

Albany Industrial Development Agency

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Anthony J. Ferrara, *Chairman*
Willard A. Bruce, *Vice-Chairman*
Susan Pedo, *Secretary*
Kathy Sheehan, *Treasurer*
Prairie Wells
Martin Daley

Michael Yevoli, *Chief Executive Officer*
Erik J. Smith, *Chief Financial Officer*
John Reilly, *Agency Counsel*

IDA MINUTES OF REGULAR MEETING Thursday, July 21, 2011

Attending: Bill Bruce, Susan Pedo, Kathy Sheehan, Martin Daley & Prairie Wells

Absent: Chairman Tony Ferrara

Also Present: Joe Scott, Erik Smith, John Reilly, Mike Yevoli, Megan Daly, Amy Gardner, Brad Chevalier & Ashley D'Antonio.

Vice Chairman Bruce called the regular meeting of the IDA to order at 12.15PM.

Roll Call

Vice Chairman Bruce reported that all Board Members were present with the exception of Chairman Ferrara.

Reading of Minutes of the Regular Meeting of June 16th, 2011

Since the minutes of the previous meeting had been distributed to Board members in advance for review, Vice Chairman Bruce made a proposal to dispense with the reading of the minutes.

Approval of Minutes of the Regular Meeting of June 16th, 2011

Vice Chairman Bruce made a proposal to approve the minutes of the Regular Board Meeting as presented. A motion to accept the minutes, as presented, was made by Kathy Sheehan and seconded by Martin Daley. A vote being taken, the minutes were accepted unanimously.

Report of Chief Executive Officer

Mike Yevoli reported that there was a report recently issued by the State Comptroller's on IDAs. Mr. Yevoli highlighted job creation and the cost per job gained. Mr. Yevoli also discussed the success of the Albany City IDA in comparison with other IDAs around the state.

Vice Chairman Bruce recommended the agenda be modified to address Unfinished Business. No objection was rendered and the agenda was so modified.

Unfinished Business

SRS Albany, LLC Project Synopsis

Joe Scott presented a summary of the project to the board outlining the project and the requests of the IDA. Mr. Scott reiterated the fact this project will not need a PILOT deviation. Joe Nicola, from Columbia Development representing the project was present to answer questions. The board followed with questions regarding the requests and timeline of the project. The board also asked questions pertaining to the resolutions.

SRS Albany, LLC SEQOR Resolution

Joe Scott reviewed the Resolution with the Board explaining that the findings determined that this project would not have a significant effect on the environment.

Vice Chairman Bruce presented the SRS Albany, LLC SEQOR Resolution to the Board. A motion to adopt the Resolution was made by Martin Daly and seconded by Kathy Sheehan. A vote being taken, the Resolution passed unanimously.

SRS Albany, LLC Approving Resolution

Joe Scott reviewed the Resolution with the Board.

Vice Chairman Bruce presented the SRS Albany, LLC Approving Resolution to the Board. A motion to adopt the Resolution was made by Martin Daley and seconded by Kathy Sheehan. Some discussion followed. A vote being taken, the Resolution passed unanimously.

Albany Molecular Research, Inc. Resolution Approving New Mortgage

Joe Scott reviewed the resolution with the board. Mr. Scott explained that this project was originally approved by the AIDA in 2005 at which time a PILOT was granted which is still in effect. The company has negotiated a loan with the Bank of America in the amount of \$22,500,000 which will be secured by a mortgage lien on the Project. The Project is requesting exemption from the mortgage recording tax with respect to this financing.

Vice Chairman Bruce presented the Albany Molecular Research, Inc. Resolution Approving New Mortgage to the Board. A motion to adopt the Resolution was made by Kathy Sheehan and seconded by Prairie Wells.

Albany Hotel, Inc. Revised PILOT Deviation Discussion

Bob Wakeman, of Lombardi, Walsh, Wakeman, Harrison & Davenport, P.C. representing the project, made a presentation to the Board reviewing the project. Mr. Wakeman reiterated the importance of renovating the property and establishing a reputable franchise. He stressed that because the Hotel's Ground Lease will expire shortly it is currently a wasting asset and not an attractive investment. In order to attract a high quality brand the franchisor will require a large investment. Albany Hotel, Inc. would like to make a large investment in this property but only if it is economically viable. With the

current lease on the land the value is greatly impeded; however, if the land is purchased and included in the assessment value the tax increase also impedes the value. The applicant is asking for a PILOT deviation to stabilize the tax increase that will occur. The proposal includes an annual community development IDA fee of \$100,000 and an annual 5% increase in taxes for the 30 year term of the PILOT agreement.

A brief discussion followed. The board was not asked to take any action on this matter. The Board was informed that the PILOT deviation notice would be sent to taxing jurisdictions.

Sixty State Place, LLC Revised PILOT Deviation Discussion

Dan Hershberg, of Hershberg and Hershberg, representing the project, presented an overview of the project to the Board. The project would consist of extensive renovations and restorations to the building. The historic main lobby space would be converted into a restaurant and catering hall facility. Following extensive renovations the upper floors in the rear of the building would be converted into urban loft residential units. Each floor would have 3 to 4 units totaling 11-16 units for the whole building. He noted that the approximate project cost would be \$6 million and would create an estimated 30 to 40 full time construction jobs and an estimated 85 permanent hospitality (full and part time).

John Harris, of Harris Beach reviewed the request being made of the IDA by the applicant. He explained it is incredibly expensive to repurpose a building like 60 State St. For this reason they are in front of the IDA. Revenues will be constrained because the building will only support 11 units. The applicant is asking for a 100% tax abatement for the first 12 years. If following the 12 year abatement they were asked to pay full real property taxes the project would be unfeasible. The applicant is asking that the taxes increase at a rate of 5% following the 12 year abatement.

A brief discussion followed. The board was not asked to take any action on this matter. The Board was informed that the PILOT deviation notice would be sent to taxing jurisdictions.

New Business

Penta on Broadway, LLC. Public Hearing Resolution

Chuck Rosentine, of Penta on Broadway representing the project, presented an overview of the proposed project. The project would begin with the purchase of a presently vacant office building on Broadway. The building would be converted in to 14 market rate apartments; twelve 1 bedroom units and two 2 bedroom units. On the ground floor there would be 3000 sq. ft of retail space. The applicant is asking the IDA for help with the mortgage recording tax and the sales tax that will be incurred during the renovation. The applicant is also asking for for a 15 year tax abatement with the taxes being 100% abated for the first 10 years. After the first 10 years the applicant is asking the taxes increase by a rate of 16.7% until year 15. After this 15 year abatement the property will be taxed on its assessed value.

Vice Chairman Bruce presented the Penta on Broadwa, LLC Public Hearing Resolution to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by Kathy Sheehan. A vote being taken, the Resolution passed unanimously.

Downtown Albany Revitalization, LLC Public Hearing Resolution

Herb Ellis, of Downtown Albany Revitalization, LLC, representing the project presented an overview of the project. The project would involve three downtown buildings One Stuben Place, 74-76 North Pearl

St. and 16 Sheridan Ave. All three buildings would be converted to high end apartments creating a total of 169 units. The applicant is asking for a full tax abatement of One Stebuben Place and 74-76 Pearl St. for 20 years. The applicant expects to be paying taxes at the assessed value on both buildings by the 23rd year. The applicant is also asking for a full tax abatement of 16 Sheridan Ave. for 22 years. After the first 22 years taxes would increase by 20% for 5 years and in year 27 would be paid at the assessed value.

Vice Chairman Bruce felt it was premature to schedule a public hearing and did not put the resolution up for a vote. Vice Chairman Bruce also indicated that the staff and Board needed more time to review the materials that were presented.

Reports of Committees

None

Communications

None

Other Business

None

There being no further business, Vice Chairman Bill Bruce adjourned the meeting at 2:00PM.

Respectfully submitted,

Mike Yevoli, Assistant Secretary

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