

Albany Industrial Development Agency

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Anthony J. Ferrara, *Chairman*
Kathy Sheehan, *Treasurer*
Susan Pedo, *Secretary*
Martin Daley
C. Anthony Owens
Tracy Metzger

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

To: Martin Daley
Kathy Sheehan
Susan Pedo
Anthony Owens
Tracy Metzger

Mike Yevoli
Erik Smith
John Reilly
Joe Scott
Sarah Reginelli
Brad Chevalier

Date: June 10, 2013

AGENDA

A meeting of the Finance Committee of the City of Albany Industrial Development Agency will be held on **Wednesday, June 12th at 12:15PM** at 21 Lodge Street, Albany, NY 12207 (Conference Room)

Roll Call

Reading of Minutes of the Finance Committee Meeting of May 8th, 2013

Approval of Minutes of the Finance Committee Meeting of May 8th, 2013

Unfinished Business

- Fuller Road Management Corporation
- TMG-NY Albany I, LP

New Business

Other Business

- Columbia 425 NS, LLC

Adjournment

***The next regularly scheduled Board meeting will be held Thursday, June 20th, at 21 Lodge Street, Albany, NY 12207**

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IDA MINUTES OF FINANCE COMMITTEE MEETING Thursday, May 8th

Attending: Martin Daley, Kathy Sheehan, Susan Pedo, Tracy Metzger & C. Anthony Owens

Absent:

Also Present: Mike Yevoli, Erik Smith, Joe Scott, Sarah Reginelli, Brad Chevalier & Amy Gardner

Chairman Martin Daley called the Finance Committee meeting of the IDA to order at 12:15PM.

Roll Call

Chairman Martin Daley reported that all Committee members were present.

Reading of Minutes of the Finance Committee Meeting Minutes of April 18, 2013

Since the minutes of the April 18, 2013 meeting had been distributed to the Committee members in advance for review, Chairman Martin Daley made a proposal to dispense with the reading of the minutes.

Approval of Minutes of the Finance Committee Meeting Minutes of April 18, 2013

Chairman Martin Daley made a proposal to approve the minutes of the Finance Committee meeting of April 18, 2013. A motion to accept the minutes, as presented, was made by Anthony Owens and seconded by Tracy Metzger. A vote being taken, the minutes were accepted unanimously.

Unfinished Business

Fuller Road Management Corporation (FRMC)

Staff advised the Board that the project had not changed significantly since it was presented at the April Board meeting. Staff informed the Board that two public hearings had been scheduled in relation to the project: one pursuant to Article 2 of the eminent domain procedure law the second pursuant to Section 859A of the General Municipal Law. The public hearings would be held Thursday, May 16th at 12:00pm prior to the Board meeting. The Committee requested that the Applicant provide clarification that they will continue to pay the full BID tax. Agency Counsel advised the Committee that this would be clarified in the agreement.

733 Broadway

Staff reviewed the revised PILOT payment schedule with the Committee. Staff advised the Committee that the Applicant had increased the total amount of PILOT payments from approximately \$2.7 million to approximately \$3.94 million. Staff noted that the revised PILOT proposal still included a 40 year PILOT. How to quantify and measure the economic impacts of this project were discussed at length. The Committee tasked staff with working to demonstrate the economic impacts specific to this project, as well as the economic impacts of market-rate multifamily projects in general. Staff advised the Committee it would work to complete this by either the June or July Board meeting. Staff advised the Committee they would like the Board to consider a public hearing resolution for the project at the next Board meeting.

A motion to move the project to the Board with the recommendation that a public hearing resolution be considered was made by Tracy Metzger and seconded by Susan Pedo. A vote being taken the motion passed unanimously.

TMG-Albany I, LP

Staff reviewed the project with the Committee. In December 2011 the project was presented and a preliminary inducement resolution was approved by the Board. The potential project entails the acquisition of 400 Hudson Avenue, a 179 unit affordable senior housing facility. The Company proposes adding an additional three units along with renovating the rest of the property in order to bring the structure in line with today's codes and standard. Pre-development work has continued on the project while the Agency and Applicant waited for an allocation award of Federal Industrial Development Bonds that had been applied for by the Agency on behalf of the Applicant during the Summer of 2012. In December of 2012 an allocation award was received by the Agency. Staff advised the Committee that the funds received via sale of the bonds would be used by the Applicant during construction only.

The Applicant has submitted an updated application reflecting changes in the project. Staff advised the Committee that the PILOT request had changed from 35 years to 40 years. The PILOT request entails a fixed annual payment of \$43,000 for Years 1-5 with an annual 2% increase starting in Year 6 and continuing every year thereafter for the term of the PILOT. Shelter rents and how they are calculated were discussed. Staff noted that the current payment schedule was proposed to keep the debt coverage ratio at around 1.2%. A lengthy discussion ensued about the PILOT request. The Committee tasked staff with working with the Applicant to modify the PILOT request. The Committee discussed denying the mortgage recording tax exemption due to the magnitude of the PILOT request. The Committee tasked staff with notifying the Applicant that the exemption would likely be denied.

Staff advised the Committee that a public hearing for the project was scheduled for May 16th at 12:00pm prior to the Board meeting.

New Business

488 Broadway Potential Project

Staff advised the Committee that they had been working with developers of the project to resolve outstanding issues, but should be prepared to begin discussing the project in the coming months. Staff advised the Committee that more project specific information would be made available in the future.

Other Business

There being no further business, Chairman Martin Daley adjourned the meeting at 2:00PM.

Respectfully submitted,

Susan Pedo, Secretary

MEMO

TO: City of Albany IDA Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: Fuller Road Management Corporation

DATE: June 10, 2013

The Applicant has respectfully requested that the Committee make the appropriate recommendations in order for the Board to take action at this month's meeting with the hope of continuing to move the proposed project forward.

No major changes have occurred to the project since presentation to the Board at the April 25th meeting or the public hearing on May 16th. Applicant is seeking to obtain approval to all straight lease related items including a Project SEQR Resolution, Project Deviation Resolution; and Project Final Approving Resolution. The Applicant is also seeking approval of the appropriate resolution as it pertains to the eminent domain portion of the project. This resolution will be discussed in more detail by Agency Counsel at the Wednesday meeting.

The Committee is being asked to make a positive recommendation that the aforementioned resolutions be considered by the Board at the June 20th Board meeting.

TO: City of Albany Industrial Development Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: Fuller Road Management Corporation (FRMC) – REVISED IDA Application Summary

DATE: June 10, 2013

Applicant: Fuller Road Management Corporation (FRMC)

Managing Members: Research Foundation of SUNY and University at Albany Foundation

Project Location: 575 Broadway

Project Description: Fuller Road Management Corporation (FRMC) on behalf of the College of Nanoscale Science and Engineering (CNSE) seek to redevelop the vacant Kiernan Plaza as the Smart Cities Technology Innovation Center (SCiTI Center) to serve as an urban catalyst for business innovation, economic vitality and educational outreach.

The Applicant envisions a redeveloped Kiernan Plaza that will 1) play host to the entire food-chain of SCiTI companies including the back-office support for nano-device companies with R&D operations at CNSE's NanoTech complex; 2) provide a central headquarters and control room for the SCiTI program operations including management and monitoring of the smart cities technology test-beds; 3) support workforce training, community engagement, and economic outreach; and 4) offer high tech companies the opportunity to live and work in a downtown urban center.

The \$10 million project will entail the investment of public and private funds, including a previously awarded \$4 million grant from Empire State Development Corporation for the project through the Regional Council initiative, to redevelop the long vacant Kiernan Plaza from a large single tenant commercial office building to a multi-tenant commercial office building. It is anticipated that the redeveloped building will accommodate up to 10-14 SCiTI companies.

The Applicant is not only requesting financial assistance from the Agency, but has also made a request that the Agency exercise its power of eminent domain to assist with the acquisition of Kiernan Plaza. The use of eminent domain by the Agency will enable FRMC to purchase the property which it cannot do under the current circumstances. This is due to the fact that the property is part of a portfolio of properties that serve as collateral for a securitized financing structure restricted by covenants that effectively preclude the sale of the property prior to maturity of the debt in 2019.

Estimated Project Cost: \$10,000,000 (estimated amount spent to date \$0)

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$3,375,000

Estimated Total Mortgage Amount: Up to \$6,000,000 (if necessary)

Current Total Assessment:

- See attached PILOT analysis for more detail:
 - \$5,500,000 (per discussion with Commissioner of Assessment & Taxation); **OR**
 - Currently fixed at this amount until 2013 due to tax certiorari ruling by Supreme Court
 - \$3,000,000 (per Applicant's assumptions)
 - Vacant for the past three years and will likely continue to remain vacant given the lack of demand by single tenant users for such large, inefficient space.
 - Commercial office space in the City's Central Business District continues to experience high vacancy rates.
 - Critical building infrastructure systems are close to the end of useful life.

Estimated Improved Total Assessment: See attached PILOT analysis for details

Requested PILOT: A 15 year PILOT in which the total PILOT assessment value, including land and improvements, is fixed at \$5,500,000 (i.e. current total assessment value) for the term of the PILOT agreement. PILOT payments will fluctuate, as tax rates will remain variable.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$4,510,581 (Over a 15 year PILOT period)
 - Same, *if not likely more* (assumes assessment challenge), revenue than if regular taxes collected under status quo.

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$270,000
- Mortgage Recording Taxes: \$75,000 (if necessary)
- Real Property Taxes: See attached PILOT analysis for details
- Other: N/A

Employment Impact:

- Projected Permanent: (250) FTEs
 - (150) FTEs to be created and
 - (100) FTEs to be retained
- Projected Construction: (50) jobs

Strategic Initiatives:

- Albany 2030 - The project will further the plan's vision by:
 - Targeting regional growth industries to move downtown, such as nanotechnology firms, by leveraging area intellectual capital.

- Increasing job opportunities as the project will support the retention, expansion and recruitment of businesses.
- Encouraging investment in urban land and buildings for employment through the redevelopment/ adaptive reuse of a vacant, underutilized property.
- Providing a foundation for economic activity through public investment and policy decisions.
- Working with an institution to develop a strategy for attracting and supporting businesses and start-ups and providing job training, education, and/or employment.
- Encouraging an institution to locate in, remain in, and revitalize downtown.
- Providing new investment that will further the image of downtown as a safe, livable place with walkable streets, housing choices, and mixed-use environment.
- Reinforcing, enhancing, and likely promoting - through marketing associated with leasing the project - Albany's distinctive character and identity.
- Strengthening downtown's attractiveness as commercial center by increasing the consumer base for goods and services.

Planning Board Actions:

- N/A

Estimated IDA Fee

- Fee amount: \$100,000

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.

Fuller Road Management Corporation: PILOT Analysis

PILOT Year	City and County Tax Year	School Tax Year	Tax Rate ⁽⁵⁾	Status Quo		Proposed Project (Using Certain Assessor Assumptions) ⁽⁸⁾					Proposed Project (Using Certain Applicant Assumptions) ⁽⁹⁾				
				Current Tax		Normal Tax		Requested PILOT			Normal Tax		Requested PILOT		
				Current Assessment ⁽⁶⁾	Current Tax ⁽⁷⁾	Total Improved Assessment ⁽¹⁰⁾	Tax w/o PILOT ⁽¹¹⁾	Total Fixed PILOT Assessment ⁽¹²⁾	PILOT Payment ⁽¹³⁾	Abatement ⁽¹⁴⁾	Total Improved Assessment ⁽¹⁵⁾	Tax w/o PILOT ⁽¹¹⁾	Total Fixed PILOT Assessment ⁽¹²⁾	PILOT Payment ⁽¹³⁾	Abatement ⁽¹⁶⁾
Interim ⁽¹⁾	2012	2011/2012	\$45.581500	\$5,500,000	\$250,698	\$5,500,000	\$250,698	-	-	-	\$5,500,000	\$250,698	-	-	-
Interim ⁽¹⁾	2013	2012/2013	\$46.493130	\$5,500,000	\$255,712	\$5,500,000	\$255,712	-	-	-	\$5,500,000	\$255,712	-	-	-
1 ⁽²⁾	2014	2013/2014	\$47.422993	\$5,500,000	\$260,826	\$5,500,000	\$260,826	\$5,500,000	\$260,826	\$0	\$3,000,000	\$142,269	\$5,500,000	\$260,826	-\$118,557
2	2015	2014/2015	\$48.371452	\$5,500,000	\$266,043	\$6,000,000	\$290,229	\$5,500,000	\$266,043	\$24,186	\$3,500,000	\$169,300	\$5,500,000	\$266,043	-\$96,743
3	2016	2015/2016	\$49.338882	\$5,500,000	\$271,364	\$6,500,000	\$320,703	\$5,500,000	\$271,364	\$49,339	\$4,000,000	\$197,356	\$5,500,000	\$271,364	-\$74,008
4	2017	2016/2017	\$50.325659	\$5,500,000	\$276,791	\$7,000,000	\$352,280	\$5,500,000	\$276,791	\$75,488	\$4,500,000	\$226,465	\$5,500,000	\$276,791	-\$50,326
5	2018	2017/2018	\$51.332172	\$5,500,000	\$282,327	\$7,500,000	\$384,991	\$5,500,000	\$282,327	\$102,664	\$5,000,000	\$256,661	\$5,500,000	\$282,327	-\$25,666
6	2019	2018/2019	\$52.358816	\$5,500,000	\$287,973	\$8,000,000	\$418,871	\$5,500,000	\$287,973	\$130,897	\$5,500,000	\$287,973	\$5,500,000	\$287,973	\$0
7	2020	2019/2020	\$53.405992	\$5,500,000	\$293,733	\$8,000,000	\$427,248	\$5,500,000	\$293,733	\$133,515	\$7,000,000	\$373,842	\$5,500,000	\$293,733	\$80,109
8	2021	2020/2021	\$54.474112	\$5,500,000	\$299,608	\$8,000,000	\$435,793	\$5,500,000	\$299,608	\$136,185	\$7,000,000	\$381,319	\$5,500,000	\$299,608	\$81,711
9	2022	2021/2022	\$55.563594	\$5,500,000	\$305,600	\$8,000,000	\$444,509	\$5,500,000	\$305,600	\$138,909	\$7,000,000	\$388,945	\$5,500,000	\$305,600	\$83,345
10	2023	2022/2023	\$56.674866	\$5,500,000	\$311,712	\$8,000,000	\$453,399	\$5,500,000	\$311,712	\$141,687	\$7,000,000	\$396,724	\$5,500,000	\$311,712	\$85,012
11	2024	2023/2024	\$57.808363	\$5,500,000	\$317,946	\$8,000,000	\$462,467	\$5,500,000	\$317,946	\$144,521	\$7,000,000	\$404,659	\$5,500,000	\$317,946	\$86,713
12	2025	2024/2025	\$58.964531	\$5,500,000	\$324,305	\$8,000,000	\$471,716	\$5,500,000	\$324,305	\$147,411	\$7,000,000	\$412,752	\$5,500,000	\$324,305	\$88,447
13	2026	2025/2026	\$60.143821	\$5,500,000	\$330,791	\$8,000,000	\$481,151	\$5,500,000	\$330,791	\$150,360	\$7,000,000	\$421,007	\$5,500,000	\$330,791	\$90,216
14	2027	2026/2027	\$61.346698	\$5,500,000	\$337,407	\$8,000,000	\$490,774	\$5,500,000	\$337,407	\$153,367	\$7,000,000	\$429,427	\$5,500,000	\$337,407	\$92,020
15 ⁽³⁾	2028	2027/2028	\$62.573632	\$5,500,000	\$344,155	\$8,000,000	\$500,589	\$5,500,000	\$344,155	\$156,434	\$7,000,000	\$438,015	\$5,500,000	\$344,155	\$93,860
Permanent ⁽⁴⁾	2029	2028/2029	\$63.825104	\$5,500,000	\$351,038	\$8,000,000	\$510,601	-	-	-	\$7,000,000	\$446,776	-	-	-
Total⁽¹⁷⁾					\$4,510,581		\$6,195,544		\$4,510,581	\$1,684,964		\$4,926,714		\$4,510,581	\$416,133

Notes:

(1) Property remains taxable until March 1st, 2014. Assumes project closes with IDA prior to this date.

(2) Estimated start of PILOT payments.

(3) Estimated end of PILOT payments.

(4) Property potentially returns to taxable status.

(5) Starts with the 2012 tax rate per Department of Assessment & Taxation (does not include any special district ad valorem tax that is still payable under PILOT). Assumed an estimated escalation of 2% thereafter to align more with the real property tax cap legislation.

(6) Per Commissioner of Department of Assessment & Taxation based on 2012 tax roll. Assessment value is not fixed. **Staff notes that total assessment value would likely be challenged by current owner (upon completion of current tax certiorari ruling) as historically has been the case since vacancy, but staff has left the total assessment amount static.**

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

(8) Analysis using assumptions for total improved assessment from conversation with Assessor

(9) Analysis using Applicant's total improved assessment assumptions

(10) Assessment value is not fixed. Per discussion with Commissioner of Department of Assessment & Taxation commercial properties in the Central Business District that have had their total assessment value reduced due to vacancies will be reassessed at original total assessment value upon occupancy of space. Under this assumption, total assessment value for the subject property would either likely return 2008 or 2009 value upon occupancy, but Staff cannot be sure. Staff used 2008 value as the downtown office market has continued to be weak. **Staff notes that total assessment value would likely be challenged under this scenario by any potential new owner, given the market and the leasable state of the building.**

(11) Estimated taxes if proposed project occurred without PILOT assistance. **Staff notes that project would not likely happen without proposed PILOT assistance due to inefficiency of the building as commercial office space as well as the age of the building and its systems. Staff notes that the building has a 38% Loss Factor while modern commercial office space has a 10-12% Loss Factor. Thus approximately 70,000 SF of the 122,576 SF of gross SF is rentable space (including commercial office, data center space, and common areas) when taking into account a modern loss factor rate.**

(12) Applicant proposes a fixed PILOT total assessment value of \$5,500,000 (total current assessment value).

(13) Estimated PILOT payment schedule if total PILOT assessment value is fixed at \$5,500,000 as proposed by Applicant. PILOT payments will fluctuate as tax rates will remain variable. Assumed an estimated escalation of tax rates at 2% annually to align more with the real property tax cap legislation.

(14) Estimated abatement, using assumptions for total improved assessment from conversation with Assessor, if proposed project occurred with shown PILOT assistance.

(15) Assumes \$3,000,000 which Applicant believes can be argued as the fair market value for the long vacant, inefficient, aging building. Assumes an increase in total assessment value as the newly multi-tenanted building leases up with a final estimate total assessment value at \$7,000,000.

(16) Estimated abatement, using Applicant's total improved assessment assumptions, if proposed project occurred with shown PILOT assistance.

(17) Totals for comparison and analysis during PILOT agreement period only that is proposed to end on December 31, 2028.

Analysis is ONLY an estimate

MEMO

TO: City of Albany IDA Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: TMG-NY Albany I, LP Update
DATE: June 10, 2013

Per comments made by the Finance Committee at the May 2013 meeting, Staff contacted the Applicant to:

- request that the proposed PILOT schedule be revised to reflect an increase in payments
- inform that the mortgage recording tax exemption request would receive a denial recommendation

Attached please find a revised project summary as well as a comparison and analysis of the different PILOT payment schedules.

Staff is looking for Committee feedback. The Committee is not being asked to take any action at this time. Applicant would like to seek final approvals in July.

TO: City of Albany Industrial Development Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: TMG-NY Albany I, LP – REVISED IDA Application Summary

DATE: June 10, 2013

Applicant: TMG-NY Albany I, LP

Managing Members (% of Ownership): TMG-Parkview, LLC (.01%), with Noelle Affordable Housing Corporation as its sole member, will serve as General Partner. Stratford Capital or a designee will serve as Special Limited Partner (.01%). An investment partnership will serve as Limited Partner (99.98%).

Project Location: 400 Hudson Avenue

Project Description: The building currently offers 179 units of affordable housing for seniors and special needs persons. The property was constructed in 1972 and has been operated by Gideon Lodge #140 B’Nai B’Rith Housing Development Fund (B’Nai B’Rith) since its completion. The Applicant will acquire the property from B’Nai B’Rith (currently has an option agreement) with the intent of continuing current operations. In doing so the Applicant proposes adding an additional three units along with renovating the property in order to bring the structure in line with today’s codes and standards. Renovations will include new kitchens and bathrooms, upgrading the buildings systems, updating the lobby, etc.

Estimated Project Cost: \$19,023,331

Type of Financing: Tax Exempt Bond and Straight Lease

Amount of Bonds Requested: Currently estimated at \$10,720,000 (Not to exceed \$11,500,000 million)

Estimated Total Purchases Exempt from Sales Tax: \$4,100,000

Total Mortgage Amount: Currently estimated at \$11,920,000 (Not to exceed \$12,700,000)

Current Assessment: \$8,020,200 (Current status – tax exempt)

Requested PILOT: As the current PILOT (a flat \$17,000 payment per year) with the City would end upon sale of property to the Applicant, the Applicant proposes entering into a new PILOT agreement with the IDA. The Applicant proposes a 40 year PILOT agreement with a fixed annual payment starting at \$43,000 in Year 1 with an annual 3% increase thereafter. Please note certain restrictions, such as future use, will be attached to the requested PILOT.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$3,242,254 over 40 year PILOT period (which is \$2,562,254 more than if current PILOT schedule continued under certain assumptions).

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$328,000
- Mortgage Recording Taxes: \$0 (*Recommendation of denial of \$158,750 exemption per May Finance Committee*)
- Real Property Taxes: \$0 (The property, through a PILOT with the City, has been tax-exempt since 1973. The current owner pays a fixed annual PILOT payment of \$17,000 that runs for perpetuity so long as certain conditions are met. Please see Project application.)
- Other: N/A

Employment Impact:

- Projected Permanent: (5 +/-) retained jobs and (0+/-) new jobs
- Projected Construction: (60 +/-) jobs

Strategic Initiatives:

- Albany 2030
 - Encourage investment in urban land and buildings for employment and housing.
 - 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.
 - Encourage non-profit and for-profit developers to design senior housing that is integrated into the neighborhood.

Planning Board Actions:

- N/A

Estimated IDA Fee

- Fee amount: Currently estimated at \$107,200 (Possible max. \$115,000)

Mission

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TMG-NY Albany I, LP PILOT Comparison & Analysis

Year	Status Quo ⁽¹⁾	Initial Proposed PILOT Request by Applicant ⁽²⁾	Difference Between Initial PILOT Request and Status Quo	Revised Proposed PILOT Request by Applicant ⁽³⁾	Difference Between Revised PILOT Request and Status Quo	Difference Between Revised PILOT Request and Initial PILOT Request
Current Year	\$17,000	\$17,000	\$0	\$17,000	\$0	\$0
Year 1	\$17,000	\$43,000	\$26,000	\$43,000	\$26,000	\$0
Year 2	\$17,000	\$43,000	\$26,000	\$44,290	\$27,290	\$1,290
Year 3	\$17,000	\$43,000	\$26,000	\$45,619	\$28,619	\$2,619
Year 4	\$17,000	\$43,000	\$26,000	\$46,987	\$29,987	\$3,987
Year 5	\$17,000	\$43,000	\$26,000	\$48,397	\$31,397	\$5,397
Year 6	\$17,000	\$43,860	\$26,860	\$49,849	\$32,849	\$5,989
Year 7	\$17,000	\$44,737	\$27,737	\$51,344	\$34,344	\$6,607
Year 8	\$17,000	\$45,632	\$28,632	\$52,885	\$35,885	\$7,253
Year 9	\$17,000	\$46,545	\$29,545	\$54,471	\$37,471	\$7,927
Year 10	\$17,000	\$47,475	\$30,475	\$56,105	\$39,105	\$8,630
Year 11	\$17,000	\$48,425	\$31,425	\$57,788	\$40,788	\$9,363
Year 12	\$17,000	\$49,393	\$32,393	\$59,522	\$42,522	\$10,129
Year 13	\$17,000	\$50,381	\$33,381	\$61,308	\$44,308	\$10,926
Year 14	\$17,000	\$51,389	\$34,389	\$63,147	\$46,147	\$11,758
Year 15	\$17,000	\$52,417	\$35,417	\$65,041	\$48,041	\$12,625
Year 16	\$17,000	\$53,465	\$36,465	\$66,993	\$49,993	\$13,528
Year 17	\$17,000	\$54,534	\$37,534	\$69,002	\$52,002	\$14,468
Year 18	\$17,000	\$55,625	\$38,625	\$71,072	\$54,072	\$15,447
Year 19	\$17,000	\$56,738	\$39,738	\$73,205	\$56,205	\$16,467
Year 20	\$17,000	\$57,872	\$40,872	\$75,401	\$58,401	\$17,528
Year 21	\$17,000	\$59,030	\$42,030	\$77,663	\$60,663	\$18,633
Year 22	\$17,000	\$60,210	\$43,210	\$79,993	\$62,993	\$19,782
Year 23	\$17,000	\$61,415	\$44,415	\$82,392	\$65,392	\$20,978
Year 24	\$17,000	\$62,643	\$45,643	\$84,864	\$67,864	\$22,221
Year 25	\$17,000	\$63,896	\$46,896	\$87,410	\$70,410	\$23,514
Year 26	\$17,000	\$65,174	\$48,174	\$90,032	\$73,032	\$24,859
Year 27	\$17,000	\$66,477	\$49,477	\$92,733	\$75,733	\$26,256
Year 28	\$17,000	\$67,807	\$50,807	\$95,515	\$78,515	\$27,709
Year 29	\$17,000	\$69,163	\$52,163	\$98,381	\$81,381	\$29,218
Year 30	\$17,000	\$70,546	\$53,546	\$101,332	\$84,332	\$30,786
Year 31	\$17,000	\$71,957	\$54,957	\$104,372	\$87,372	\$32,415
Year 32	\$17,000	\$73,396	\$56,396	\$107,503	\$90,503	\$34,107
Year 33	\$17,000	\$74,864	\$57,864	\$110,729	\$93,729	\$35,865
Year 34	\$17,000	\$76,361	\$59,361	\$114,050	\$97,050	\$37,689
Year 35	\$17,000	\$77,889	\$60,889	\$117,472	\$100,472	\$39,583
Year 36	\$17,000	\$79,446	\$62,446	\$120,996	\$103,996	\$41,550
Year 37	\$17,000	\$81,035	\$64,035	\$124,626	\$107,626	\$43,591
Year 38	\$17,000	\$82,656	\$65,656	\$128,365	\$111,365	\$45,709
Year 39	\$17,000	\$84,309	\$67,309	\$132,216	\$115,216	\$47,907
Year 40	\$17,000	\$85,995	\$68,995	\$136,182	\$119,182	\$50,187
Total	\$680,000	\$2,407,758	\$1,727,758	\$3,242,254	\$2,562,254	\$834,496

Notes:

- (1) Assumes a fixed PILOT payment so long as project continues to meet the restrictions of the current property including no change in ownership, use, financing source, etc.
- (2) Initial PILOT request made by Applicant at the May 2013 Board meeting that fixed PILOT payments to the shown schedule. This included a 2% annual escalation in PILOT payments starting in Year 6.
- (3) Revised PILOT request made by Applicant per Board member feedback that fixes the PILOT payments to the shown schedule. This includes a 3% annual escalation in the PILOT payments starting in Year 2.