to real property, mortgage recording and sales tax exemptions; and

WHEREAS, the Agency has the authority to approve deviations from the Agency’s Uniform Tax Exemption Policy as it relates to the granting of exemptions from real property taxes, and, in connection with granting of any such deviations, the Agency has a Project Evaluation and Assistance Framework (the “Matrix”); and

WHEREAS, the Agency has reviewed the Matrix, and has determined that it should consider amending the Matrix as it relates to student housing projects; and

WHEREAS, in connection with such review, the Agency retained the services of a consultant, W-ZHA, Inc. (the “Consultant”), for the purpose of reviewing the Matrix as it relates to student housing projects; and

WHEREAS, in connection with such review, the staff and the Consultant have developed a certain amendment to the Matrix for review by the Agency, an executive summary of such amendment is attached to this resolution as Schedule A (the “Amendment”); and

WHEREAS, a draft of the Amendment was presented by the Agency staff to the Governance Committee and, after discussion and comment, the Governance Committee recommended that the Amendment be considered and adopted by the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations” and collectively with the SEQR Act, “SEQRA”), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to support approval of the Amendment;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency has reviewed a copy of the Amendment attached hereto as Schedule A. The Agency makes the following findings and determinations with respect to the Amendment:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The approval of the Amendment to the Matrix will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of the City of Albany, New York and the State of New York and improve their standard of living; and

(C) It is desirable and in the public interest for the Agency to approve the Amendment; and

(D) The adoption by the Agency of the Amendment will provide the Agency with administrative guidance in the structuring of PILOT abatement schedules for student housing projects to be considered by the Agency for deviation, and does not constitute an amendment of the Agency's existing Uniform Tax Exemption Policy; and

(E) The adoption by the Agency of the Amendment constitutes continuing agency administration and management (not new programs or a major reordering of priorities), and is therefore a "Type II action" under Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations adopted pursuant thereto by the Department of Environment Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations") (the SEQR Act and the Regulations being collectively referred to as "SEQRA") and, according, no further action by the Agency under SEQRA is required; and

(F) The adoption by the Agency of the Amendment pursuant to this Resolution will not impact the requirements contained in the Agency's Uniform Tax Exemption Policy or the applicable provisions of the Act relating to the process and procedures for the granting of deviations from real property taxes.

Section 2. The form, terms and substance of the Amendment are hereby approved in all respects.

Section 3. All action taken by the staff of the Agency with respect to the consideration and preparation of the Amendment is hereby ratified and confirmed.

Section 4. The Agency hereby authorizes the Chair, Agency Staff, Agency Counsel and Agency Special Counsel to take all steps necessary to implement the Amendment.

Section 5. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Tracy L. Metzger	VOTING	_____
Susan Peto	VOTING	_____
Hon. Darius Shahinfar	VOTING	_____
Lee E. Eck, Jr.	VOTING	_____
Dominick Calsolaro	VOTING	_____
Jahkeen Hoke	VOTING	_____
Robert T. Schofield, Esq.	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ALBANY)

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on May 21, 2020, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this _____ day of May, 2020.

(Assistant) Secretary

(SEAL)

SCHEDULE A

AMENDMENT TO

PROJECT EVALUATION AND ASSISTANCE FRAMEWORK

EXECUTIVE SUMMARY

TO: Capitalize Albany

FROM: Sarah Woodworth, Managing Member

RE: Executive Summary: Student Housing Analysis

DATE: May 5, 2020

INTRODUCTION

W-ZHA, LLC was retained to review the financial implications of the City of Albany's updated appraisal approach to student housing valuation. The new valuation approach results in higher assessed values for student housing projects. The CAIDA staff provided the financial contents of the original applications for two recently completed student housing projects: 1385 Washington Avenue and 1475 Western Avenue. The staff also provided their analysis of how project feasibility would be impacted with the anticipated increase in student housing assessed value.

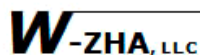
W-ZHA reviewed the information provided and conducted our own economic analyses of investment return under the City's prior and new valuation approach. W-ZHA also tested how CAIDA's various project assistance schedules impacted student housing project feasibility in order to recommend the appropriate project assistance schedule for student housing projects.

PRIOR POLICIES

In the past, the City of Albany's Assessor assessed the value of a student housing project at approximately \$29,200 per bed. Considering this valuation, CAIDA applied the Commercial Project Assistance Schedule to student housing projects.

It is our understanding that the City Assessor will now apply the income capitalization approach to calculate value. This approach will result in a higher assessed value for student housing projects (\$100,000-plus per unit).

This Memo answers the question whether student housing development is financially feasible with the higher valuation applying the Commercial Project Assistance Schedule. If not feasible, W-ZHA's analysis identifies the project assistance schedule that supports student housing investment by generating reasonable financial returns to the investor.



METHODOLOGY

W-ZHA tested private investment return by applying three measures: the internal rate of return on equity, the equity multiplier, and the cash-on-cash return in the first year of stabilized occupancy. A 14% internal rate of return on equity was considered reasonable for a ten-year hold period. An equity multiplier above 2.0 was considered reasonable. A cash-on-cash return of 7% or higher was considered reasonable for the first stabilized year of occupancy.

For the internal rate of return on equity calculation, W-ZHA assumed there would be a refinancing or sale at the end of 10 years. Typically, the Year 10 net operating income is capitalized to determine the sale price. However, many of CAIDA's project assistance schedules extend beyond ten years with net operating income declining after Year 10. To determine a reasonable sale price in Year 10, W-ZHA capitalized the average net operating income from Year 11 to Year 20 in Year 10 dollars.

FINDINGS

W-ZHA analyzed the economics of two existing housing projects under the old valuation approach and the new valuation approach. Ten-year pro formas were prepared using the assumptions contained in the original CAIDA application. (The one exception is that W-ZHA solved for supportable debt using a debt coverage ratio of 1.25 and a minimum equity requirement of 20%.)

The analysis indicates that under the Commercial Project Assistance Schedule a student housing project using the new assessment methodology does not generate enough financial return to warrant investment. More assistance is necessary with the higher valuation.

While the new valuation approach will result in student housing projects being valued at over \$100,000 per unit, student housing economics are different from market-rate multi-family rental projects. When the project assistance schedule for multi-family rental projects assessed at over \$100,000 per unit is applied to student housing, the investment returns are above average returns. This level of assistance is not necessary.

W-ZHA analyzed investment returns given CAIDA's other multi-family rental project assistance schedules. W-ZHA concludes that the Multi-Family \$80,000 - \$89,999 Project Assistance Schedule offers reasonable returns to student housing investors. The Multi-Family \$80,000 - \$89,999 Project Assistance Schedule is presented in Table 1.

Table 1

**Multi-Family \$80,000 - \$89,999
Project Assistance Schedule
CAIDA**

Year	Abatement
1	90%
2	90%
3	90%
4	90%
5	90%
6	90%
7	90%
8	90%
9	90%
10	85%
11	80%
12	70%
13	60%
14	50%
15	45%
16	40%
17	30%
18	20%
19	0%
20	0%

Source: CAIDA