

TO: City of Albany Industrial Development Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: Aeon Nexus Corporation – Project Summary

DATE: October 7, 2013

Staff Notes:

This project summary is the result of the work staff has performed per the direction of the Finance Committee at the September 19th meeting. The Applicant has submitted a revised PILOT request for Committee review. The revised PILOT request includes the reduction of the duration of the PILOT to 12 years and modifies the percentage abatement amounts. Staff seeks feedback from the Committee. Please note this project summary will continue to be updated as the project progress through staff review and Agency consideration.

Applicant: Aeon Nexus Corporation

Managing Members (% of Ownership): Omar Usmani (100%)

Project Location: 138 State Street

Project Description: Proposed acquisition of a parcel of land along with the acquisition of and renovation of an existing 8,750 SF +/- building – consisting of 3 stories, a mezzanine and basement – into commercial office space. The project includes the installation of tenant finishes, personal property, fixtures, furniture and equipment.

Estimated Project Cost: \$1,833,500

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$1,650,000

Estimated Total Mortgage Amount: \$1,608,500

Current Total Assessment: \$100,000 (per Commissioner of Department of Assessment & Taxation)

Estimated Improved Total Assessment: \$875,000 (per Commissioner of Department of Assessment & Taxation)

Requested PILOT: Applicant proposes entering into a 12 year PILOT agreement with the IDA in which annual payments in lieu of taxes will be calculated by adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) and B) an amount equal to a percentage of the Normal Tax due with

respect to the additional improved assessment from completion of the project. Please see attached Revised PILOT Analysis for specifics.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$168,625

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$132,000
- Mortgage Recording Taxes: \$20,107
- Real Property Taxes: \$429,115 (*Not a Net Present Value*)
- Other: N/A

Employment Impact:

- Projected Permanent: (12) new jobs
- Projected Construction: (25) jobs

Other Economic Impacts:

- Increases local and state sales tax revenues
- Increases Downtown BID revenues that will be used to further the betterment of the district

Strategic Initiatives:

- Albany 2030
 - Increase job opportunities for all residents.
 - Encourage investment in urban land and buildings for employment and housing through development, redevelopment, rehabilitation and adaptive reuse.

Planning Board Actions:

- In the process of seeking necessary approvals from Board of Zoning Appeals and Planning Board.

Estimated IDA Fee

- Fee amount: \$18,335

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.



City
Hall

Corning Pl

NYS
Capitol
Building

State St

138

Eagle St

Lodge St

Howard St

Wendell St

Beaver St

Empire State
Plaza

Times Union
Parking Garage

Times Union
Center

Aeon Nexus Corporation: Revised PILOT Analysis										
PILOT Year	City and County Tax Year	School Tax Year	Tax Rate ⁽⁵⁾	Status Quo		Proposed Project				
				Estimated Total Assessment ⁽⁶⁾	Estimated Total Taxes ⁽⁷⁾	Normal Tax		Applicant Requested PILOT		
						Estimated Total Improved Assessment ⁽⁸⁾	Estimated Total Taxes w/o PILOT ⁽⁹⁾	Estimated PILOT Payments ⁽¹⁰⁾	Estimated Abatement Savings ⁽¹¹⁾	% of Abatement on Improved Assessment ⁽¹²⁾
Interim ⁽¹⁾	2014	2013/2014	\$46.73	\$100,000	\$4,673	-	-	-	-	-
1 ⁽²⁾	2015	2014/2015	\$48.13	\$100,000	\$4,813	\$875,000	\$42,118	\$4,813	\$37,305	100%
2	2016	2015/2016	\$49.58	\$100,000	\$4,958	\$875,000	\$43,382	\$4,958	\$38,424	100%
3	2017	2016/2017	\$51.07	\$100,000	\$5,107	\$875,000	\$44,683	\$5,107	\$39,576	100%
4	2018	2017/2018	\$52.60	\$100,000	\$5,260	\$875,000	\$46,024	\$5,260	\$40,764	100%
5	2019	2018/2019	\$54.18	\$100,000	\$5,418	\$875,000	\$47,404	\$5,418	\$41,987	100%
6	2020	2019/2020	\$55.80	\$100,000	\$5,580	\$875,000	\$48,826	\$5,580	\$43,246	100%
7	2021	2020/2021	\$57.48	\$100,000	\$5,748	\$875,000	\$50,291	\$5,748	\$44,544	100%
8	2022	2021/2022	\$59.20	\$100,000	\$5,920	\$875,000	\$51,800	\$5,920	\$45,880	100%
9	2023	2022/2023	\$60.98	\$100,000	\$6,098	\$875,000	\$53,354	\$15,549	\$37,805	80%
10	2024	2023/2024	\$62.81	\$100,000	\$6,281	\$875,000	\$54,955	\$25,750	\$29,204	60%
11	2025	2024/2025	\$64.69	\$100,000	\$6,469	\$875,000	\$56,603	\$36,549	\$20,054	40%
12 ⁽³⁾	2026	2025/2026	\$66.63	\$100,000	\$6,663	\$875,000	\$58,301	\$47,974	\$10,328	20%
Permanent ⁽⁴⁾	2027	2026/2027	\$68.63	\$100,000	\$6,863	\$875,000	\$60,050	-	-	-
Estimated Total ⁽¹³⁾					\$68,313		\$597,741	\$168,625	\$429,115	

Notes:

(1) Property will likely be taxable until March 1st, 2014. Project would likely close with Agency in January or February of 2014.

(2) Estimated start of PILOT payments.

(3) Estimated end of PILOT payments assuming Applicant Requested PILOT.

(4) Property returns to taxable status.

(5) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City and County 2013 tax year plus a 4% escalator and School 2013/2014 tax with estimated escalation of 3% thereafter.

(6) Per Commissioner of Department of Assessment & Taxation based on 2013 tax roll.

(7) Estimated taxes if proposed project did not occur (i.e. left status quo).

(8) Per Commissioner of Department of Assessment & Taxation based on estimate of \$100 per square foot (Inc. land and improvement assessment value). Assessment value is not fixed.

(9) Estimated taxes if proposed project occurred without PILOT assistance.

(10) Estimated PILOT Payments assuming Applicant Requested PILOT

(11) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Applicant Requested PILOT

(12) Percent abatement on increased assessment via PILOT assuming Applicant Requested PILOT

(13) Totals for comparison and analysis during PILOT agreement period only.

Analysis is ONLY an estimate

TO: City of Albany Industrial Development Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: 140 State Street Properties LLC – Project Summary

DATE: October 7, 2013

Staff Notes:

This project summary is the result of the work staff has performed per the direction of the Finance Committee at the September 19th meeting. The Applicant has submitted a revised PILOT request for Committee review. The revised PILOT request includes the reduction of the duration of the PILOT to 12 years and modifies the percentage abatement amounts. Staff seeks feedback from the Committee. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.

Applicant: 140 State Street Properties LLC

Managing Members (% of Ownership): Joseph R. Nicolla (51%) and Richard A. Rosen (49%)

Project Location: 140 State Street

Project Description: Proposed acquisition of a parcel of land along with the acquisition of and renovation of an existing 5 story, 5,500 SF building +/- into mixed-use building with retail on the first floor and approximately (4) four residential units on the upper floors. The project includes the installation of tenant finishes, personal property, fixtures, furniture and equipment.

Estimated Project Cost: \$1,305,500

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$1,070,000

Estimated Total Mortgage Amount: \$1,195,500

Current Total Assessment: \$100,000 (per Commissioner of Department of Assessment & Taxation)

Estimated Improved Total Assessment: \$400,000 (per Commissioner of Department of Assessment & Taxation)

Requested PILOT: Applicant proposes entering into a 12 year PILOT agreement with the IDA in which annual payments in lieu of taxes will be calculated by adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) and B) an amount equal to a percentage of the Normal Tax due with

respect to the additional improved assessment from completion of the project. Please see attached Revised PILOT Analysis for specifics.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$107,144

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$85,600
- Mortgage Recording Taxes: \$14,944
- Real Property Taxes: \$166,109 (*Not a Net Present Value*)
 - 485a Real Property Tax Abatement Program Real Property Taxes: \$166,109 (*Not a Net Present Value*)
- Other: N/A

Employment Impact:

- Projected Permanent: (5) new FTEs
- Projected Construction: (25) jobs

Other Economic Impacts:

- Adds to the supply of downtown residential to help meet the demand for such living options (as stated in Zimmerman/Volk Associates downtown residential market study)
- Increases retail options
- Increases consumer base to support downtown businesses
- Increases local and state sales tax revenues
- Increases Downtown BID revenues that will be used to further the betterment of the district

Strategic Initiatives:

- Albany 2030
 - Increase job opportunities for all residents.
 - Encourage investment in urban land and buildings for employment and housing through development, redevelopment, rehabilitation and adaptive reuse.
 - Provide a variety of housing types to meet the varied needs of Albany's households, including market, moderate and low income housing.
 - Encourage diverse intergenerational housing. Diverse housing includes options for residents throughout different stages of life (e.g. students, couples, families with children, seniors) in the same neighborhood.
- Revitalization and diversification of downtown - adaptive reuse of underutilized or vacant buildings
 - Eligible for the 485a Real Property Tax Abatement Program

Planning Board Actions:

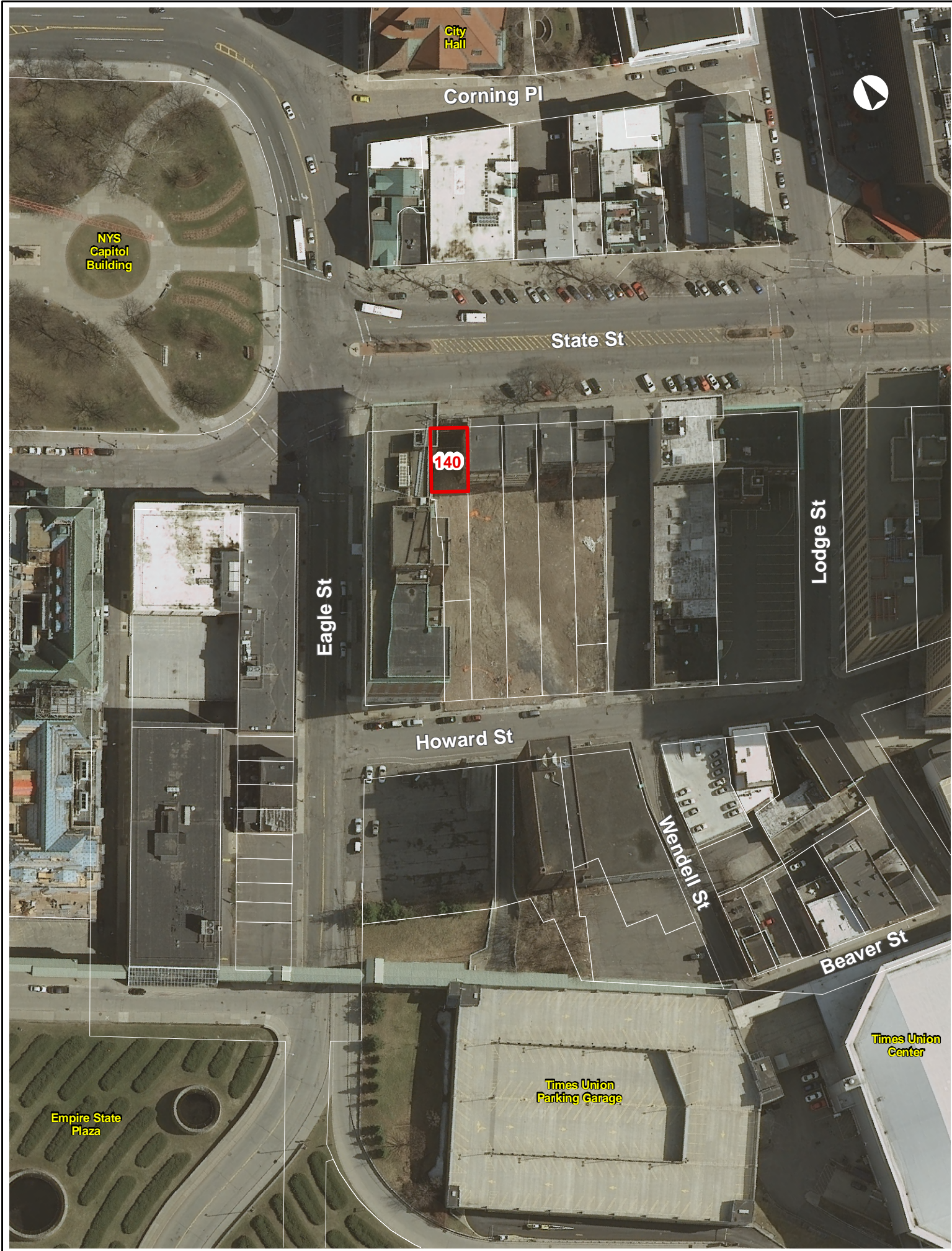
- In the process of seeking necessary approvals from Board of Zoning Appeals and Planning Board.

Estimated IDA Fee

- Fee amount: \$13,055

Mission

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City Hall

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State St

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Howard St

Wendell St

Beaver St

Empire State Plaza

Times Union Parking Garage

Times Union Center

140 State Street Properties LLC: Revised PILOT Analysis

PILOT Year	City and County Tax Year	School Tax Year	Tax Rate ⁽⁶⁾	Status Quo		Proposed Project							
				Estimated Total Assessment ⁽⁷⁾	Estimated Total Taxes ⁽⁸⁾	Normal Tax		485a Tax Abatement (For Comparison Purposes)			Applicant Requested PILOT		
						Estimated Total Improved Assessment ⁽⁹⁾	Estimated Total Taxes w/o PILOT ⁽¹⁰⁾	Estimated PILOT Payments and Normal Taxes ⁽¹¹⁾	Estimated Abatement Savings ⁽¹²⁾	% of Abatement on Improved Assessment ⁽¹³⁾	Estimated PILOT Payments ⁽¹⁴⁾	Estimated Abatement Savings ⁽¹⁵⁾	% of Abatement on Improved Assessment ⁽¹⁶⁾
Interim ⁽¹⁾	2014	2013/2014	\$46.73	\$100,000	\$4,673	-	-	-	-	-	-	-	-
1 ⁽²⁾	2015	2014/2015	\$48.13	\$100,000	\$4,813	\$400,000	\$19,254	\$4,813	\$14,440	100%	\$4,813	\$14,440	100%
2	2016	2015/2016	\$49.58	\$100,000	\$4,958	\$400,000	\$19,832	\$4,958	\$14,874	100%	\$4,958	\$14,874	100%
3	2017	2016/2017	\$51.07	\$100,000	\$5,107	\$400,000	\$20,427	\$5,107	\$15,320	100%	\$5,107	\$15,320	100%
4	2018	2017/2018	\$52.60	\$100,000	\$5,260	\$400,000	\$21,039	\$5,260	\$15,779	100%	\$5,260	\$15,779	100%
5	2019	2018/2019	\$54.18	\$100,000	\$5,418	\$400,000	\$21,671	\$5,418	\$16,253	100%	\$5,418	\$16,253	100%
6	2020	2019/2020	\$55.80	\$100,000	\$5,580	\$400,000	\$22,321	\$5,580	\$16,740	100%	\$5,580	\$16,740	100%
7	2021	2020/2021	\$57.48	\$100,000	\$5,748	\$400,000	\$22,990	\$5,748	\$17,243	100%	\$5,748	\$17,243	100%
8	2022	2021/2022	\$59.20	\$100,000	\$5,920	\$400,000	\$23,680	\$5,920	\$17,760	100%	\$5,920	\$17,760	100%
9	2023	2022/2023	\$60.98	\$100,000	\$6,098	\$400,000	\$24,390	\$9,756	\$14,634	80%	\$9,756	\$14,634	80%
10	2024	2023/2024	\$62.81	\$100,000	\$6,281	\$400,000	\$25,122	\$13,817	\$11,305	60%	\$13,817	\$11,305	60%
11	2025	2024/2025	\$64.69	\$100,000	\$6,469	\$400,000	\$25,876	\$18,113	\$7,763	40%	\$18,113	\$7,763	40%
12 ⁽⁴⁾	2026	2025/2026	\$66.63	\$100,000	\$6,663	\$400,000	\$26,652	\$22,654	\$3,998	20%	\$22,654	\$3,998	20%
Permanent ⁽⁵⁾	2027	2026/2027	\$68.63	\$100,000	\$6,863	\$400,000	\$27,452	-	-	-	-	-	-
Estimated Total ⁽¹⁷⁾					\$68,313		\$273,253	\$107,144	\$166,109		\$107,144	\$166,109	

Notes:

(1) Property will likely be taxable until March 1st, 2014. Project would likely close with Agency in January or February of 2014.

(2) Estimated start of PILOT payments.

(3) Estimated end of 485a Tax Abatement (shown for comparison reasons)

(4) Estimated end of PILOT payments assuming Applicant Requested PILOT.

(5) Property returns to taxable status.

(6) Estimated tax rate (does not include any special ad volereum taxes that are still payable under PILOT) based on City and County 2013 tax year plus a 4% escalator and School 2013/2014 tax with estimated escalation of 3% thereafter.

(7) Per Commissioner of Department of Assessment & Taxation based on 2013 tax roll.

(8) Estimated taxes if proposed project did not occur (i.e. left status quo).

(9) Per Commissioner of Department of Assessment & Taxation based on estimate of \$100,000 per unit (inc. land and improvement assessment value). Assessment value is not fixed.

(10) Estimated taxes if proposed project occurred without PILOT assistance.

(11) Estimated PILOT Payments and Normal Taxes for Years 13-20 assuming 485a Tax Abatement (shown for comparison reasons)

(12) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming 485a Tax Abatement (shown for comparison reasons)

(13) Percent abatement on increased assessment via PILOT assuming 485a Tax Abatement (shown for comparison reasons)

(14) Estimated PILOT Payments assuming Applicant Requested PILOT

(15) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Applicant Requested PILOT

(16) Percent abatement on increased assessment via PILOT assuming Applicant Requested PILOT

(17) Totals for comparison and analysis during PILOT agreement period only.

Analysis is ONLY an estimate

TO: City of Albany Industrial Development Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: 144 State Street LLC – Project Summary

DATE: October 7, 2013

Staff Notes:

This project summary is in response to the request for financial assistance by the Applicant which was introduced at the September 19th Finance Committee meeting. Staff seeks feedback from the Committee on the financial assistance requested – specifically the PILOT request. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.

Applicant: 144 State Street LLC

Managing Members (% of Ownership): Joseph R. Nicolla (51%) and Richard A. Rosen (49%)

Project Location: 142 State Street

Project Description: Proposed acquisition of a parcel of land along with the acquisition of and renovation of a historic, existing 180,000 SF +/- building into a 204 +/- hotel with banquet/event space. The project includes the installation of tenant finishes, personal property, fixtures, furniture and equipment.

Estimated Project Cost: \$46,960,257

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$17,450,000

Estimated Total Mortgage Amount: \$32,000,000

Current Total Assessment: \$1,000,000 (per Commissioner of Department of Assessment & Taxation)

Estimated Improved Total Assessment: \$20,400,000 (per Commissioner of Department of Assessment & Taxation)

Requested PILOT: Applicant proposes entering into a 20 year PILOT agreement with the IDA in which annual payments in lieu of taxes will be calculated by adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) and B) an amount equal to a percentage of the Normal Tax due with

respect to the additional improved assessment from completion of the project. Please see attached Revised PILOT Analysis for specifics.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$11,364,151

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$1,396,000
- Mortgage Recording Taxes: \$400,000
- Real Property Taxes: \$15,021,276 (*Not a Net Present Value*)
- Other: N/A

Employment Impact:

- Projected Permanent: (162) new jobs
- Projected Construction: (200) jobs

Other Economic Impacts:

- Increases local and state sales tax revenues
- Increase in hotel occupancy tax revenues
- Increases Downtown BID revenues that will be used to further the betterment of the district

Strategic Initiatives:

- Albany 2030
 - Increase job opportunities for all residents.
 - Encourage investment in urban land and buildings for employment and housing through development, redevelopment, rehabilitation and adaptive reuse.

Planning Board Actions:

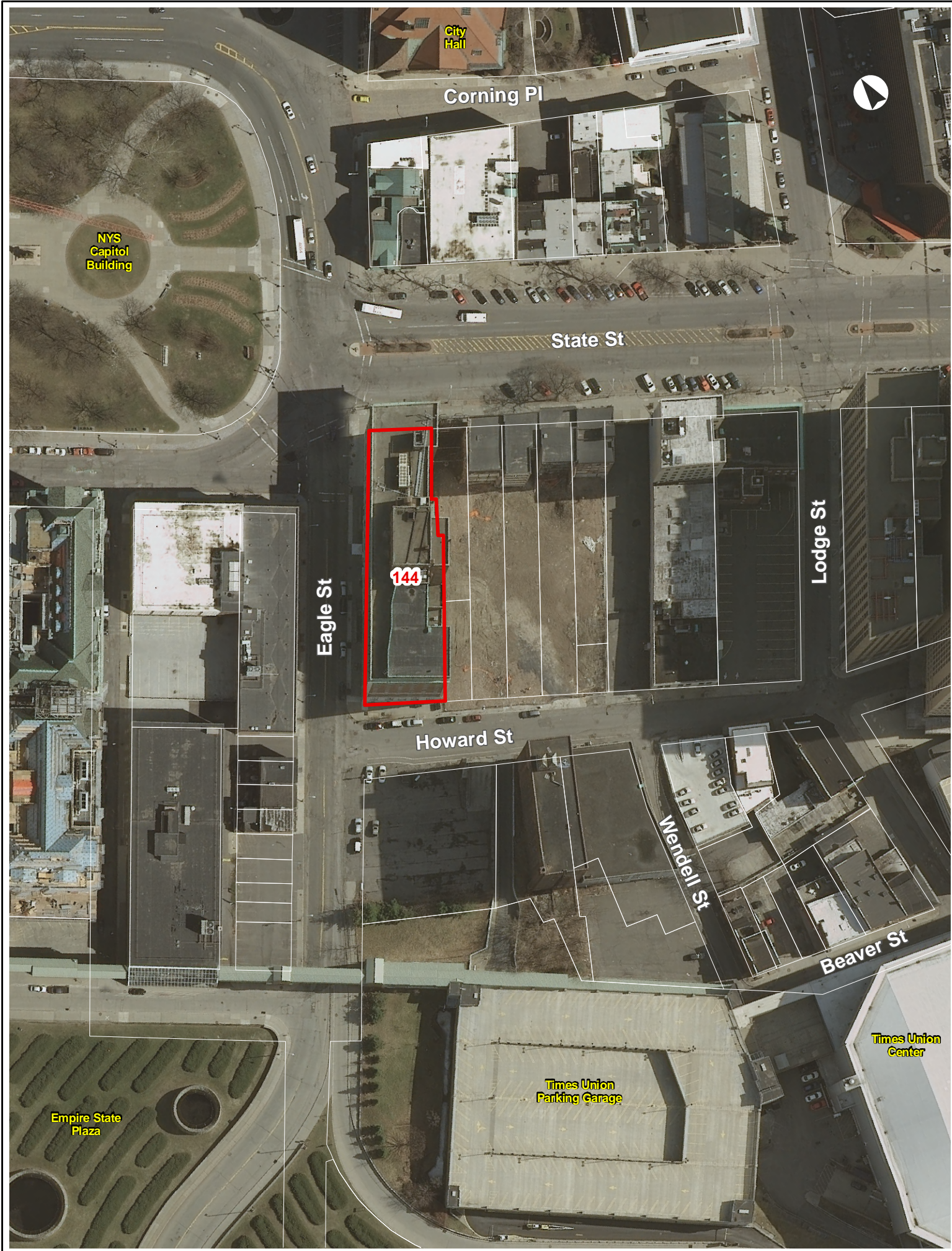
- In the process of seeking necessary approvals from Board of Zoning Appeals and Planning Board.

Estimated IDA Fee

- Fee amount: \$469,603

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.



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Times Union Parking Garage

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144 State Street Properties LLC: PILOT Analysis

PILOT Year	City and County Tax Year	School Tax Year	Tax Rate ⁽⁵⁾	Status Quo		Proposed Project				
				Estimated Total Assessment ⁽⁶⁾	Estimated Total Taxes ⁽⁷⁾	Normal Tax		Applicant Requested PILOT		
						Estimated Total Improved Assessment ⁽⁸⁾	Estimated Total Taxes w/o PILOT ⁽⁹⁾	Estimated PILOT Payments ⁽¹⁰⁾	Estimated Abatement Savings ⁽¹¹⁾	% of Abatement on Improved Assessment ⁽¹²⁾
Interim ⁽¹⁾	2014	2013/2014	\$46.73	\$1,000,000	\$46,733	-	-	-	-	-
1 ⁽²⁾	2015	2014/2015	\$48.13	\$1,000,000	\$48,135	\$20,400,000	\$981,952	\$48,135	\$933,817	100%
2	2016	2015/2016	\$49.58	\$1,000,000	\$49,579	\$20,400,000	\$1,011,411	\$49,579	\$961,832	100%
3	2017	2016/2017	\$51.07	\$1,000,000	\$51,066	\$20,400,000	\$1,041,753	\$51,066	\$990,687	100%
4	2018	2017/2018	\$52.60	\$1,000,000	\$52,598	\$20,400,000	\$1,073,006	\$52,598	\$1,020,407	100%
5	2019	2018/2019	\$54.18	\$1,000,000	\$54,176	\$20,400,000	\$1,105,196	\$54,176	\$1,051,020	100%
6	2020	2019/2020	\$55.80	\$1,000,000	\$55,802	\$20,400,000	\$1,138,352	\$55,802	\$1,082,550	100%
7	2021	2020/2021	\$57.48	\$1,000,000	\$57,476	\$20,400,000	\$1,172,502	\$57,476	\$1,115,027	100%
8	2022	2021/2022	\$59.20	\$1,000,000	\$59,200	\$20,400,000	\$1,207,677	\$223,317	\$984,360	85.71%
9	2023	2022/2023	\$60.98	\$1,000,000	\$60,976	\$20,400,000	\$1,243,908	\$230,017	\$1,013,891	85.71%
10	2024	2023/2024	\$62.81	\$1,000,000	\$62,805	\$20,400,000	\$1,281,225	\$410,908	\$870,317	71.43%
11	2025	2024/2025	\$64.69	\$1,000,000	\$64,689	\$20,400,000	\$1,319,662	\$423,235	\$896,427	71.43%
12	2026	2025/2026	\$66.63	\$1,000,000	\$66,630	\$20,400,000	\$1,359,252	\$620,648	\$738,604	57.14%
13	2027	2026/2027	\$68.63	\$1,000,000	\$68,629	\$20,400,000	\$1,400,029	\$639,267	\$760,762	57.14%
14	2028	2027/2028	\$70.69	\$1,000,000	\$70,688	\$20,400,000	\$1,442,030	\$854,273	\$587,757	42.86%
15	2029	2028/2029	\$72.81	\$1,000,000	\$72,808	\$20,400,000	\$1,485,291	\$879,901	\$605,390	42.86%
16	2030	2029/2030	\$74.99	\$1,000,000	\$74,993	\$20,400,000	\$1,529,850	\$1,114,197	\$415,653	28.57%
17	2031	2030/2031	\$77.24	\$1,000,000	\$77,242	\$20,400,000	\$1,575,745	\$1,147,623	\$428,122	28.57%
18	2032	2031/2032	\$79.56	\$1,000,000	\$79,560	\$20,400,000	\$1,623,018	\$1,402,457	\$220,560	14.29%
19	2033	2032/2033	\$81.95	\$1,000,000	\$81,946	\$20,400,000	\$1,671,708	\$1,444,531	\$227,177	14.29%
20 ⁽³⁾	2034	2033/2034	\$84.40	\$1,000,000	\$84,405	\$20,400,000	\$1,721,859	\$1,604,945	\$116,914	7.14%
Permanent ⁽⁴⁾	2035	2034/2035	\$86.94	\$1,000,000	\$86,937	\$20,400,000	\$1,773,515	-	-	-
Estimated Total ⁽¹³⁾					\$1,293,403		\$26,385,426	\$11,364,151	\$15,021,276	

Notes:

- (1) Property will likely be taxable until March 1st, 2014. Project would likely close with Agency in January or February of 2014.
- (2) Estimated start of PILOT payments.
- (3) Estimated end of PILOT payments assuming Applicant Requested PILOT.
- (4) Property returns to taxable status.
- (5) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City and County 2013 tax year plus a 4% escalator and School 2013/2014 tax with estimated escalation of 3% thereafter.
- (6) Per Commissioner of Department of Assessment & Taxation based on 2013 tax roll.
- (7) Estimated taxes if proposed project did not occur (i.e. left status quo).
- (8) Per Commissioner of Department of Assessment & Taxation based on estimate of \$100 per square foot (Inc. land and improvement assessment value). Assessment value is not fixed.
- (9) Estimated taxes if proposed project occurred without PILOT assistance.
- (10) Estimated PILOT Payments assuming Applicant Requested PILOT
- (11) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Applicant Requested PILOT
- (12) Percent abatement on increased assessment via PILOT assuming Applicant Requested PILOT
- (13) Totals for comparison and analysis during PILOT agreement period only.

Analysis is ONLY an estimate

MEMO

TO: City of Albany Industrial Development Agency Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: 144 State Street LLC – Revised Employment Schedule
DATE: September 16, 2013

The Applicant has submitted a revised employment schedule.

Staff notes that the Applicant will be requested to provide updated applications upon reaching a potential agreement on the PILOT schedules for 132 State Street Properties LLC, 136 State Street Properties LLC, Aeon Nexus Corporation, 140 State Street Properties LLC, 144 State Street LLC, and 67 Howard Street LLC.

JOB CREATION CHART

Albany Full Services Staffing Model

	Full Time Headcount	Part Time Headcount	Rate	Hourly	Salary	Employee Level
FRONT OFFICE:						
Desk Clerks	4	1	\$	10.00		Unskilled
Night Audit	2	0	\$	12.00		Unskilled
Front Desk Supervisor	1	0	\$	15.00		Skilled
HOUSEKEEPING:						
Room Attendants	9	5	\$	10.00		Unskilled
Public/Night Attendants	3	0	\$	12.00		Unskilled
Housekeeping Supervisor	2	0	\$	15.00		Skilled
Houseperson	2	1	\$	8.50		Unskilled
BELLSTAFF/TRANSP:						
Bell Captain	1	0	\$	14.00		Skilled
Bell Staff	3	2	\$	10.00		Unskilled
Van Drivers	2	2	\$	10.00		Unskilled
ROOMS ADMIN:						
Front Desk Manager	1	0			\$ 40,000	Skilled
Executive Housekeeper	1	0			\$ 40,000	Skilled
TOTAL ROOMS DEPARTMENT						
FOOD PREP:						
Cooks/Prep	6	2	\$	15.00		Skilled
Dishwasher	3	1	\$	10.00		Unskilled
FOOD SERVICE:						
Host/Hostess	0	5	\$	10.00		Unskilled
Room Service	2	2	\$	8.00		Unskilled
Room Service Supervisor	1	0	\$	14.00		Skilled
Busperson	2	3	\$	8.00		Unskilled
Restaurant Waitstaff	6	4	\$	5.00		Unskilled
BANQUET SERVICE:						
Banquet Captains	2	0	\$	20.00		Skilled
Banquet Houseperson	4	0	\$	10.00		Unskilled
Banquet Servers	4	20	\$	15.00		Unskilled
BEVERAGE:						
Bartender	2	4	\$	8.00		Unskilled
Banquet Bartender	0	4	\$	10.00		Unskilled
FOOD ADMIN:						
F&B Director	1	0			\$ 75,000	Skilled
Restaurant Manager	1	0			\$ 50,000	Skilled
Restaurant Assistant Manager	2	0			\$ 40,000	Skilled
Banquet Manager	2	0			\$ 45,000	Skilled
Executive Chef	1	0			\$ 70,000	Skilled
Sous Chef	2	0			\$ 45,000	Skilled
PARKING DEPT:						
Parking Lot Attendant	1	2	\$	8.00		Unskilled
TELEPHONE DEPT:						
PBX Operator	2	2	\$	8.00		Unskilled
LAUNDRY DEPT:						
Laundry Supervisor	1		\$	15.00		Skilled
Laundry Attendant	4	2	\$	10.00		Unskilled
EE CAFETERIA DEPT:						
Cafeteria Attendant	2	2	\$	10.00		Unskilled
ADMIN & GENERAL						
General Manager	1				\$ 100,000	Skilled
Controller	1				\$ 55,000	Skilled
HR Manager	1				\$ 45,000	Skilled
Security Supervisor	1		\$	15.00		Skilled
Security	0	1	\$	12.00		Unskilled
SALES & MKTNG:						
Director of Sales	1				\$ 80,000.00	Skilled
Sales Manager	2				\$ 50,000.00	Skilled
Sales Coordinator	1		\$	15.00		Unskilled
REPAIRS & MAINT:						
Chief Engineer	1				\$ 65,000.00	Skilled
Maintenance Supervisor	1		\$	15.00		Skilled
Maintenance Staff	2	2	\$	10.00		Unskilled
TOTALS:						
Total Full Time Headcount	96				Total Skilled	37
Total Part Time Headcount	66				Total Unskilled	125
Total Headcount	162				Total	162



Empire State Plaza

City Hall

Corning Pl

State St

Eagle St

67

Lodge St

Howard St

Wendell St

Beaver St

Times Union Center

Times Union Parking Garage

TO: City of Albany Industrial Development Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: 67 Howard Street LLC – Project Summary

DATE: October 7, 2013

Staff Notes:

This project summary is in response to the request for financial assistance by the Applicant which was introduced at the September 19th Finance Committee meeting. Staff seeks feedback from the Committee on the financial assistance requested – specifically the PILOT request. Please note this project summary will continue to be updated as the project progresses through staff review and Agency consideration.

Applicant: 67 Howard Street LLC

Managing Members (% of Ownership): Joseph R. Nicolla (51%) and Richard A. Rosen (49%)

Project Location: 67 Howard Street

Project Description: Proposed acquisition of a parcel of land along with the construction of a 200 space parking garage with the potential for expansion of the garage by an additional 100 spaces. The project includes the installation personal property, fixtures, machinery and equipment. Construction of the project is associated with the hotel being proposed at 142 State Street.

Estimated Project Cost: \$6,503,500

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$5,250,000

Estimated Total Mortgage Amount: \$5,500,000

Current Total Assessment: \$250,000 (per Commissioner of Department of Assessment & Taxation)

Estimated Improved Total Assessment: \$2,550,000 (per Commissioner of Department of Assessment & Taxation)

Requested PILOT: Applicant proposes entering into a 20 year PILOT agreement with the IDA in which annual payments in lieu of taxes will be calculated by adding A) an amount equal to one hundred percent (100%) of the Normal Tax due with respect to the current total assessment (i.e. the “base” assessment) and B) an amount equal to a percentage of the Normal Tax due with

respect to the additional improved assessment from completion of the project. Please see attached Revised PILOT Analysis for specifics.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$1,144,505

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$420,000
- Mortgage Recording Taxes: \$68,750
- Real Property Taxes: \$2,153,673 (*Not a Net Present Value*)
- Other: N/A

Employment Impact:

- Projected Permanent: (2) new jobs
- Projected Construction: (25) jobs

Other Economic Impacts:

- Increases parking options
- Increases Downtown BID revenues that will be used to further the betterment of the district

Strategic Initiatives:

- Albany 2030
 - Increase job opportunities for all residents.
 - Encourage investment in urban land and buildings for employment and housing through development, redevelopment, rehabilitation and adaptive reuse.

Planning Board Actions:

- In the process of seeking necessary approvals from Board of Zoning Appeals and Planning Board.

Estimated IDA Fee

- Fee amount: \$65,035

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.

67 Howard Street LLC: PILOT Analysis

PILOT Year	City and County Tax Year	School Tax Year	Tax Rate ⁽⁵⁾	Status Quo		Proposed Project				
						Normal Tax		Applicant Requested PILOT		
				Estimated Total Assessment ⁽⁶⁾	Estimated Total Taxes ⁽⁷⁾	Estimated Total Improved Assessment ⁽⁸⁾	Estimated Total Taxes w/o PILOT ⁽⁹⁾	Estimated PILOT Payments ⁽¹⁰⁾	Estimated Abatement Savings ⁽¹¹⁾	% of Abatement on Improved Assessment ⁽¹²⁾
Interim ⁽¹⁾	2014	2013/2014	\$46.73	\$250,000	\$11,683	-	-	-	-	-
1 ⁽²⁾	2015	2014/2015	\$48.13	\$250,000	\$12,034	\$2,550,000	\$122,744	\$12,034	\$110,710	100%
2	2016	2015/2016	\$49.58	\$250,000	\$12,395	\$2,550,000	\$126,426	\$12,395	\$114,032	100%
3	2017	2016/2017	\$51.07	\$250,000	\$12,767	\$2,550,000	\$130,219	\$12,767	\$117,453	100%
4	2018	2017/2018	\$52.60	\$250,000	\$13,150	\$2,550,000	\$134,126	\$13,150	\$120,976	100%
5	2019	2018/2019	\$54.18	\$250,000	\$13,544	\$2,550,000	\$138,149	\$13,544	\$124,605	100%
6	2020	2019/2020	\$55.80	\$250,000	\$13,950	\$2,550,000	\$142,294	\$13,950	\$128,344	100%
7	2021	2020/2021	\$57.48	\$250,000	\$14,369	\$2,550,000	\$146,563	\$14,369	\$132,194	100%
8	2022	2021/2022	\$59.20	\$250,000	\$14,800	\$2,550,000	\$150,960	\$14,800	\$136,160	100%
9	2023	2022/2023	\$60.98	\$250,000	\$15,244	\$2,550,000	\$155,488	\$15,244	\$140,245	100%
10	2024	2023/2024	\$62.81	\$250,000	\$15,701	\$2,550,000	\$160,153	\$30,146	\$130,007	90%
11	2025	2024/2025	\$64.69	\$250,000	\$16,172	\$2,550,000	\$164,958	\$31,051	\$133,907	90%
12	2026	2025/2026	\$66.63	\$250,000	\$16,657	\$2,550,000	\$169,906	\$31,982	\$137,924	90%
13	2027	2026/2027	\$68.63	\$250,000	\$17,157	\$2,550,000	\$175,004	\$48,727	\$126,277	80%
14	2028	2027/2028	\$70.69	\$250,000	\$17,672	\$2,550,000	\$180,254	\$66,446	\$113,807	70%
15	2029	2028/2029	\$72.81	\$250,000	\$18,202	\$2,550,000	\$185,661	\$85,186	\$100,476	60%
16	2030	2029/2030	\$74.99	\$250,000	\$18,748	\$2,550,000	\$191,231	\$87,741	\$103,490	60%
17	2031	2030/2031	\$77.24	\$250,000	\$19,311	\$2,550,000	\$196,968	\$125,905	\$71,063	40%
18	2032	2031/2032	\$79.56	\$250,000	\$19,890	\$2,550,000	\$202,877	\$147,981	\$54,896	30%
19	2033	2032/2033	\$81.95	\$250,000	\$20,487	\$2,550,000	\$208,964	\$171,268	\$37,695	20%
20 ⁽³⁾	2034	2033/2034	\$84.40	\$250,000	\$21,101	\$2,550,000	\$215,232	\$195,819	\$19,413	10%
Permanent ⁽⁴⁾	2035	2034/2035	\$86.94	\$250,000	\$21,734	\$2,550,000	\$221,689	-	-	-
Estimated Total ⁽¹³⁾					\$323,351		\$3,298,178	\$1,144,505	\$2,153,673	

Notes:

- (1) Property will likely be taxable until March 1st, 2014. Project would likely close with Agency in January or February of 2014.
- (2) Estimated start of PILOT payments.
- (3) Estimated end of PILOT payments assuming Applicant Requested PILOT.
- (4) Property returns to taxable status.
- (5) Estimated tax rate (does not include any special ad valorem taxes that are still payable under PILOT) based on City and County 2013 tax year plus a 4% escalator and School 2013/2014 tax with estimated escalation of 3% thereafter.
- (6) Per Commissioner of Department of Assessment & Taxation based on a discussion on October 7th, 2013
- (7) Estimated taxes if proposed project did not occur (i.e. left status quo).
- (8) Per Commissioner of Department of Assessment & Taxation based on estimate of \$8,500 per space (Inc. land and improvement assessment value). Assessment value is not fixed.
- (9) Estimated taxes if proposed project occurred without PILOT assistance.
- (10) Estimated PILOT Payments assuming Applicant Requested PILOT
- (11) Difference of Estimated PILOT Payments from Estimated Total Taxes w/o PILOT assuming Applicant Requested PILOT
- (12) Percent abatement on increased assessment via PILOT assuming Applicant Requested PILOT
- (13) Totals for comparison and analysis during PILOT agreement period only.

Analysis is ONLY an estimate

MEMO

TO: City of Albany Industrial Development Agency Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: Upper State Street Projects (Wellington Row & DeWitt Clinton)
DATE: October 8, 2013

Per the request of the Finance Committee, Staff has created a summary sheet for the Upper State Street Projects. The summary sheet provides basic information pulled from each project specific summary staff has completed.

Summary of Upper State Street Projects						
Applicant	132 State Street Properties LLC	136 State Street Properties, LLC	Aeon Nexus Corporation	140 State Street Properties LLC	144 State Street LLC	67 Howard Street LLC
Type of Project	9,450 SF +/- Retail & Commercial Office	18,000 SF Commercial Office	8,750 SF +/- Commercial Office	Retail & Apartments	204 +/- Room Hotel & Banquet/Event Space	200 Space Parking Garage (Add 100 spaces)
Estimated Project Cost	\$2,351,500	\$3,590,500	\$1,833,500	\$1,305,500	\$46,960,257	\$6,503,500
Estimated Permanent Jobs	3 New Jobs & 17 Retained	40 New Jobs	12 New Jobs	5 New Jobs	162 New Jobs	2 New Jobs
Estimated Construction Jobs	25 Jobs	25 Jobs	25 Jobs	25 Jobs	200 Jobs	25 Jobs
Estimated PILOT Payments	\$177,686	\$343,722	\$168,625	\$107,144	\$11,364,151	\$1,144,505
Estimated Sales & Use Tax Exemption	\$160,640	\$256,000	\$132,000	\$85,600	\$1,396,000	\$420,000
Estimated Mortgage Recording Tax Exemption	\$27,032	\$42,382	\$20,107	\$14,944	\$400,000	\$68,750
Estimated Real Property Tax Exemption	\$467,874	\$885,916	\$429,115	\$166,109	\$15,021,276	\$2,153,673
PILOT Duration	12 Years	12 Years	12 Years	12 Years	20 Years	20 Years