

Albany Industrial Development Agency

21 Lodge Street
Albany, New York 12207
Telephone: (518) 434-2532
Fax: (518) 434-9846

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: July 8, 2013

AGENDA

A meeting of the Finance Committee of the City of Albany Industrial Development Agency will be held on **Thursday, July 11th** at **1:00PM** at 21 Lodge Street, Albany, NY 12207 (Conference Room)

Roll Call

Reading of Minutes of the Finance Committee Meeting of June 12th, 2013

Approval of Minutes of the Finance Committee Meeting of June 12th, 2013

Unfinished Business

- 733 Broadway, LLC
- TMG-NY Albany I, LP
- Columbia 425 NS, LLC

New Business

Other Business

Adjournment

***The next regularly scheduled Board meeting will be held Thursday, July 18th, at 21 Lodge Street, Albany, NY 12207**

Albany Industrial Development Agency

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IDA MINUTES OF FINANCE COMMITTEE MEETING Wednesday, June 12th

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, Amanda Vitullo & 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 May 8, 2013

Since the minutes of the May 8, 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 May 8, 2013

Chairman Martin Daley made a proposal to approve the minutes of the Finance Committee meeting of May 8, 2013. A motion to accept the minutes, as presented, was made by Kathy Sheehan and seconded by Anthony Owens. A vote being taken, the minutes were accepted unanimously.

Unfinished Business

Fuller Road Management Corporation (FRMC)

Staff advised the Committee that the project had not changed significantly since the public hearing on May 16th. The Applicant would like the Committee to make the appropriate recommendations enabling the Board to take action on all items necessary to move the project forward. The Applicant would like the Board to consider all straight lease related items including a Project SEQR Resolution, Project PILOT Deviation Resolution, and Project Final Approving Resolution. The Board would also need to consider the approval of a Determinations and Findings Resolution as it pertains to the eminent domain portion of the project.

A motion to move the project to the Board with the recommendation that all aforementioned resolutions 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 advised the Committee that following the conversation at the May Finance Committee meeting the PILOT request had been revised. The PILOT request would be revised to a fixed payment of \$43,000 in Year 1 with an annual payment escalation of 3% thereafter. Per the Committee's request, staff had advised the Applicant that the mortgage recording tax exemption would be denied. A lengthy discussion ensued about the PILOT request. The expectations of the Agency upon the sale of the property and the PILOT were discussed.

New Business

Other Business

Columbia 425, NS LLC

Staff advised the Committee that St. Peter's Health Partners will be occupying the building with administrative staff for their physicians group. The project is proceeding with the approvals needed through the Planning Board and the Board of Zoning Appeals. This is a different project than the one originally proposed and will need to come before the Agency Board for confirmation.

733 Broadway

Staff reviewed the updated site plan and renderings of the project approved by the Planning Board.

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

Respectfully submitted,

Susan Pedo, Secretary

MEMO

TO: City of Albany Industrial Development Agency Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: 733 Broadway, LLC

DATE: July 8, 2013

Staff reports that no changes have occurred to the project since the discussion at the last Finance Committee meeting on June 12th. Per staff's request, the Applicant has submitted a revised application to reflect the discussions held with IDA Board and staff over the last few months. A public hearing on this project is scheduled to take place immediately preceding the July 18th Board meeting. The Committee is not being asked to take any action at this time.

TO: City of Albany Industrial Development Board

FROM: City of Albany Industrial Development Agency Staff

RE: 733 Broadway, LLC - IDA Revised Application Summary

DATE: April 15, 2013

Applicant: 733 Broadway, LLC

Managing Members (% of Ownership): Norstar Investment USA, Inc. (80%) and Black Locust, LLC (20%)

Project Location: 733 Broadway

Project Description: The 1.3 +/- acre property was acquired by the Applicant back in 2004 with the intent of redeveloping it into a residential use. The Applicant first considered redeveloping the property into market-rate apartments, but that proved infeasible. The Applicant then proposed redeveloping the property into a new construction condominium project. The proposed condominium project, known as Capital Grand, included 122 units with supporting amenities. By late 2008, the Applicant had taken deposits on more than a third of the units when a serious contraction of the housing market and overall economic downturn occurred. Financing for projects like Capital Grand dried up as financial institutions deemed them to be riskier and less attractive in such a market. Since that time, the existing building has sat mostly empty with offices for Norstar Development USA., L.P. occupying a portion of the first floor. The Applicant continued to evaluate both the user demand and lending markets for new opportunities to redevelop the property.

The Applicant proposes demolishing the existing 45,000 sq.ft. building and constructing a new 70 unit, 81,080 sq.ft. market rate apartment building. The building will include (3) studio/ 1 bath units, (42) forty-two 1 bedroom/ 1 bath units, (19) nineteen 2 bedroom/ 2 bath units and (6) 3 bedroom/ 2 bath units. The average rent is \$1.49 per square foot with per unit month rents ranging from \$850 to \$1,850 per month. Each unit will be equipped with a washer and a dryer. In addition to the apartments, the project includes a small rental office, community room/ kitchenette, fitness room, storage, and swipe card system for security. The project also includes 70 secured surface parking spaces made possible by the proposed acquisition of the Jackson Street right-of-way.

Estimated Project Cost: \$13,977,386 (estimated amount spent to date \$875,000)

Type of Financing: Straight Lease

Amount of Bonds Requested: None

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

Estimated Total Mortgage Amount: \$10,800,000

Current Total Assessment: \$1,000,000 (will be reduced to approximately \$537,100 upon demolition of existing building per discussion with Commissioner of Assessment & Taxation)

Estimated Improved Total Assessment:

- See attached PILOT analysis for more detail:
 - \$7,000,000 or \$100,000 per unit (per discussion with Commissioner of Assessment & Taxation); **OR**
 - \$3,010,000 or \$43,000 per unit (per independent HUD Appraiser); **OR**
 - \$5,005,000 or \$71,500 per unit (Median of Assessor's and independent HUD Appraiser's Total Assessment Values)

Requested PILOT: A 40 year a graduated fixed PILOT payment:

Years 1-10	\$47,000/year
Years 11-15	\$55,000/year
Years 16-20	\$65,000/year
Years 21-25	\$100,000/year
Years 26-30	\$125,000/year
Years 31-35	\$150,000/year
Years 36-40	\$200,000/year

Full assessment will be paid in Year 41 and every year thereafter.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$3,945,000 (Over a 40 year PILOT period)

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$320,000
- Mortgage Recording Taxes: \$135,000
- Real Property Taxes (See attached PILOT analysis for more detail):
 - \$16,106,100 if City of Albany Assessor's assessment assumptions used; **OR**
 - \$4,676,973 if independent HUD Appraiser's assessment assumptions used; **OR**
 - \$10,391,536 if median of Assessor's and independent HUD Appraiser's assessment assumptions used
- Other: N/A

Employment Impact:

- Projected Permanent: (1.5) new FTEs
 - (1) full-time manager and (1) part-time maintenance employee
- Projected Construction: (50) jobs

Strategic Initiatives:

- Albany 2030 - The project will further the plan's vision by:
 - Targeting a blighting influence.
 - Encouraging investment in urban land for a downtown housing opportunity through the redevelopment of an underutilized property.
 - Adding to the mixed-income, market rate housing options downtown.
 - Increasing the available intergenerational/ life-cycle housing options that will help meet the needs of all age groups.
 - Providing new investment that will further the image of downtown as a safe, livable place with walkable streets, housing choices, mixed-use environment.
 - Reinforcing, enhancing, and likely promoting, through marketing associated with leasing, Albany's distinctive character and identity.
 - Strengthening downtown's attractiveness as commercial center by increasing the consumer base goods and services.

Planning Board Actions:

- Issued a Negative Declaration for this Unlisted Action as per the provisions of SEQR on 12/20/12.
- Approved the demolition on 12/20/12 with the following conditions:
 - A minimum of twenty-five percent (25%) of construction and demolition debris generated from demolition shall be diverted from disposal to landfills through recycling, reuse and diversion programs.
- Approved the site plan on 12/20/12 with the following conditions:
 - The Storm Water Pollution Prevention Plan (SWPPP) and water/ sewer service connections shall be approved by Department of Water & Water Supply.
 - The applicant shall complete the purchase of the Jackson Street right-of-way and fully incorporate this area into building site as proposed; the land should be merged into existing tax parcel #65.83-1-32.
 - An agreement shall be put into place providing for continued access to all under- and above-ground utilities or other City, County and private infrastructure within the discontinued Jackson Street right-of-way.

Estimated IDA Fee

- Fee amount: \$139,774

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.



733 Broadway, LLC: Revised PILOT Analysis

PILOT Year	City and County Tax Year	School Tax Year	Tax Rate ⁽⁵⁾	Status Quo		Proposed Project (Using Assessor's Assessment Assumptions)						Proposed Project (Using HUD Appraiser's Assessment Assumptions)				Proposed Project (Using Median of Assessor Assessment Assumptions and HUD Appraiser's Assessment Assumptions)		
				Current Tax		Normal Tax				Requested PILOT		Normal Tax		Requested PILOT		Normal Tax		Requested PILOT
				Current Assessment ⁽⁶⁾	Current Tax ⁽⁷⁾	Base Assessment ⁽⁸⁾	Total Improved Assessment ⁽⁹⁾	Tax w/o PILOT ⁽¹⁰⁾	PILOT Payment ⁽¹¹⁾	Abatement ⁽¹²⁾	Tax w/o PILOT ⁽¹⁰⁾	PILOT Payment ⁽¹¹⁾	Abatement ⁽¹³⁾	Tax w/o PILOT ⁽¹⁰⁾	PILOT Payment ⁽¹¹⁾	Abatement ⁽¹⁴⁾		
Interim ⁽¹⁾	2012	2011/2012	\$45.581500	\$1,000,000	\$45,582	\$537,100	\$1,000,000	\$45,582	-	-	\$45,582	-	-	\$45,582	-	-		
Interim ⁽¹⁾	2013	2012/2013	\$46.493130	\$1,000,000	\$46,493	\$537,100	\$1,000,000	\$46,493	-	-	\$46,493	-	-	\$46,493	-	-		
1 ⁽²⁾	2014	2013/2014	\$47.422993	\$1,000,000	\$47,423	\$537,100	\$7,000,000	\$331,961	\$47,000	\$284,961	\$142,743	\$47,000	\$95,743	\$237,352	\$47,000	\$190,352		
2	2015	2014/2015	\$48.371452	\$1,000,000	\$48,371	\$537,100	\$7,000,000	\$338,600	\$47,000	\$291,600	\$145,598	\$47,000	\$98,598	\$242,099	\$47,000	\$195,099		
3	2016	2015/2016	\$49.338882	\$1,000,000	\$49,339	\$537,100	\$7,000,000	\$345,372	\$47,000	\$298,372	\$148,510	\$47,000	\$101,510	\$246,941	\$47,000	\$199,941		
4	2017	2016/2017	\$50.325659	\$1,000,000	\$50,326	\$537,100	\$7,000,000	\$352,280	\$47,000	\$305,280	\$151,480	\$47,000	\$104,480	\$251,880	\$47,000	\$204,880		
5	2018	2017/2018	\$51.332172	\$1,000,000	\$51,332	\$537,100	\$7,000,000	\$359,325	\$47,000	\$312,325	\$154,510	\$47,000	\$107,510	\$256,918	\$47,000	\$209,918		
6	2019	2018/2019	\$52.358816	\$1,000,000	\$52,359	\$537,100	\$7,000,000	\$366,512	\$47,000	\$319,512	\$157,600	\$47,000	\$110,600	\$262,056	\$47,000	\$215,056		
7	2020	2019/2020	\$53.405992	\$1,000,000	\$53,406	\$537,100	\$7,000,000	\$373,842	\$47,000	\$326,842	\$160,752	\$47,000	\$113,752	\$267,297	\$47,000	\$220,297		
8	2021	2020/2021	\$54.474112	\$1,000,000	\$54,474	\$537,100	\$7,000,000	\$381,319	\$47,000	\$334,319	\$163,967	\$47,000	\$116,967	\$272,643	\$47,000	\$225,643		
9	2022	2021/2022	\$55.563594	\$1,000,000	\$55,564	\$537,100	\$7,000,000	\$388,945	\$47,000	\$341,945	\$167,246	\$47,000	\$120,246	\$278,096	\$47,000	\$231,096		
10	2023	2022/2023	\$56.674866	\$1,000,000	\$56,675	\$537,100	\$7,000,000	\$396,724	\$47,000	\$349,724	\$170,591	\$47,000	\$123,591	\$283,658	\$47,000	\$236,658		
11	2024	2023/2024	\$57.808363	\$1,000,000	\$57,808	\$537,100	\$7,000,000	\$404,659	\$55,000	\$349,659	\$174,003	\$55,000	\$119,003	\$289,331	\$55,000	\$234,331		
12	2025	2024/2025	\$58.964531	\$1,000,000	\$58,965	\$537,100	\$7,000,000	\$412,752	\$55,000	\$357,752	\$177,483	\$55,000	\$122,483	\$295,117	\$55,000	\$240,117		
13	2026	2025/2026	\$60.143821	\$1,000,000	\$60,144	\$537,100	\$7,000,000	\$421,007	\$55,000	\$366,007	\$181,033	\$55,000	\$126,033	\$301,020	\$55,000	\$246,020		
14	2027	2026/2027	\$61.346698	\$1,000,000	\$61,347	\$537,100	\$7,000,000	\$429,427	\$55,000	\$374,427	\$184,654	\$55,000	\$129,654	\$307,040	\$55,000	\$252,040		
15	2028	2027/2028	\$62.573632	\$1,000,000	\$62,574	\$537,100	\$7,000,000	\$438,015	\$55,000	\$383,015	\$188,347	\$55,000	\$133,347	\$313,181	\$55,000	\$258,181		
16	2029	2028/2029	\$63.825104	\$1,000,000	\$63,825	\$537,100	\$7,000,000	\$446,776	\$65,000	\$381,776	\$192,114	\$65,000	\$127,114	\$319,445	\$65,000	\$254,445		
17	2030	2029/2030	\$65.101606	\$1,000,000	\$65,102	\$537,100	\$7,000,000	\$455,711	\$65,000	\$390,711	\$195,956	\$65,000	\$130,956	\$325,834	\$65,000	\$260,834		
18	2031	2030/2031	\$66.403638	\$1,000,000	\$66,404	\$537,100	\$7,000,000	\$464,825	\$65,000	\$399,825	\$199,875	\$65,000	\$134,875	\$332,350	\$65,000	\$267,350		
19	2032	2031/2032	\$67.731711	\$1,000,000	\$67,732	\$537,100	\$7,000,000	\$474,122	\$65,000	\$409,122	\$203,872	\$65,000	\$138,872	\$338,997	\$65,000	\$273,997		
20	2033	2032/2033	\$69.086345	\$1,000,000	\$69,086	\$537,100	\$7,000,000	\$483,604	\$65,000	\$418,604	\$207,950	\$65,000	\$142,950	\$345,777	\$65,000	\$280,777		
21	2034	2033/2034	\$70.468072	\$1,000,000	\$70,468	\$537,100	\$7,000,000	\$493,277	\$100,000	\$393,277	\$212,109	\$100,000	\$112,109	\$352,693	\$100,000	\$252,693		
22	2035	2034/2035	\$71.877434	\$1,000,000	\$71,877	\$537,100	\$7,000,000	\$503,142	\$100,000	\$403,142	\$216,351	\$100,000	\$116,351	\$359,747	\$100,000	\$259,747		
23	2036	2035/2036	\$73.314982	\$1,000,000	\$73,315	\$537,100	\$7,000,000	\$513,205	\$100,000	\$413,205	\$220,678	\$100,000	\$120,678	\$366,941	\$100,000	\$266,941		
24	2037	2036/2037	\$74.781282	\$1,000,000	\$74,781	\$537,100	\$7,000,000	\$523,469	\$100,000	\$423,469	\$225,092	\$100,000	\$125,092	\$374,280	\$100,000	\$274,280		
25	2038	2037/2038	\$76.276908	\$1,000,000	\$76,277	\$537,100	\$7,000,000	\$533,938	\$100,000	\$433,938	\$229,593	\$100,000	\$129,593	\$381,766	\$100,000	\$281,766		
26	2039	2038/2039	\$77.802446	\$1,000,000	\$77,802	\$537,100	\$7,000,000	\$544,617	\$125,000	\$419,617	\$234,185	\$125,000	\$109,185	\$389,401	\$125,000	\$264,401		
27	2040	2039/2040	\$79.358495	\$1,000,000	\$79,358	\$537,100	\$7,000,000	\$555,509	\$125,000	\$430,509	\$238,869	\$125,000	\$113,869	\$397,189	\$125,000	\$272,189		
28	2041	2040/2041	\$80.945665	\$1,000,000	\$80,946	\$537,100	\$7,000,000	\$566,620	\$125,000	\$441,620	\$243,646	\$125,000	\$118,646	\$405,133	\$125,000	\$280,133		
29	2042	2041/2042	\$82.564578	\$1,000,000	\$82,565	\$537,100	\$7,000,000	\$577,952	\$125,000	\$452,952	\$248,519	\$125,000	\$123,519	\$413,236	\$125,000	\$288,236		
30	2043	2042/2043	\$84.215870	\$1,000,000	\$84,216	\$537,100	\$7,000,000	\$589,511	\$125,000	\$464,511	\$253,490	\$125,000	\$128,490	\$421,500	\$125,000	\$296,500		
31	2044	2043/2044	\$85.900187	\$1,000,000	\$85,900	\$537,100	\$7,000,000	\$601,301	\$150,000	\$451,301	\$258,560	\$150,000	\$108,560	\$429,930	\$150,000	\$279,930		
32	2045	2044/2045	\$87.618191	\$1,000,000	\$87,618	\$537,100	\$7,000,000	\$613,327	\$150,000	\$463,327	\$263,731	\$150,000	\$113,731	\$438,529	\$150,000	\$288,529		
33	2046	2045/2046	\$89.370555	\$1,000,000	\$89,371	\$537,100	\$7,000,000	\$625,594	\$150,000	\$475,594	\$269,005	\$150,000	\$119,005	\$447,300	\$150,000	\$297,300		
34	2047	2046/2047	\$91.157966	\$1,000,000	\$91,158	\$537,100	\$7,000,000	\$638,106	\$150,000	\$488,106	\$274,385	\$150,000	\$124,385	\$456,246	\$150,000	\$306,246		
35	2048	2047/2048	\$92.981125	\$1,000,000	\$92,981	\$537,100	\$7,000,000	\$650,868	\$150,000	\$500,868	\$279,873	\$150,000	\$129,873	\$465,371	\$150,000	\$315,371		
36	2049	2048/2049	\$94.840747	\$1,000,000	\$94,841	\$537,100	\$7,000,000	\$663,885	\$200,000	\$463,885	\$285,471	\$200,000	\$85,471	\$474,678	\$200,000	\$274,678		
37	2050	2049/2050	\$96.737562	\$1,000,000	\$96,738	\$537,100	\$7,000,000	\$677,163	\$200,000	\$477,163	\$291,180	\$200,000	\$91,180	\$484,171	\$200,000	\$284,171		
38	2051	2050/2051	\$98.672314	\$1,000,000	\$98,672	\$537,100	\$7,000,000	\$690,706	\$200,000	\$490,706	\$297,004	\$200,000	\$97,004	\$493,855	\$200,000	\$293,855		
39	2052	2051/2052	\$100.645760	\$1,000,000	\$100,646	\$537,100	\$7,000,000	\$704,520	\$200,000	\$504,520	\$302,944	\$200,000	\$102,944	\$503,732	\$200,000	\$303,732		
40 ⁽³⁾	2053	2052/2053	\$102.658675	\$1,000,000	\$102,659	\$537,100	\$7,000,000	\$718,611	\$200,000	\$518,611	\$309,003	\$200,000	\$109,003	\$513,807	\$200,000	\$313,807		
Permanent ⁽⁴⁾	2054	2053/2054	\$104.711849	\$1,000,000	\$104,712	\$537,101	\$7,000,000	\$732,983	-	-	\$315,183	-	-	\$524,083	-	-		
Total ⁽¹⁵⁾					\$2,864,443			\$20,051,100	\$3,945,000	\$16,106,100	\$8,621,973	\$3,945,000	\$4,676,973	\$14,336,536	\$3,945,000	\$10,391,536		

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 returns to taxable status.

(5) 2012 tax rate per Department of Assessment & Taxation (does not include any special district ad valorem tax that are still payable under PILOT). Assumed an estimated escalation of 2% thereafter. PLEASE

NOTE THE CHANGE IN ESCALATION % FROM PREVIOUS ANALYSIS IN ORDER TO ALIGN MORE APPROPRIATELY WITH 2% REAL PROPERTY TAX CAP LEGISLATION.

(6) Per Commissioner of Department of Assessment & Taxation based on 2012 tax roll. Assessment value is not fixed.

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

(8) Per Commissioner of Department of Assessment & Taxation based on 2012 land assessment value. Assessment value is not fixed.

(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) PILOT payment schedule proposed by Applicant. PILOT payments are fixed as per schedule.

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

(13) Estimated abatement, using independent HUD Appraiser's total improved assessment assumptions, if proposed project occurred with shown PILOT assistance.

(14) Estimated abatement, using median of Assessor's total improved assessment assumptions and independent HUD Appraiser's total improved assessment assumptions, if project occurred with shown PILOT assistance

(15) Totals for comparison and analysis during PILOT agreement period only that is proposed to end on December 31, 2053.

Analysis is ONLY an estimate

CREATING A NEW DOWNTOWN ALBANY RESIDENTIAL DESTINATION

733 Broadway



**Updated Request for Assistance
to the Albany Industrial Development Agency**



July 1, 2013

200 South Division Street
Buffalo, New York 14204
Tel: (716) 847-1098
Fax: (716) 847-1668



733 Broadway
Albany, New York 12207
Tel: (518) 431-1051

DEVELOPMENT USA, L.P.

June 29, 2013

Michael Yevoli
Chief Executive Officer
City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207

RE: Request for IDA Assistance for 733 Broadway Project

Dear Michael:

Attached please find an updated application, as well as the appropriate supplementary material required by the City of Albany Industrial Development Agency for the consideration of financial assistance associated with the 733 Broadway project. The updated application reflects the discussion held with the IDA Board and staff over the last few months. Also, please note that we have included an economic analysis on the impact of the project recently conducted by Camoin Associates.

As previously discussed, the project includes the demolition of the existing building and the construction of 70 new market-rate residential rental units. The project is seeking assistance from the Albany Industrial Development Agency including a Payment In Lieu of Taxes (PILOT) agreement, relief from mortgage recording tax, and an exemption from NYS Sales tax on building materials.

The project is seeking a HUD-insured 40 year loan for the project, and without the proposed PILOT the project will not meet the underwriting standards of the program to secure the necessary level of capital to construct the project.

As documented in the enclosed AIDA Application for Assistance, the proposed project at 733 Broadway will have numerous economic benefits to the City of Albany. Increased housing in downtown Albany means an influx of people as projects become occupied. As the area becomes more populated, the demand for more businesses and services located downtown will increase.

Additionally, the project will also result in direct construction and permanent jobs for area residents as outlined in the economic benefit analysis.

We look forward to presenting the project to the AIDA. Please do not hesitate to contact me if you should have any questions or find additional information is needed. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Harris", with a stylized flourish at the end.

Lori Harris, Vice President
Norstar Development USA, L.P.

Enclosure

AIDA APPLICATION

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the City of Albany Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

This application by applicant respectfully states:

APPLICANT: 733 Broadway LLC

APPLICANT'S ADDRESS: 733 Broadway

CITY: Albany STATE: NY ZIP CODE: 12207

PHONE NO.: (518)431-1051 FAX NO.: (518)431-1053 E-MAIL: lharris@norstarus.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION:

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: Geoff Cannon

ATTORNEY'S ADDRESS: 54 State Street

CITY: Albany STATE: NY ZIP CODE: 12207

PHONE NO.: (518)465-1500 x130 FAX NO.: (518)465-3906 E-MAIL: gcannon@chwattys.com

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THIS FORM.

FOR AGENCY USE ONLY

1. Project Number	
2. Date application Received by Agency	, 20
3. Date application referred to attorney for review	, 20
4. Date copy of application mailed to members	, 20
5. Date notice of Agency meeting on application posted	, 20
6. Date notice of Agency meeting on application mailed	, 20
7. Date of Agency meeting on application	, 20
8. Date Agency conditionally approved application	, 20
9. Date scheduled for public hearing	, 20
10. Date Environmental Assessment Form ("EAF") received	, 20
11. Date Agency completed environmental review	, 20
12. Date of final approval of application	, 20

SUMMARY OF PROJECT

Applicant: 733 Broadway LLC
Contact Person: Lori Harris
Phone Number: (518)431-1051
Occupant: Residential Rental Apartments
Project Location: 733 Broadway, Albany, NY

Approximate Size of Project Site: 1.3 acres

Description of Project:

The project includes the demolition of the existing building located at 733 Broadway, and the construction of a four-story wood frame elevator building to include seventy (70) residential rental apartments. In addition to the apartments, the project includes a small rental office, community room/kitchenette, fitness room and storage. Additionally, the project includes 70 secured surface parking spaces.

The 70-unit 81,080 s.f. building will include three (3) studio/1 bath units, forty-two (42) 1 bedroom/1 bath units, nineteen (19) 2 bedroom/2 bath units and six (6) 3 bedroom/2 bath units. All units are market and the average rent is \$1.49 per s.f. ranging from \$850 to \$1850 per month.

The project will be a loft-style design offering common entryway to the units. The units will generally have an open floor plan with the kitchens open to the living areas with a breakfast bar which separates the living and dining space. Each unit will be equipped with a washer and a dryer. Secure access to the building will be maintained through the use of a swipe card system.

Type of Project: ☐ Manufacturing ☐ Warehouse/Distribution
☒ Commercial ☐ Not-For-Profit
☐ Other-Specify

Employment Impact: New Construction Related Jobs = 63 job years (equivalent of 63 jobs for one year);
New Jobs Created by Project = 1.5 FTE at project and 16 FTE indirect.

Source: 733 Broadway: Economic & Fiscal Impact Analysis Report, June 2013, Camoin Associates.

Project Cost: \$ 13,977,386

Type of Financing: ☐ Tax-Exempt ☐ Taxable ☒ Straight Lease

Amount of Bonds Requested: \$ N/A

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$ <u>320,000 (\$4,000,000 x 8%)</u>
Mortgage Recording Taxes:	\$ <u>135,737 (\$10,858,934 x 1.25%)</u>
Real Property Tax Exemptions:	\$ <u>see PILOT request</u>
Other (please specify):	\$ <u></u>

I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER, THE "COMPANY").

A. Identity of Company:

1. Company Name: 733 Broadway, LLC

Present Address: 733 Broadway, Albany

Zip Code: 12207

Employer's ID No.: 80-0124131

2. If the Company differs from the Applicant, give details of relationship:

3. Indicate type of business organization of Company:

a. _____ Corporation (If so, incorporated in what country?

What State? Date Incorporated? Type of Corporation? _____
Authorized to do business in New York? (Yes ___; No ___).

b. _____ Partnership (if so, indicate type of partnership _____,
Number of general partners _____, Number of limited partners _____).

c. x Limited liability company,
Date created? 2004.

d. _____ Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:
Yes, an affiliate of Norstar Development USA, L.P.

B. Management of Company:

1. List all owners, officers, members, directors and partners (complete all columns for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
Norstar Investment USA, Inc.	Managing member with 80% interest in LLC	Real estate investment
Black Locust	Non-managing member with 20% in LLC	Real estate investment

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes ____; No x.

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ____; No x.

4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes ____; No x.
(If yes to any of the foregoing, furnish details in a separate attachment).

5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment.

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Yes ____; No x.
If yes, list exchanges where stock traded:

2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
Neil Brown	50% owner of managing member	Real estate
Gary Silver	50% owner of managing member	Real estate
Richard L. Higgins	Owner of non-managing member	Real estate

D. Company's Principal Bank(s) of account:

Bank of America

II. DATA REGARDING PROPOSED PROJECT

A. Summary: (Please provide a brief narrative description of the Project.)

The project includes the demolition of the existing building located at 733 Broadway, and the construction of a four-story wood frame elevator building to include seventy (70) residential rental apartments. In addition to the apartments, the project includes a small rental office, community room/kitchenette, fitness room and storage. Additionally, the project includes 70 secured surface parking spaces.

The 70-unit 81,080 s.f. building will include three (3) studio/1 bath units, forty-two (42) 1 bedroom/1 bath units, nineteen (19) 2 bedroom/2 bath units and six (6) 3 bedroom/2 bath units. All units are market and the average rent is \$1.49 per s.f. ranging from \$850 to \$1,850 per month.

The project will be a loft-style design offering common entryway to the units. The units will generally be an open floor plan with the kitchens open to the living areas with a breakfast bar which separates the living and dining space. Each unit will be equipped with a washer and a dryer. Secure access to the building will be maintained through the use of a swipe card system.

B. Location of Proposed Project:

1. Street Address 733 Broadway
2. City of Albany
3. Town of
4. Village of
5. County of Albany

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: 1.3 acres

Is a map, survey or sketch of the project site attached? Yes x; No ____.

2. Are there existing buildings on project site? Yes x; No ____.

a. If yes, indicate number and approximate size (in square feet) of each existing building:

1 existing building consisting of approximately 45,000 s.f.

b. Are existing buildings in operation? Yes x; No ____.

If yes, describe present use of present buildings:

Offices of Norstar Development USA, L.P.

c. Are existing buildings abandoned? Yes ____; No _____. About to be abandoned? Yes x; No _____. If yes, describe: To be demolished.

d. Attach photograph of present buildings. Attached.

3. Utilities serving project site:

Water-Municipal: Yes
Other (describe)
Sewer-Municipal: Yes
Other (describe)
Electric-Utility: Yes
Other (describe)
Heat-Utility: Yes
Other (describe)

4. Present legal owner of project site: 733 Broadway, LLC

a. If the Company owns project site, indicate date of purchase: September 23, 2004; Purchase price: \$ 1,475,000*.

b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes ____; No _____. If yes, indicate date option signed with owner: _____, 20____; and the date the option expires: _____, 20____.

c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes ____; No _____. If yes, describe:

*It should be noted that in the HUD proforma, the land value is being carried at \$1.165M due to the HUD underwriting standards. But, the actual price paid for the land was \$1.475M.

5. a. Zoning District in which the project site is located: C-3

b. Are there any variances or special permits affecting the site? Yes ____; No x_. If yes, list below and attach copies of all such variances or special permits.

D. Buildings:

1. Does part of the project consist of a new building or buildings? Yes x_; No _____. If yes, indicate number and size of new buildings: 1 new 4-story building consisting of 81,080 s.f.

2. Does part of the project consist of additions and/or renovations to the existing buildings? Yes ____; No x_. If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded:
70 residential apartments.

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes x; No _____. If yes, describe the Equipment:

The project includes the installation of furniture, fixtures and a small amount of equipment (i.e. appliances for the apartments and the community room as well as fitness equipment for the fitness room).

2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes ____; No x. If yes, please provided detail:
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed: For use in the operation of the rental apartments.

F. Project Use:

1. What are the principal products to be produced at the Project? Residential rental apartments.
2. What are the principal activities to be conducted at the Project? Residential use.
3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes ____; No x. If yes, please provide detail:
4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? _____%
5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:
- a. Will the Project be operated by a not-for-profit corporation? Yes ____; No x. If yes, please explain:
- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes ____; No x. If yes, please explain:

c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes____; No x. If yes, please explain:

d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonable accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes x; No____. If yes, please provide detail:

Though not good or services, the proposed project would increase the downtown residential opportunities for City residents. The increase of downtown residents will strengthen the downtown commercial market.

e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes x; No____. If yes, please explain: The project is located in a qualified census tract (no. 36001001100)..

6. If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes x; No____. If yes, please explain:

New Construction Related Jobs = 63 job years (equivalent of 63 jobs for one year);

New Jobs Created by Project = 1.5 FTE at project and 16 FTE indirect.

Source: 733 Broadway: Economic & Fiscal Impact Analysis Report, June 2013, Camoin Associates.

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes____; No x. If yes, please explain:

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes____; No x_. If yes, please provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

a. Is the Project reasonably necessary to preserve the competitive position of the Company on such Project Occupant in its industry? Yes____; No x_. If yes, please provide detail:

b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes____; No x_. If yes, please provide detail:

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

The proposed project requires U.S. Department of Housing and Urban Development (HUD) approval of the 221(d)4 loan. The project has received site plan and zoning approval from the City of Albany.

2. Describe the nature of the involvement of the federal, state or local agencies described above: Financing and land use approval.

H. Construction Status:

1. Has construction work on this project begun? Yes ____; No x_. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

2. Please indicate amount of funds expended on this project by the Company in the past three (3) years and the purposes of such expenditures:

Approximately \$200,000 in A/E fees for this project design, \$8,000 for an economic impact analysis.

Land purchase -1,475,000 (approximately \$800,000 remains on mortgage)

I. Method of Construction After Agency Approval:

1. If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the project? Yes x; No ____.

2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes x; No ____.

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT. (PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes x; No _____. If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee name: future residential tenants
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company:
Percentage of Project to be leased or subleased:
Use of Project intended by Sublessee:
Date of lease or sublease to Sublessee:
Term of lease or sublease to Sublessee:
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes _____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

2. Sublessee name:
 Present Address:
 City: _____ State: _____ Zip: _____
 Employer's ID No.: _____
 Sublessee is: _____
 _____ Corporation: _____ Partnership: _____ Sole Proprietorship
 Relationship to Company: _____
 Percentage of Project to be leased or subleased: _____
 Use of Project intended by Sublessee: _____
 Date of lease or sublease to Sublessee: _____
 Term of lease or sublease to Sublessee: _____
 Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.
3. Sublessee name:
 Present Address:
 City: _____ State: _____ Zip: _____
 Employer's ID No.: _____
 Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
 Relationship to Company: _____
 Percentage of Project to be leased or subleased: _____
 Use of Project intended by Sublessee: _____
 Date of lease or sublease to Sublessee: _____
 Term of lease or sublease to Sublessee: _____
 Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? none.

IV. Employment Impact

A. Indicate below the number of people presently employed at the project site and the number that will be employed at the project site at end of the first and second years after the project has been completed (Do not include construction workers). Also indicate below the number of workers employed at the project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT					
	PROFESSIONAL MANAGERIAL	SKILLED	SEMI- SKILLED	UNSKILLED	TOTALS
Present Full Time	0	0	0	0	0
Present Part Time	0	0	0	0	0
Present Seasonal	0	0	0	0	0
First Year Full Time	1	0	0	0	1
First Year Part Time	0	0	1	0	1
First Year Seasonal	0	0	0	0	0
Second Year Full Time	1	0	0	0	0
Second Year Part Time	0	0	1	0	1
Second Year Seasonal	0	0	0	0	0

B. Please prepare a separate attachment describing in detail the types of employment at the project site. Such attachment should describe the activities or work performed for each type of employment.

V. Project Cost

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the project site and the construction of the proposed project including the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ <u>1,165,000</u> (purchase price was \$1.475M)
Buildings	\$ <u>9,109,531</u>
Demolition	\$ <u>325,000</u>
Working Capital	\$ <u>427,984</u>
Soft Costs/Architects and engineering fees	\$ <u>455,000</u>
Financing Costs (Includes fees/interest)	\$ <u>1,106,320</u>

Construction loan fees and interest (if applicable)	\$ <u>see above</u>
Other (specify) : taxes	\$ _____
<u>Initial Op Def</u>	\$ <u>321,466</u>
<u>BSPRA</u>	\$ <u>1,067,085</u>
_____	\$ _____
_____	\$ _____
 TOTAL PROJECT COST	 \$ <u>13,977,386</u>

B. Have any of the above expenditures already been made by applicant?
 Yes x; No _____. (If yes, indicate particular.)

land acquisition = \$1,475,000 (approx.\$800,000 remaining on mortgage) – As indicated in previous section of the application. HUD underwriting has valued land at \$1.165M.
 A/E fees and other predevelopment costs = \$200,000
 Economic Impact analysis = \$8,000

V. BENEFITS EXPECTED FROM THE AGENCY

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the project? Yes ____; No x. If yes, indicate:
 - a. Amount of loan requested: _____ Dollars;
 - b. Maturity requested: _____ Years.
2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes ____; No ____.
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes:
 - a. retail food and beverage services: Yes ____; No ____
 - b. automobile sales or service: Yes ____; No ____
 - c. recreation or entertainment: Yes ____; No ____
 - d. golf course: Yes ____; No ____
 - e. country club: Yes ____; No ____
 - f. massage parlor: Yes ____; No ____
 - g. tennis club: Yes ____; No ____
 - h. skating facility (including roller
 - i. skating, skateboard and ice skating): Yes ____; No ____
 - j. racquet sports facility (including
 - handball and racquetball court): Yes ____; No ____
 - k. hot tub facility: Yes ____; No ____
 - l. suntan facility: Yes ____; No ____
 - m. racetrack: Yes ____; No ____

4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment.
5. Is the Project located in the City's federally designated Enterprise Zone? Yes ____; No x.
6. Is the applicant requesting the Agency to issue federally tax-exempt Enterprise Zone bonds? Yes ____; No x.

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency? Yes ____; No x.
2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes x; No _____. If yes, what is the approximate amount of financing to be secured by mortgages? \$ 10,358,934 HUD 221(d)4 & \$500,000 CAC Loan (request).
3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes x; No _____. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ 4,000,000.
4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

a.	N.Y.S. Sales and Compensating Use Taxes:	\$ <u>320,000</u>
b.	Mortgage Recording Taxes:	\$ <u>135,737</u>
c.	Real Property Tax Exemptions:	<u>see PILOT request</u>
d.	Other (please specify):	\$ _____
	_____	\$ _____
	_____	\$ _____

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's tax-exemption policy contained in its Rules and Regulations? Yes x; No _____. If yes, please explain.
The project is seeking a deviation from the Policy.
6. Is the Project located in the City's state designated Empire Zone? Yes ____; No x.

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VI. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency as follows:

A. Job Listings. Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and with the administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.

B. First Consideration for Employment: In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. City Human Rights Law. The Applicant agrees to endeavor to comply with the provisions of Article XI, Division 2 of the City Code, entitled "The Omnibus Human Rights Law". The Applicant understands that it is not subject to the provisions of The Omnibus Human Rights Law.

D. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

F. Annual Employment Reports: The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

G. Absence of Conflicts of Interest: The applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

(Applicant)

BY: _____



NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 18 THROUGH 21 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 22

VERIFICATION

(If applicant is limited liability company)

STATE OF New York)
) SS.:
COUNTY OF Albany)

Lori Harris

_____, deposes and says

(Name of Individual)

that he is one of the members of the firm of 733 Broadway LLC,
the partnership named in the attached application; that he has read the foregoing application and knows
the contents thereof; and that the same is true and complete and accurate to the best of his knowledge.
The grounds of deponent's belief relative to all matters in the said application which are not stated upon
his own personal knowledge are investigations which deponent has caused to be made concerning the
subject matter of this application as well as information acquired by deponent in the course of his duties
as a member of and from the books and papers of said partnership.

Lori Harris

Sworn to before me this
27 day of June, 2013

Georgia Rella
(Notary Public)

GEORGIA RELLA
Notary Public, State of New York
Qualified in Albany County
Reg. No. 4969552

Commission Expires July 16, 2014

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD
HARMLESS AGREEMENT APPEARING ON PAGE 22 IS SIGNED BY THE APPLICANT.

HOLD HARMLESS AGREEMENT

Applicant hereby releases City of Albany Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issue of bonds requested therein are favorably acted upon by the Agency, and (ii) the Agency's financing of the Project described therein; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

(Applicant)

BY: _____

W. Davis

Sworn to before me this

27 day of June, 2013

Georgia Rella

(Notary Public)

GEORGIA RELLA
Notary Public, State of New York
Qualified in Albany County
Reg. No. 4969552
Commission Expires July 16, 2014

TO: Project Applicants
 FROM: City of Albany Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for the City of Albany Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

Since we need this Questionnaire to be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	733 Broadway, LLC
2. Brief Identification of the Project:	Construction of a 70-unit residential rental project.
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ 0
B. Value of Sales Tax Exemption Sought	\$ 320,000
C. Value of Real Property Tax Exemption Sought	\$ See PILOT request
D. Value of Mortgage Recording Tax Exemption Sought	\$ 135,737

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ 1,165,000
2. Site preparation	\$
3. Landscaping	\$
4. Utilities and infrastructure development	\$
5. Access roads and parking development	\$
6. Other land-related costs (describe) demolition	\$ 325,000
B. Building-Related Costs	
1. Acquisition of existing structures	\$
2. Renovation of existing structures	\$
3. New construction costs	\$ 9,109,531
4. Electrical systems	\$ incl.
5. Heating, ventilation and air conditioning	\$ incl.
6. Plumbing	\$ incl.
7. Other building-related costs (describe)	\$

C.	Machinery and Equipment Costs		Incl.
1.	Production and process equipment	\$	
2.	Packaging equipment	\$	
3.	Warehousing equipment	\$	
4.	Installation costs for various equipment	\$	
5.	Other equipment-related costs (describe) appliances	\$	
D.	Furniture and Fixture Costs		Incl.
1.	Office furniture	\$	
2.	Office equipment	\$	
3.	Computers	\$	
4.	Other furniture-related costs (describe)	\$	
E.	Working Capital Costs		
1.	Operation costs	\$	
2.	Production costs	\$	
3.	Raw materials	\$	
4.	Debt service	\$	
5.	Relocation costs	\$	
6.	Skills training	\$	
7.	Other working capital-related costs (describe)	\$	427,984
F.	Professional Service Costs		
1.	Architecture and engineering	\$	325,000
2.	Accounting/legal	\$	130,000
3.	Other service-related costs (describe)	\$	
G.	Other Costs		
1.	financing costs including interest	\$	1,106,320
2.	BSPRA	\$	1,067,085
3.	Initial Op Def	\$	321,466
H.	Summary of Expenditures		
1.	Total Land-Related Costs	\$	1,490,000
2.	Total Building-Related Costs	\$	9,109,531
3.	Total Machinery and Equipment Costs	\$	
4.	Total Furniture and Fixture Costs	\$	
5.	Total Working Capital Costs	\$	427,984
6.	Total Professional Service Costs	\$	455,000
7.	Total Other Costs	\$	2,494,871

PROJECTED PROFIT

- I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization: **PLEASE SEE ROI SUMMARY & OPERATING BUDGET**

YEAR	Without IDA benefits	With IDA benefits
1	\$ project infeasible (N/A)	\$
2	\$	\$
3	\$	\$
4	\$	\$
5	\$	\$

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

- I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project: **ALSO, See Economic Benefits Summary**

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	0	\$	\$
Year 1	63	\$ 3,731,100	\$ 186,550
Year 2		\$	\$
Year 3		\$	\$
Year 4		\$	\$
Year 5		\$	\$

PROJECTED PERMANENT EMPLOYMENT IMPACT

- I. Please provide estimates of total number of existing permanent jobs to be preserved or retained as a result of the Project: **Please see Economic Impact Report**

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year				
Year 1				
Year 2				
Year 3				
Year 4				
Year 5				

II. Please provide estimates of total new permanent jobs to be created at the Project:
ADDITIONALLY, PLEASE SEE ECONOMIC FISCAL ANALYSIS WHICH ESTIMATES 16 ADDITIONAL JOBS TO BE CREATED IN DOWNTOWN.

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	0	0	0	0
Year 1	1	0	.5	0
Year 2	1	0	.5	0
Year 3	1	0	.5	0
Year 4	1	0	.5	0
Year 5	1	0	.5	0

III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

IV. Provide the projected percentage of employment that would be filled by City of Albany residents:
100%

A. Provide a brief description of how the project expects to meet this percentage:

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales: PLEASE SEE ECONOMIC IMPACT REPORT.

Additional Purchases (1 st year following project completion)	\$ _____
Additional Sales Tax Paid on Additional Purchases	\$ _____
Estimated Additional Sales (1 st full year following project completion)	\$ _____
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ _____

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"):

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year			
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

SEE FULL 40 YEAR PILOT SCHEDULE; WITHOUT FIXED TERM PILOT PROJECT IS INFEASIBLE;

- III. Please provide a brief description for the impact of other economic benefits expected to be produced as a result of the Project:

The proposed project will create 70 new residential rental units in downtown Albany. The proposed units will be market rate and will bring additional residents to downtown which will in turn help create new vibrancy and diversity in the central business district.

A local residential population is necessary for a dynamic, economically-strong 24-hour downtown. A substantial residential base near and in the downtown has a positive effect on the retail climate, local transportation systems, and quality of life. A densely inhabited city center creates an exciting place to live, and promotes a positive pedestrian atmosphere. In turn, downtown residents enjoy the convenient availability of community services, retail goods, cultural activities, and nearby employment.

To encourage a diverse downtown population, a wide variety of housing opportunities, retail and service business, food stores and other businesses providing basic goods and services should be available. Healthy downtowns include residential development that will lead to new mixed-uses including basic retail shops and services within walking distance of the people who live there. They also offer great restaurants, theaters, and urban amenities.

PLEASE SEE ECONOMIC IMPACT REPORT.

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge, such responses are true, correct and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

Date Signed: June 27, 2013

Name of Person Completing Project Questionnaire on behalf of the Company.

Name: Lori Harris

Title: Vice President

Phone Number: (518)431-1051

Address: 733 Broadway, Albany, New York 12207

Signature: _____

Lori Harris

SCHEDULE A

CREATION OF NEW JOB SKILLS

Please list the projected new job skills for the new permanent jobs to be created at the Project as a result of the undertaking of the Project by the Company.

[illegible]

Should you need additional space, please attach a separate sheet.

**Highlighted Economic Benefits of
733 Broadway
Camoin Associates, June 2013**



Existing office building at 733 Broadway to be demolished



Proposed new 70-unit apartment building

The project is seeking a 40 year Payment in Lieu of Tax (PILOT) Agreement that will provide the City of Albany taxing districts with a total of \$3.95 million over term of agreement compared to \$2.86 million estimated to be collected if project does not go forward.

**PROJECTED BENEFITS from Economic & Fiscal Impact Analysis Report
completed by Camoin Associates:**

- **60 net “new” households in downtown**
- **New downtown Albany residents projected to spend \$900K per year or \$89 million over 40 years in City businesses which will support 16 new permanent jobs**
- **New residents will spur new demand for retail and services in downtown**
- **63 temporary construction-related jobs -55% of contracts estimated to City subs**
- **Taxing jurisdictions will collect more than \$1,00,000 under PILOT than if the existing building remains and project does not proceed**

733 Broadway, Albany

Economic and Limited Fiscal Impact Analysis

July 2013

Prepared For:

Norstar Development USA

Prepared By:



120 West Avenue, Suite 303
Saratoga Springs, NY 12866
518.899.2608
www.camoinassociates.com

Summary of Findings

Norstar Development USA (the "Client") has submitted an application for assistance to the City of Albany Industrial Development Agency (the "IDA") for a proposed rental housing development project ("the Project") that consists of 70 market-rate apartment units at 733 Broadway, Albany, New York (the "Site"). In response to the application for assistance, the IDA has requested that the Client document the economic impact of the Project on the City of Albany. To respond to the IDA's request, the Client commissioned Camoin Associates to conduct an economic and limited fiscal impact analysis¹ of the construction and occupation of the Project on the City of Albany.

For this analysis, Camoin Associates reviewed City of Albany ("City") vacancy rates, market analysis documents, and information on existing and planned residential projects in the immediate vicinity of the Project to determine the extent to which any of the 70 apartments would create "new" households and, therefore, new household spending in the City. Based on our analysis, we determined that 90% of the market-rate units could be considered "net new" households to the City (i.e. households in the City that otherwise would locate elsewhere). We then extrapolated the total amount of new spending by these new households to derive job and wage creation resulting from the Project.

The following is a summary of our findings.

Summary of Benefits to City	
Annual Jobs	16
Direct Jobs - From Net New Housing Spending	13
Indirect Jobs	3
Annual Earnings	\$ 514,000
Direct Earnings - From Net New Housing Spending	\$ 395,385
Indirect Earnings	\$ 118,615
Construction Phase Job Years	63
Construction Phase Onsite Job Years	48
Construction Phase Indirect Job Years	15
Construction Phase Earnings	\$ 3,731,000
Construction Phase Onsite Earnings	\$ 3,083,471
Construction Phase Indirect Earnings	\$ 647,529
Average Annual PILOT Payment	\$ 98,625

¹ Note that Camoin Associates conducted only a limited fiscal impact analysis, namely determining the effects of the Project on municipal revenue sources. We did not conduct an analysis of the public service expenditure impacts of the Project (for example, the impact of the Project on local schools and municipal services).



Benefits of the Project:

Tenant Spending Impact

- The Project would support 16 net new jobs in the City with \$514,000 in associated earnings.
- Tenant spending would result in nearly \$900,000 in new direct spending and an additional \$287,000 in indirect spending in the City.
- Over 40 years, total tenant spending will result in over \$89 million in new sales for the City of Albany.

Construction Impact

- The construction of the Project would result in approximately 48 net new direct construction job-years² and 15 indirect job-years throughout the City.
- These jobs would generate roughly \$3 million in direct earnings and an additional \$647,000 in indirect earnings.

Payment In Lieu of Taxes

- The Client has negotiated terms of a draft 40 year PILOT agreement with the IDA. Under this draft PILOT agreement, the Client would pay approximately \$3.9 million over the PILOT term, or an average of approximately \$98,625 each year.
- The schedule of payments to be made by the Client under the draft PILOT agreement would be approximately \$1.2 million more than the property tax payments generated by the Site if the Project did not occur (i.e. if the Site continued to pay its existing property tax liability and no improvements were made). In other words, the PILOT represents new revenue to the affected tax jurisdictions averaging approximately \$29,797 per year.

² A job year is a way to define the number of full time equivalent positions that exist over a certain period of time. For example, if construction is going to take 24 months and will employ 5 people, that is equal to 10 job years.



Economic Impact Analysis

The estimates of direct economic activity generated during the construction phase and building occupation phase as provided by the Client were used, with certain modifications described below, as the direct inputs for the economic impact model. Camoin Associates used these direct inputs in the input-output model designed by Economic Modeling Specialists, Inc. (EMSI). EMSI allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the City to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the City's economy.³ This is captured in the indirect impacts and is commonly referred to as the "multiplier effect."

The Project would have economic impacts upon the City in two main categories: 1) spending impacts by the new tenant households and 2) temporary construction phase impacts. The impacts of each of these categories are detailed below.

Calculation of the Number of Net New Households

In order to determine the annual economic impact of the completed Project on the City, the first step was to calculate the number of households that can be considered "net new" to the City's economy. In other words, the number of households that, but for the Project, would not exist in the City of Albany. For this study, we analyzed the existing supply and demand of market-rate apartments. The following summarizes the research conducted to determine the percentage of households, and thus market-rate units that could be considered new to the City of Albany.

The first step was to analyze the City's average rental vacancy rate over the last twenty years. As reported by the 2010 Census, 63% of all occupied housing units in the City are rentals and the rental vacancy rate in the City is 7% (vacant rental units divided by total rental units). True current (i.e. 2013) rental vacancy in the City is most likely lower than this figure for the following reasons:

- As the housing crisis has forced people into foreclosure and out of their homes, many are looking to rent, adding to the pool of demand.
- It has become more difficult to secure a mortgage for less credit worthy borrowers, meaning that fewer households are transitioning from a rental housing situation to an owner-occupied housing situation, again inflating demand for rental units.
- Other regional and national development trends related to increased interest in walkability and urban lifestyles by young professionals and baby boomers looking to live in a walkable community rich with culture, recreation, retail, food services, and other amenities.

³ The economic input-output data in this report were obtained for a study area comprised of the 12202, 12203, 12206, 12207, 12208, 12209, 12210 and 12226 zip codes from Economic Modeling Specialists, Inc. (EMSI). Such data are not available based on municipal boundaries, but due to the nature of economic impact modeling, the zip code data serve as the closest proxy available for the City of Albany. EMSI data are compiled from several sources, including the U.S. Census Bureau and U.S. Departments of Health and Labor using specialized proprietary processes and models to estimate the economic impact of various sectors on a pre-determined study area.



Furthermore, as shown below, the City's rental vacancy rate is lower than the City's overall vacancy rate, indicating a relatively tight rental market. Markets with up to 10% vacancy are considered healthy. The low vacancy rates suggest that there is demand for rental units in the City and that even if Project units are filled by current City residents, those vacated units are likely to be re-rented and will not sit vacant (this is known as the back-fill effect).

City of Albany Residential Vacancy Trends			
Year	Total Households	Total Vacancy Rate	Rental Vacancy Rate
1990	46,207	9%	7%
2000	45,288	10%	7%
2010	46,362	11%	7%

Source: Census 2010, ESRI, Camoin Associates

Camoin Associates used information gathered from a 2012 market report completed by GAR Associates for the Project. This analysis suggests that there is a positive demand for these types of upscale urban units as well as a limited supply of existing and planned/proposed units in the City. They have identified that there "will be some significant infiltration from outlying secondary and tertiary markets." Of particular note is that "only 33% of the renters in the Primary Market Area ("PMA") earn \$40,000 a year or more.... a general threshold that will be used for income qualification purposes." The GAR Associates analysis does make the assumption that 70% of the Project's tenants will be from within the PMA but goes on to say that the uniqueness of the Project will likely draw a larger portion from outside the PMA than a typical development might.

Another study conducted by Zimmerman/Volk Associates for the City of Albany in 2011 looked at where potential renters and buyers of new and existing housing units in the City are likely to come from. Their research suggests that 30% will come from the local market (the City), with the remaining coming from the rest of Albany County, Hudson Valley, New York City, and other areas of the United States. This report also indicates that rental lofts and apartments are an attractive type of housing for Downtown Albany.

To review, our research found that:

- There has been a long term trend of low rental vacancy rate in the City of Albany, indicating demand for rental units. The low vacancy rate also indicates that any units in the City that are vacated by tenants moving to the Project would subsequently be back-filled (non-City tenants moving into City apartments that are not the Project would impact the City's economy the same as a non-City tenant of the Project);
- The GAR report states that the Primary Market Area (the City of Albany) will provide support for the Project and that there will be infiltration from outlying secondary and tertiary markets;
- The GAR report states that the Project is a unique product that will attract people to the City of Albany who may have chosen to live elsewhere;
- The Zimmerman/Volk report indicates that 30% of buyers and renters of units in the City of Albany will come from the City with the rest coming from elsewhere;



- Lifestyle changes by baby-boomers and empty-nesters looking to downsize and move from the suburbs to a more walkable lifestyle are creating increased demand for upscale, downtown rental units throughout the northeast. The Project will be attractive to people looking to downsize and move from single family units.

In consideration of all these factors and relying on the information collected and analyzed, Camoin Associates hereafter assumes that 90% of the tenant households in the market-rate units should be considered net new to the City. Therefore, Camoin Associates assumes that 90% of the tenant households of the Project are new to the City economy. We recognize that we are assuming a higher percentage of tenants will come from outside of the area than was assumed in the GAR report and the Zimmerman/Volk analysis. This is because we are not only looking at who is filling the units at 733 Broadway, but also who is filling units vacated in the City by people moving to the Project.



Spending by New Tenants

The Project consists of 70 market rate apartment units. As noted above, Camoin Associates assumes that 90% of the units would be occupied by new households. The table below calculates the number of net new households in the City of Albany, assuming a 95% occupancy rate.⁴

Total Net New Units	
Total Units	70
Percent Occupancy	95%
Total Occupied Units	67
Percent Net New	90%
Total Net New Units	60

New households would make purchases in the City, thereby adding new dollars to the economy. For this analysis, Camoin Associates researched spending patterns by household income. Using a spending basket, developed by the United States Bureau of Labor Statistics, which details household spending in individual consumer categories by income level, Camoin Associates analyzed the likely spending by tenants. The spending basket is based on a consumer unit (household) earning between \$40,000 and \$49,999 per year.⁵ The regional spending basket estimates that households earning this would have average annual expenditures of approximately \$40,750 (including housing costs and utilities).⁶

For total expenditures, it is assumed that some portion of the spending would occur within the City and, therefore, have an impact on the City's economy. The percent spent within the City, as shown in the table on the next page, is based on the current supply and demand of retail goods and services in the City. A surplus/leakage analysis was conducted on the City to identify retail sectors where the tenants would have to (or be likely to) leave the City in order to make their purchases. Many goods and services are available within the City, which makes it reasonable to assume that a good portion of the spending would occur within the City, particularly goods and services that are closely tied to convenience such as food, transportation spending, and healthcare. Tenants may not spend as much in the City on apparel and services and other larger purchases as there is a wide variety of shopping destinations in the region. The fourth column in the following table shows the total amount spent in the City per unit.

It is important to note that as more residential projects are developed in downtown Albany, such as 733 Broadway, there will be an increased demand for consumer goods and services. The current business make-up of downtown Albany is heavily focused on entertainment, restaurants, and professional offices and not many services for residents such as food stores, drug stores, clothing stores, etc. In theory, as more residential projects are built in downtown it will become a more attractive location for service providers, which will in turn revitalize downtown Albany into a 24/7 livable area.

⁴ The GAR Associates analysis assumes an average vacancy rate of 5% during operation of the Project; this is standard for a Project of this type.

⁵ Based on information provided in the GAR Associates report, we assume that Project households will earn at least \$40,000 with some households likely earning more and therefore spending more in the local economy.

⁶ Bureau of Labor Statistics: Consumer Expenditure Survey 2010.



Tenant Spending Baskets					
Spending Baskets for Households Earning Between \$40,000 and \$49,999					
Category	Annual Spending Basket	% Spent in the City*	Amount Spent in City Annually	Number of Net New Units	Total Annual Net New City Spending
Food	\$ 5,767	75%	\$ 4,325	60	\$ 258,866
Apparel and Services	\$ 1,204	50%	\$ 602	60	\$ 36,030
Personal Care Products and Services	\$ 453	50%	\$ 227	60	\$ 13,556
Transportation	\$ 7,157	75%	\$ 5,368	60	\$ 321,260
Healthcare	\$ 3,313	75%	\$ 2,485	60	\$ 148,712
Entertainment	\$ 1,959	50%	\$ 980	60	\$ 58,623
Education	\$ 552	25%	\$ 138	60	\$ 8,259
House Keeping Supplies	\$ 542	50%	\$ 271	60	\$ 16,219
Household Furnishings & Equipment	\$ 1,217	50%	\$ 609	60	\$ 36,419
Total Net New City Spending	\$ 22,164		\$ 15,003		\$ 897,945

Source: Bureau of Labor Statistics

* Based on the retail leakage analysis as described earlier in the report. Information from the leakage analysis was combined with an understanding of the current local and regional retail and services market.

The total annual net new spending in the City was calculated by multiplying the annual amount spent in the City by the number of net new units. As shown in the table above, annual spending in the City by all new households would total \$897,945. Camoin Associates used the above spending basket amounts to calculate the direct, indirect and total impact of the Project on the City. To do this, we attributed the various spending categories to the NAICS codes found in the following table.



Spending Basket Breakdown by NAICS Code		
NAICS Code	Industry	Spending Basket Category
445110	Supermarkets and Other Grocery (except Convenience) Stores	Food
722110	Full-Service Restaurants	Food
722211	Limited-Service Restaurants	Food
448140	Family Clothing Stores	Apparel and Services
446110	Pharmacies and Drug Stores	Personal Care Products and Services
447110	Gasoline Stations with Convenience Stores	Transportation
811111	General Automotive Repair	Transportation
621111	Offices of Physicians (except Mental Health Specialists)	Healthcare
621210	Offices of Dentists	Healthcare
621340	Offices of Physical, Occupational and Speech Therapists	Healthcare
621330	Offices of Mental Health Practitioners	Healthcare
622110	General Medical and Surgical Hospitals	Healthcare
711110	Theater Companies and Dinner Theater	Entertainment
711130	Musical Groups and Artists	Entertainment
713940	Fitness and Recreational Sports Centers	Entertainment
712110	Museums	Entertainment
711190	Other Performing Arts Companies	Entertainment
611310	Colleges, Universities, and Professional Schools	Education
452990	All Other General Merchandise Stores	House Keeping Supplies
442299	All Other Home Furnishings Stores	Household Furnishings & Equipment

Source: EMSI, Camoin Associates

Using \$897,945 as the annual direct new sales input, Camoin Associates employed EMSI to determine the indirect and total impact of new annual household spending generated by the Project. The following table outlines the findings of this analysis.⁷

Economic Impact - Annual Household Spending				
	Direct	Indirect	Total	
Sales	\$ 897,945	\$ 287,342	\$ 1,185,287	
Jobs	13	3	16	
Earnings	\$ 395,385	\$ 118,615	\$ 514,000	

Source: EMSI, Camoin Associates

Assuming a 3% annual increase in inflation, the \$1.18 million in annual sales will result in a total of \$8.9 million in sales in the City of Albany. Furthermore, in addition to the new jobs, wages, and sales as a result of the tenants, there will also be 1.5 full time equivalent employees on-site to manage the Project.

⁷ Indirect impacts represent money spent by businesses on purchases of goods and services within the local economy, creating additional employment and earnings. It also includes the expenditures of new household income from wages and payments made to employees.



Construction Phase Impacts

The Client anticipates that construction of the Project would take approximately 16 months, total development costs would equal \$11.7 million, and that 55% would be sourced from within the City of Albany. If we assume that 55% of the development costs are sourced from the City we are able to project the amount of direct sales associated with the construction phase.

Total Cost of Development	\$ 11,737,937
Amount Sourced from City	55%
Net New Construction Sales	\$ 6,455,865

Source: Client, Camoin Associates

Based on the \$6.4 million in sales associated with the construction phase of the Project, Camoin Associates is able to determine that there would be over \$3.7 million in one-time construction related earnings, supporting 63 jobs within the City.

Economic Impact - Construction Phase			
	Direct	Indirect	Total
Sales	\$ 6,455,865	\$ 1,678,525	\$ 8,134,390
Job Years	48	15	63
Earnings	\$ 3,083,471	\$ 647,529	\$ 3,731,000

Source: EMSI, Camoin Associates



Fiscal Impact Analysis

In addition to its impact on the local economy outlined above, the Project will also have a fiscal impact in terms of annual property tax. The following section of the analysis outlines the impact of the completion of the Project on the local taxing jurisdictions' revenue sources. As noted in the Executive Summary, this analysis is limited in that it focuses exclusively on increases and decreases to local municipal revenues and does not include projections related to the costs of public service provision.

Payment in Lieu of Taxes (PILOT)

The Client has applied to the IDA for a Payment In Lieu of Taxes (PILOT) agreement and proposed a forty-year payment schedule. The Client provided Camoin Associates with their proposed PILOT payment schedule, as outlined below.

PILOT Payments			
Year	Amount	Year	Amount
1	\$47,000	21	\$100,000
2	\$47,000	22	\$100,000
3	\$47,000	23	\$100,000
4	\$47,000	24	\$100,000
5	\$47,000	25	\$100,000
6	\$47,000	26	\$125,000
7	\$47,000	27	\$125,000
8	\$47,000	28	\$125,000
9	\$47,000	29	\$125,000
10	\$47,000	30	\$125,000
11	\$55,000	31	\$150,000
12	\$55,000	32	\$150,000
13	\$55,000	33	\$150,000
14	\$55,000	34	\$150,000
15	\$55,000	35	\$150,000
16	\$65,000	36	\$200,000
17	\$65,000	37	\$200,000
18	\$65,000	38	\$200,000
19	\$65,000	39	\$200,000
20	\$65,000	40	\$200,000
Total			\$3,945,000
Annual Average			\$98,625

Source: Client, Camoin Associates



For the purposes of this analysis, we must assume that without IDA assistance the Site will remain “as is” for the full forty years. It is possible that if this Project does not occur the Site will be developed at a later date by a different developer, but under current market conditions it is likely that any proposed project will require assistance from the IDA in order to be feasible. Furthermore, the purpose of IDA assistance is to help projects that “but for” the IDA would not occur and so we can assume that without the IDA’s assistance the Site would remain as an underutilized commercial property.

Without financial assistance from the Agency, Camoin Associates assumes the Client would not undertake the Project, and that the Site would remain in its current state. Based on the current taxes paid on the property and an assumed 2% increase in the tax rate each year (holding taxable value constant), the following table outlines the estimated tax payments made by the owner of the property without the Project.⁸

Property Tax Payment Without Project			
Year	Amount	Year	Amount
1	\$45,580	21	\$67,729
2	\$46,492	22	\$69,084
3	\$47,421	23	\$70,466
4	\$48,370	24	\$71,875
5	\$49,337	25	\$73,313
6	\$50,324	26	\$74,779
7	\$51,330	27	\$76,274
8	\$52,357	28	\$77,800
9	\$53,404	29	\$79,356
10	\$54,472	30	\$80,943
11	\$55,562	31	\$82,562
12	\$56,673	32	\$84,213
13	\$57,806	33	\$85,897
14	\$58,963	34	\$87,615
15	\$60,142	35	\$89,368
16	\$61,345	36	\$91,155
17	\$62,572	37	\$92,978
18	\$63,823	38	\$94,838
19	\$65,099	39	\$96,734
20	\$66,401	40	\$98,669
Total		\$2,753,122	
Annual Average		\$68,828	

Source: Client, Camoin Associates

The table below calculates the benefit (or cost) to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project and the property tax payments without the Project. The total benefit to the affected taxing jurisdictions over the 40-year PILOT term is nearly \$1.2 million, with an average benefit to the affected taxing jurisdictions of nearly \$30,000 per year.

⁸ The tax rate is increased by 2% annually and is based on the New York State property tax cap legislation. The bill limits the amount by which a government entity can increase its annual tax levy to 2 percent or the rate of inflation, whichever is less (certain exceptions can apply).



Tax Policy Comparison			
Year	Tax Payment Without Project	PILOT Payments	Benefit (Cost) to Affected Jurisdictions
1	\$45,580	\$47,000	\$1,420
2	\$46,492	\$47,000	\$508
3	\$47,421	\$47,000	(\$421)
4	\$48,370	\$47,000	(\$1,370)
5	\$49,337	\$47,000	(\$2,337)
6	\$50,324	\$47,000	(\$3,324)
7	\$51,330	\$47,000	(\$4,330)
8	\$52,357	\$47,000	(\$5,357)
9	\$53,404	\$47,000	(\$6,404)
10	\$54,472	\$47,000	(\$7,472)
11	\$55,562	\$55,000	(\$562)
12	\$56,673	\$55,000	(\$1,673)
13	\$57,806	\$55,000	(\$2,806)
14	\$58,963	\$55,000	(\$3,963)
15	\$60,142	\$55,000	(\$5,142)
16	\$61,345	\$65,000	\$3,655
17	\$62,572	\$65,000	\$2,428
18	\$63,823	\$65,000	\$1,177
19	\$65,099	\$65,000	(\$99)
20	\$66,401	\$65,000	(\$1,401)
21	\$67,729	\$100,000	\$32,271
22	\$69,084	\$100,000	\$30,916
23	\$70,466	\$100,000	\$29,534
24	\$71,875	\$100,000	\$28,125
25	\$73,313	\$100,000	\$26,687
26	\$74,779	\$125,000	\$50,221
27	\$76,274	\$125,000	\$48,726
28	\$77,800	\$125,000	\$47,200
29	\$79,356	\$125,000	\$45,644
30	\$80,943	\$125,000	\$44,057
31	\$82,562	\$150,000	\$67,438
32	\$84,213	\$150,000	\$65,787
33	\$85,897	\$150,000	\$64,103
34	\$87,615	\$150,000	\$62,385
35	\$89,368	\$150,000	\$60,632
36	\$91,155	\$200,000	\$108,845
37	\$92,978	\$200,000	\$107,022
38	\$94,838	\$200,000	\$105,162
39	\$96,734	\$200,000	\$103,266
40	\$98,669	\$200,000	\$101,331
Total	\$2,753,122	\$3,945,000	\$1,191,878
Annual Average	\$68,828	\$98,625	\$29,797

Source: Client, Camoin Associates



Economic Benefits of 733 Broadway – Updated June, 2013

History of 733 Broadway

The economic downturn that has occurred throughout the country has eroded the once robust housing market and made residential development opportunities that once seemed sure-fire into risky business. Norstar acquired 733 Broadway in 2004, at a time when demand for conveniently located housing justified investment in properties in marginal areas that could be converted into attractive housing opportunities. Norstar first considered redeveloping the building as market-rate apartments, but that proved infeasible, and then decided that an 8-story new construction condominium project would best suit the site. The Capital Grand included 122-units and supporting amenities. By late 2008, Norstar had taken deposits on more than a third of the units that had been planned for the site when a serious contraction of the housing market and the overall economic downturn occurred. Projects like the Capital Grand that had presented good chances for success became far riskier and less attractive, and construction financing dried up.

The substantial investments required to produce high quality housing in “pioneering” locations became far less feasible as the balance of risk and reward shifted unfavorably for the developer. For 733 Broadway, Norstar decided to ride out the economic downturn and re-tool a project for the site once financial conditions improved for market-rate housing development.

Current Plan

In late 2011, Norstar evaluated the current market and decided that a market-rate, four-story, new construction rental project of 70 units could be successful in the market; and, by using a HUD insured loan, would have the greatest likelihood of securing the necessary construction and permanent financing. The HUD loan will provide a 40-year fixed rate mortgage; and, with current interest rates at a historical low the project is able to raise enough debt to cover the costs of developing the project. Without a 40-year term and such favorable interest rates, it would not be feasible to construct the project because the current projected rents achievable in downtown Albany would not be sufficient to cover the debt.

The underwriting standards for the HUD-221(d)(4) loan are strict and the amounts to be financed are tied to cash flow after property expenses and taxes. As free and clear cash flow to service debt is reduced, the amount that can be borrowed also is reduced and a project of fixed cost then requires more equity. The combination of higher risk and greater investor equity undermines project feasibility and leaves potential developments unrealized.

The proposed 70-unit project at 733 Broadway will have numerous economic benefits to the City of Albany. Increased housing in downtown Albany means an influx of people as projects become occupied. As the area becomes more populated, the demand for more businesses and services located downtown will increase.

Third Party Study of Economic Benefits of Project – Camoin Associates

In response to the IDA's request for additional analysis regarding the impact of the project, Norstar retained Camoin Associates to undertake a targeted study on the estimated economic benefits. The full report is included in the application package, but the highlighted benefits include:

Construction-related Benefits

- Creation of 48 direct construction jobs and another 15 indirect jobs.
- Construction related jobs will result in \$3M in direct earnings and \$647,000 in indirect earnings.

Tenant Spending Impact

- The project would support 16 net new jobs in the City with \$563,000 in associated earnings.
- Tenant spending would result in nearly \$900,000 annually in new direct spending and an additional \$287,000 in indirect spending in the City.
- Over 40 year the tenant spending will result in over \$89 million in new sales for the City of Albany.

Payment in Lieu of Taxes

- Under proposed PILOT term, project would pay \$3.95 million compared to an estimated \$2.8 million if project does not proceed.

The creation of 733 Broadway will have an economic impact on downtown Albany that will extend beyond the period of construction. The two markets most likely to occupy 733 Broadway are young professionals and people of retirement age, and the purchasing power of these two markets are high. This indicates that there will be an influx of spending in the surrounding downtown area once the building is occupied, creating an ongoing economic impact in the downtown Albany area. These ongoing revenues result from new residents paying taxes and otherwise participating in the area's economy year after year. Because these effects will continue for as long as the project is occupied, the project's overall economic contribution to the area will be significant.

Public Services and Amenities

- Existing area food service businesses will acquire a resident base to complement their day-time traffic from downtown and local businesses. This will not only strengthen their operations but also serve as an inducement to other food service and personal services

businesses to locate in or near the area. Once commercial services become convenient to the property, future residential developments and compatible office space projects become more attractive and a service matrix will develop.

- The unit mix for the project, primarily studio, 1 and 2 BR units suggests there will be a very low number of children in the development with insignificant impact on school budgets. The proposed development is on a street with developed infrastructure. The net cost to the City (and County) for adding this property to its taxable rolls will be relatively small with it having a minimal impact on school enrollments and the need for new infrastructure to service the property's location.
- Proximity to the downtown and its complement of white collar employment opportunities with government and private sector firms will appeal to young professionals and empty nesters who want to be near the downtown without being burdened by its congestion. This will reduce vehicular traffic of commuting for downtown employees, relieving some burden on parking and traffic. Though not significant in its urban impact, a less vehicle-reliant population has some beneficial effect upon air pollution and the urban carbon footprint.

Neighborhood Development and Stabilization

- 733 Broadway is located between downtown and a large corridor of potentially developable sites extending north along Broadway and west into adjacent neighborhoods. If 733 Broadway is built and is successful, additional development can be expected to infill the street, moving real property values northward, providing additional residential options for the downtown work force and stimulating the development of neighborhood service businesses and opportunities. Some of these businesses can be expected to serve that part of the downtown work force living outside the City. (e.g. – restaurants, personal service businesses, convenience shopping, specialty shops)
- For those who want to live in the City but will work in the burgeoning high-tech industries of Albany and Rensselaer Counties, the 733 Broadway location provides easy access to I-787 and its highway links (e.g. – I-87; I-90).
- The limited availability of large neighborhood parks with playfields and schools is not a deterrent to starter families, empty nesters and singles, who are mobile enough to enjoy Albany's expanding waterfront amenities.
- A problem experienced in older northeast cities is the ability of those cities to retain young adults and newly minted graduates to fill the positions offered in the professional work force. Since this younger cohort both requires and supports the arts and entertainment sectors of the community and is a significant consumer bloc, it is important for the balance and commercial viability of a community to retain a healthy percentage of its population as young singles and young couples. 733 Broadway will offer them a convenient downtown residential location.

Potential Impact on Downtown

The 733 Broadway project has the potential to build upon the emerging revitalization/re-positioning of downtown. Over the last few years, a number of buildings have achieved conversions of vacant, underutilized upper floor space into market-rate apartments; and, projects like those underway in the Chapel Street area have begun to help define downtown as a new Albany neighborhood. The 733 Broadway project, with 70-market rate units and its key location between the core of downtown and the growing, hip warehouse district on the north end of Broadway, could be a pivotal project in this important transformation.

Jackson Street Purchase

The City's Common Council has approved the sale and transfer of Jackson Street. This additional property will provide the space to create necessary parking to support the project. The purchase and transfer will occur when the financing closes prior to construction.

PILOT

40 Year Analysis of amended PILOT - 733 Broadway
Current Building Remains vs. New Project Constructed with PILOT

Year	Current Land & Building Value	Status Quo - taxes on Existing Building	Requested PILOT	
Year 1	Land = \$ 537,100	\$ 47,423	\$ 47,000	
2		\$ 48,371	\$ 47,000	
3	Building =	\$ 49,339	\$ 47,000	
4	\$ 462,900	\$ 50,326	\$ 47,000	
5		\$ 51,332	\$ 47,000	
6		\$ 52,359	\$ 47,000	
7		\$ 53,406	\$ 47,000	
8		\$ 54,474	\$ 47,000	
9		\$ 55,564	\$ 47,000	
10		\$ 56,675	\$ 47,000	
11		\$ 57,808	\$ 55,000	
12		\$ 58,965	\$ 55,000	
13		\$ 60,144	\$ 55,000	
14		\$ 61,347	\$ 55,000	
15		\$ 62,574	\$ 55,000	
16		\$ 63,825	\$ 65,000	
17		\$ 65,102	\$ 65,000	
18		\$ 66,404	\$ 65,000	
19		\$ 67,732	\$ 65,000	
20		\$ 69,086	\$ 65,000	
21		\$ 70,468	\$ 100,000	
22		\$ 71,877	\$ 100,000	
23		\$ 73,315	\$ 100,000	
24		\$ 74,781	\$ 100,000	
25		\$ 76,277	\$ 100,000	
26		\$ 77,802	\$ 125,000	
27		\$ 79,359	\$ 125,000	
28		\$ 80,946	\$ 125,000	
29		\$ 82,565	\$ 125,000	
30		\$ 84,216	\$ 125,000	
31		\$ 85,900	\$ 150,000	
32		\$ 87,618	\$ 150,000	
33		\$ 89,371	\$ 150,000	Assumptions: Status Quo assumes a 2% rate of escalation of taxes on existing building.
34		\$ 91,158	\$ 150,000	
35		\$ 92,981	\$ 150,000	
36		\$ 94,841	\$ 200,000	Amount of Additional Taxes Potentially to be Collected if Project Proceeds
37		\$ 96,738	\$ 200,000	
38		\$ 98,672	\$ 200,000	
39		\$ 100,646	\$ 200,000	
40		\$ 102,659	\$ 200,000	
TOTAL	\$1,000,000	\$ 2,864,443	\$ 3,945,000	\$ 1,080,557

TO: Albany Industrial Development Agency Board Members
Mr. Michael Yevoli, Executive Director of the Albany Industrial Development Agency

FROM: Lori Harris

RE: Amended PILOT Request

DATE: June 21, 2013

As amended in April, Norstar revised the PILOT request being sought for the 733 Broadway rental project. Based upon the comments provided CAIDA Finance Committee in March, Norstar has amended the PILOT request based upon the feedback received from the discussion. The request has been amended as follows:

Original Request	Amended Request:
Years 1 – 10: \$25,000/year	Years 1 – 10: \$47,000/year
Years 11 – 15: \$45,000/year	Years 11 – 15: \$55,000/year
Years 16 – 20: \$55,000/year	Years 16 – 20: \$65,000/year
Years 21 -25: \$65,000/year	Years 21 – 25: \$100,000/year
Years 26 – 30: \$75,000/year	Years 26 – 30: \$125,000/year
Years 31 – 40: \$125,000/year	Years 31 -35: \$150,000/year
	Years 36 -40: \$200,000/year

Attached please find a revised request that attempts to respond to this issues raised including:

1. Property taxes collected in initial years – In the initial request, the proposed PILOT would have decreased the amount of taxes currently being collected from the site. The amended PILOT request proposes to begin annual payments at \$47,000 – current taxes are \$45,580. In years 1 – 10, the request was changed from \$25,000 per year to \$47,000.
2. Property taxes collected over term of PILOT – in the initial PILOT request the payments to be collected by the City would have been \$2,700,000 or \$736,789 less than what the City would collected in real estate taxes without the project (assuming a 3% escalation). In the revised PILOT request, the proposed total PILOT payments would be \$3,945,000 or more than \$1,000,000 more than what the City would collect in real estate taxes

without the project assuming a 2% annual escalation or more than \$500,000 more assuming a 3% escalation.

3. **Assessed Value of Project** – The City Assessor’s office is projecting the assessed value of the project to \$100,000 per unit producing real property taxes of \$338,502 in the first year after construction and more than \$25M over 40 years. The project appraisal, completed by the HUD-approved appraiser, projected the assessed value of the completed project to be \$43,000 per unit producing real property taxes of approximately \$125,000 per year or closer to \$9.4M over the 40 years vs. in excess of \$25M projected by the City Assessment office.

The revised PILOT request will reduce the HUD mortgage by approximately \$250,000 from \$10.6M to approximately \$10.34M. The loss of mortgage proceeds will be replaced by additional equity provided by Norstar.

Also, enclosed please find a revised operating proforma which includes the updated PILOT payment request.

Thank you for your consideration of the proposed project and the request for CAIDA assistance.

WYATT FUNDING CORP.

22 WRIGHTS MILL ROAD, ARMONK, N.Y. 10504
TELEPHONE (914) 273-5103 TELECOPIER (914) 273-5106

November 15, 2012

**Ms. Lori Harris
Norstar Development USA, L.P.
733 Broadway
Albany, New York 12207**

Dear Lori:

As you know, we are a Department of Housing and Urban Development ("HUD") Approved Multifamily Accelerated Processing ("MAP") Lender and we are currently processing a Section 221(d) 4 insured mortgage for your 733 Broadway project through the Buffalo HUD Office.

Enclosed please find the HUD MAP guidelines for the HUD 221(d) 4 programs offered in your request for an explanation on HUD's underwriting approach to real property taxes. The term of the HUD- insured mortgage is 40 years, and therefore HUD has an expectation that the term of the PILOT should be also be 40 years.

Rather than a formula based upon the assessed value as set forth in the PILOT you had attached, it is best to have a single fixed amount of taxes for the full 40 year term (e.g. \$20,000 each year for 40 years) to get the maximum mortgage amount from HUD. Though the guidelines do not expressly require that the term of the agreement be 40 years, HUD's underwriting approach penalizes terms which are not coterminous with the loan term and those which are variable over time. When HUD sizes the mortgage that each project is eligible for, it initially estimates what the project would pay at full taxes and sets forth the base mortgage; then, they take the amount of PILOT payment each year over the 40 year term of the HUD loan. An additional amount of mortgage loan proceeds are derived from their analysis of the value/benefit of such PILOT agreement over the term of the loan.

When the dollar amounts of the PILOT taxes payable each year are different or increases over time on a specific schedule, the mortgage has to be sized based upon the full amount of the property taxes as if there was no abatement at all and then the mortgage amount is adjusted (increased) based on the procedures set

Ms. Lori Harris

November 12, 2012

Page 2


forth in the attached Section 7.16 Tax Abatement Procedures from Chapter 7 of the Revised MAP Guide.

Overall, the implication here is that tax abatement dollars do not result in a dollar-for-dollar increase in the mortgage amount. In the MAP Sample Calculation, the net additional mortgage represents 69% of the abatement savings. In the Example Calculation (which may be a more *real-life* example), the net additional mortgage represents 83% of the abatement savings. This does not change the tax abatement savings; they will still be realized..... it just changes the mortgage schedule by calculating the additional amount of allowable mortgage that can be attributed to the PILOT.

Unfortunately, this is a complicated calculation and it is difficult to explain. But, the bottom line is that a variable PILOT that is less than the HUD loan term will significantly reduce the amount of mortgage proceeds that HUD will approve for the project. I have developed a couple of scenarios that will show you the implications of this issue.

Please let me know if you have any questions. Thank you.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard T. Wyatt", is written over a light blue rectangular background.

Richard T. Wyatt

President

Enc.

7.16

Tax Abatement Procedures

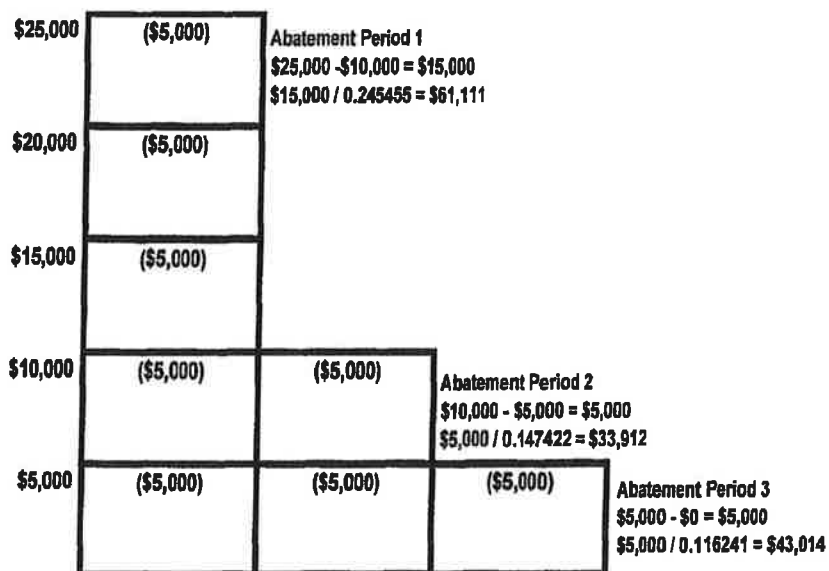
- A. **General Comments and Exceptions.** Tax Abatement is a reduction of property taxes for a specified term by the taxing authority. Properties with abatement are eligible for additional mortgage funds under certain circumstances. The abatement must run with the real estate and not with the type of sponsorship if it is to secure additional mortgage proceeds, otherwise underwriting must include an amount for property taxes in project operating expenses even if the present owner or its transferee may not pay them. The risk that a transferee of the property or an assignee of the mortgage in the future might cause the tax abatement to be lost is an unacceptable risk to the insurance fund. Exceptions to these requirements include the following:
1. If the financing includes LIHTC equity and if the tax abatement runs with the sponsorship (borrower) entity, then the Hub Director may waive the MAP Guide so that the underwriting does not have to include a provision for property taxes, during the period of the tax abatement. This exception is justified for low loan-to-value mortgages on LIHTC projects.
 2. Properties leased from a governmental body to either a non-profit or for-profit developer, where the property is exempt from taxes and the abatement flows to the leasehold improvements. There is usually a requirement for a percentage of units to be set aside as affordable housing which is imposed by a land use restriction or regulatory agreement. Hub Directors may grant a waiver, after appropriate review, to promote affordable housing.
- B. **Long Term Tax Abatement.** If the amount of the tax abatement is fixed and runs the entire term of the mortgage, the real estate tax expense reported on the HUD-92264 must be the actual amount of taxes the property will pay, if any. The full amount of the real estate taxes without the abatement must be noted in the remarks section of the HUD-92264. The property will benefit from an increased mortgage amount due to the lower pro-forma operating expenses and an increased NOI estimate. When the abatement runs for the full term of the mortgage, the NOI used for Form HUD-92264-A Criteria 5 may also be processed at the reduced tax amount. Also, if value attributable to long term tax abatement is recognized in the subject's market area, the same NOI may be capitalized and the resulting value may be used in Criterion 3.
- C. **Short Term or Variable Tax Abatement.** If the abatement is short term or variable, it may still be used to secure additional mortgage proceeds. The additional mortgage will be the amount that will amortize over the term of the tax abatement. A special amortization plan must be requested which has debt service payments that are increased by the additional net income generated during the term of the abatement. When processing a short term or variable abatement, the full amount of the property taxes must be estimated and included in the total project expenses on Form HUD-92264 as if there were no abatement. The additional debt service carry resulting from the abatement must be calculated on line I, Criteria 5 of HUD-92264-A.
- If Criteria 5, "Amount Based on Debt Service Ratio" is not the controlling criterion, short term or variable abatements cannot be used to secure additional mortgage proceeds. Also, the appraiser must not include extra value associated with short-term abatement in either the estimate of land value, the "As Is" value for substantial rehabilitation or the "As Repaired" value for existing projects, and it may not be included in Criterion 3.

1. **Short Term Abatements:** Assume that Property A has been awarded a 5-year tax abatement of \$5,000/year and the interest rate on the insured loan is quoted at 7.5% and the MIP is 0.5%. The amount of additional mortgage is calculated by dividing the annual abatement, \$5,000 by the applicable debt service rate (P, I, and MIP). In this example the debt service rate is 0.245455383.

$$\$5,000 / .245455383 = \$20,370$$

Additional mortgage amount. The mortgage amount based upon debt service (Criteria 5 of HUD-92264-A) would be increased by \$20,370 and a special amortization schedule would be required with a debt service payment that is \$5,000/year greater in years 1 through 5.

2. **Variable Abatements:** Variable tax abatements are more complex to quantify, but are essentially calculated in the same manner. Assume that Property B has been awarded 15-year tax abatement. In years 1 through 5, the abatement is \$25,000; in years 6 through 10 the abatement is \$10,000; and in years 11 through 15 the abated amount is \$5,000. The interest rate on the insured loan is quoted at 7.5% and the MIP is .5%. The amount of additional mortgage is calculated as the amount that could be fully amortized by the variable payments over the 15-year period based on the stated financing terms. The graph below illustrates the calculation.



When there are two or more abatement amounts and periods, and the amounts decline, the abatement amount for each period is found by subtracting the abatement amount of the next period. Period 1 will run for 5 years, Period 2 will run for 10 years, and Period 3 will run for 15 years. Because all three periods begin amortization at the same point in year 0, the amount of the abatement for the next period must be subtracted to avoid double counting.

(1) Abatement Period 1

\$25,000 minus \$10,000 (the amount of abatement in period 2) = \$15,000 for 5 years. The debt service rate for a 5 year term at 7.5% interest with 5% MIP is 0.245455383. Dividing \$15,000 by 0.245455383 indicates additional mortgage proceeds of \$61,111 attributable to period 1.

(2) Abatement Period 2

\$10,000 minus \$5,000 (the amount of abatement in period 3) = \$5,000 for 10 years. The debt service rate for a 10 year term at 7.5% interest with 0.5% MIP is 0.147442123. Dividing \$5,000 by 0.147442123 indicates additional mortgage proceeds of \$33,912 attributable to period 2.

(3) Abatement Period 3

\$5,000 minus \$0 (since there are no periods remaining) = \$5,000 for 15 years. The debt service rate for a 15 year term at 7.5% interest with 0.5% MIP is 0.116241483. Dividing \$5,000 by 0.116241483 indicates additional mortgage proceeds of \$43,014 attributable to period 3.

(4) Adding the supportable mortgages from each of the abatement periods results in a total additional supportable mortgage of:

Period 1 = \$ 61,111

Period 2 = \$ 33,912

Period 3 = \$ 43,014

Total = \$138,037

The mortgage amount based on debt service, (Criteria 5 of HUD 92264-A) would be increased by \$138,037 and a special amortization schedule would be required with a debt service payment that reflects \$25,000 per year in years 1 through 5, \$10,000 per year in years 6 through 10, and \$5,000 per year in years 11 through 15.

7.17

Project Based Section 8 and LIHTC Processing

A. For Section 223(f). The property must be evaluated under two scenarios: a) the "hypothetical market value" of the property without regard to any Section 8 project based subsidies, rent restrictions or LIHTC, and b) a debt service analysis that considers all Section 8 project based subsidies and other low income rent restrictions must be performed. Two independent Section C rent schedules must be prepared, one for a hypothetical market rent estimate and one that recognizes all rent restrictions and subsidies.

1. Criteria 3 Market Value: The appraiser must ignore the Section 8 contract rents, tax exempt bond or LIHTC restricted rents when determining market value and the income to be capitalized for a determination of market value for the purposes of determining Section K, Form HUD-92264, and Criteria 3 Form HUD-92264-A Value. To be consistent, the appraiser must use a market capitalization rate and must assume market rents in the income approach to

EXISTING CONDITIONS

PROJECT SITE



733 BROADWAY
ALBANY, NEW YORK

733 BROADWAY – EXISTING CONDITIONS - EXTERIOR



Rear Elevation



North Elevation



Front Elevation

EXISTING CONDITIONS – INTERIOR



146

PROGRES SET
FOR PRICING

PROJECT TITLE

733 Broadway
New Construction

733 Broadway
Albany, NY 12207

SHEET TITLE

LANDSCAPE
PLAN

CONSULTANT



HERSBERG & HERSBERG
Consulting Engineers
and Architects
18 Locust Street
Albany, New York 12203
Tel: 518.263.1234 FAX: 518.263.1235
WWW.HERSBERG-AND-HERSBERG.COM

DESIGNED BY
MLW

CHECKED BY
DRH

DATE

12/14/2012

PROJECT NO.

11-008.02

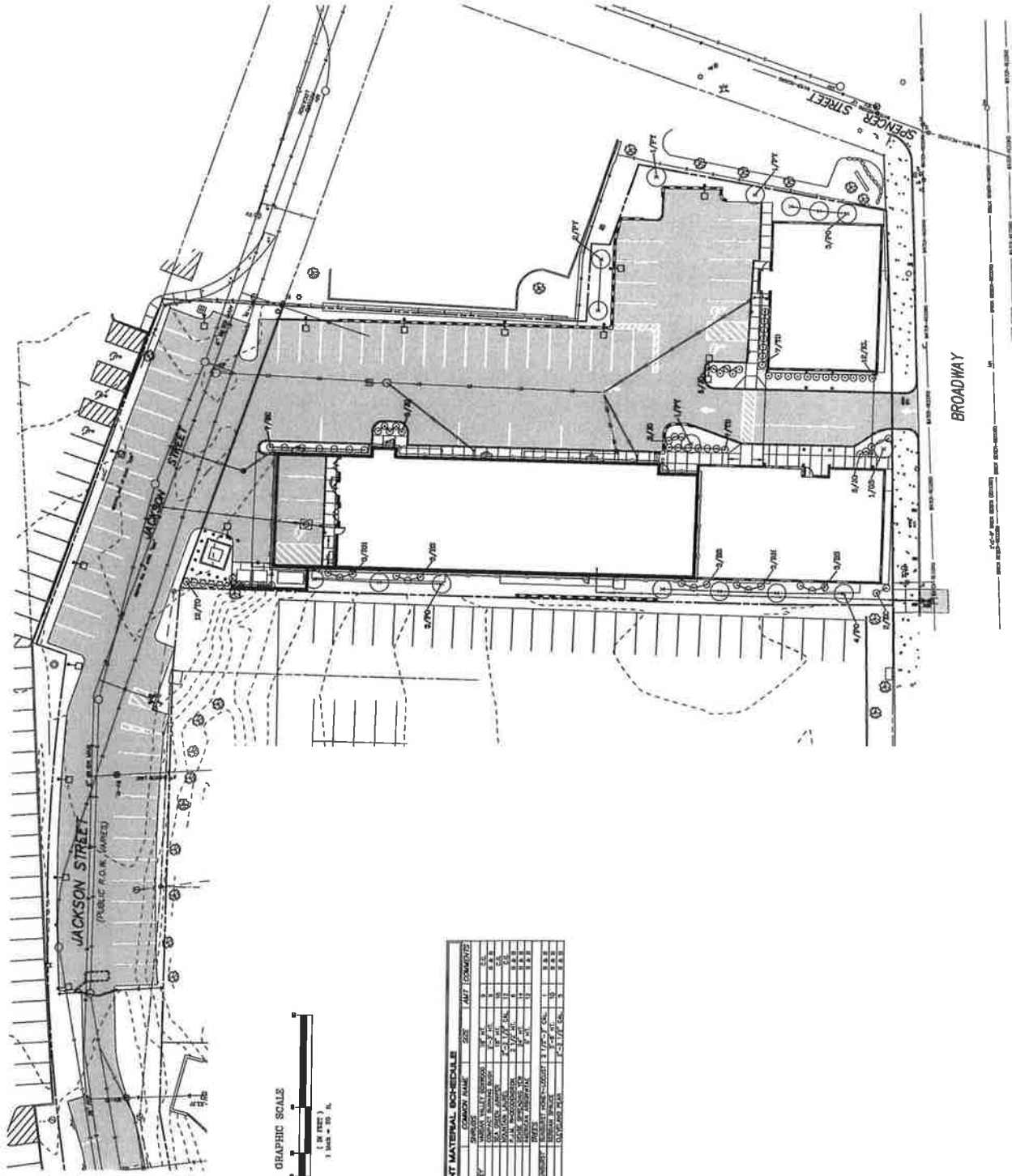
REVISIONS

4-4/13 - SOCIAL RETIRED

PROJECT NO.

SHEET NO.

C3



SYM	BOTANICAL NAME	COMMON NAME	SIZE	AMT (SQ. FEET)
1	SPRING GREEN	SPRING GREEN	4" x 4"	1.0
2	SPRING GREEN	SPRING GREEN	4" x 4"	1.0
3	SPRING GREEN	SPRING GREEN	4" x 4"	1.0
4	SPRING GREEN	SPRING GREEN	4" x 4"	1.0
5	SPRING GREEN	SPRING GREEN	4" x 4"	1.0
6	SPRING GREEN	SPRING GREEN	4" x 4"	1.0
7	SPRING GREEN	SPRING GREEN	4" x 4"	1.0
8	SPRING GREEN	SPRING GREEN	4" x 4"	1.0
9	SPRING GREEN	SPRING GREEN	4" x 4"	1.0
10	SPRING GREEN	SPRING GREEN	4" x 4"	1.0
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GRAPHIC SCALE



FLOORPLANS & ELEVATIONS



733 Broadway - New Construction

12/19/2012



3tarchitects.com



733 Broadway - New Construction

12/19/2012



3larchitects.com



733 Broadway - New Construction

12/19/2012



3tarchitects.com



12/19/2012



architects.com

PROGRES SET
FOR PRICING

PROJECT TITLE
733 Broadway
New Construction

733 Broadway
Albany, NY 12207

FIRST FLOOR PLAN

CONTRACT

DRAWN BY
CJW/LCD

CHECKED BY
—

DATE
12/14/2012

PROJECT NO.
11-008.02

REVISIONS

NOTES

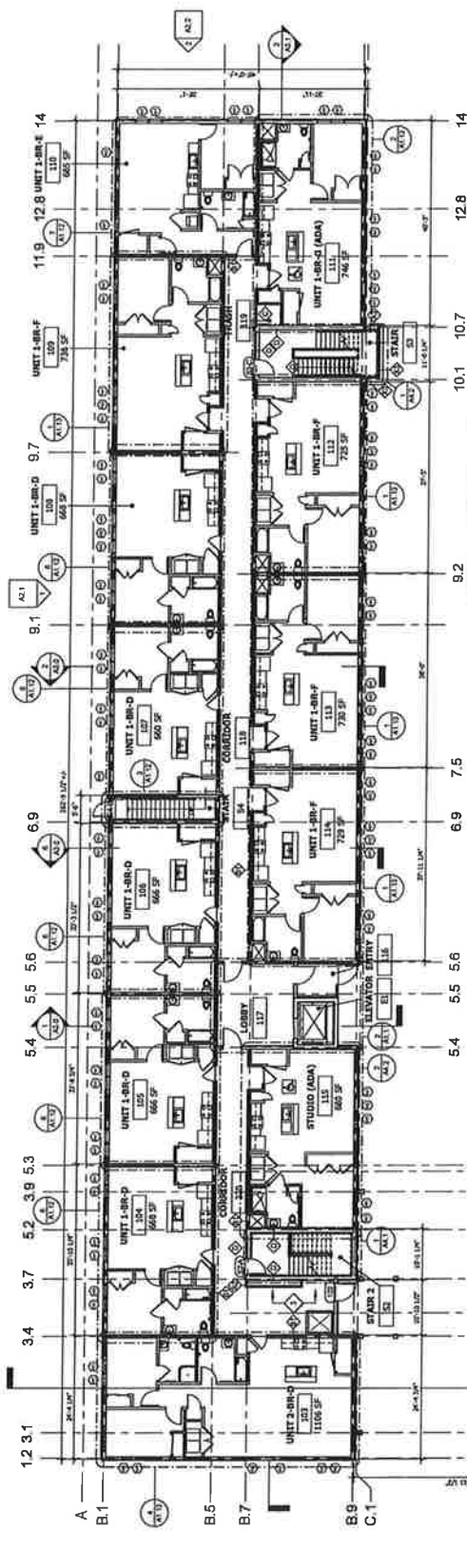
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448 Broadway Albany, NY 12207
PH 518 688 9900 FX 518 688 9901

SHEET NO.

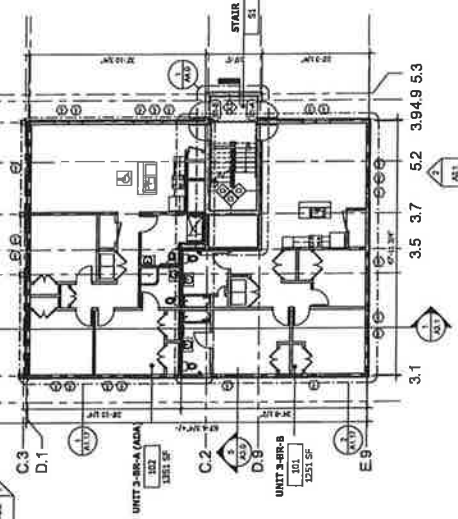
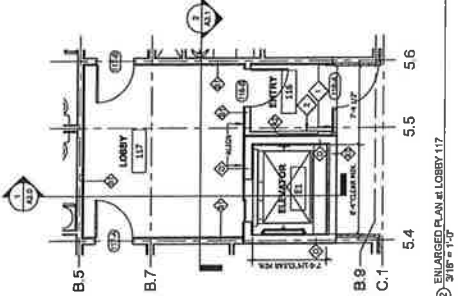
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- FLOOR PLAN GENERAL NOTES**
1. SEE ALL DIMENSIONS AND NOTES ON ALL SHEETS.
 2. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
 3. THE ARCHITECT AND CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
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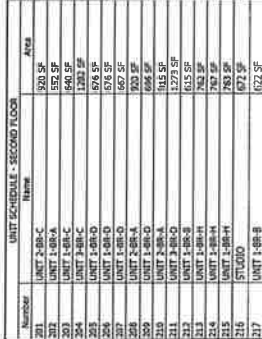
Number	Name	Area
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102	UNIT 1-02A	1,231 SF
103	UNIT 1-03A	1,231 SF
104	UNIT 1-04A	1,231 SF
105	UNIT 1-05A	1,231 SF
106	UNIT 1-06A	1,231 SF
107	UNIT 1-07A	1,231 SF
108	UNIT 1-08A	1,231 SF
109	UNIT 1-09A	1,231 SF
110	UNIT 1-10A	1,231 SF
111	UNIT 1-11A	1,231 SF
112	UNIT 1-12A	1,231 SF
113	UNIT 1-13A	1,231 SF
114	UNIT 1-14A	1,231 SF
115	UNIT 1-15A	1,231 SF

- KEY NOTES - FIRST FLOOR**
- 1. ALL HEIGHTS: TYPICALLY 8'0" TO 9'0".
 - 2. ALL HEIGHTS: TYPICALLY 8'0" TO 9'0".
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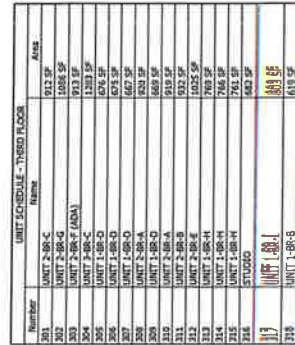


1. FIRST FLOOR OVERALL PLAN
3/8" = 1'-0"

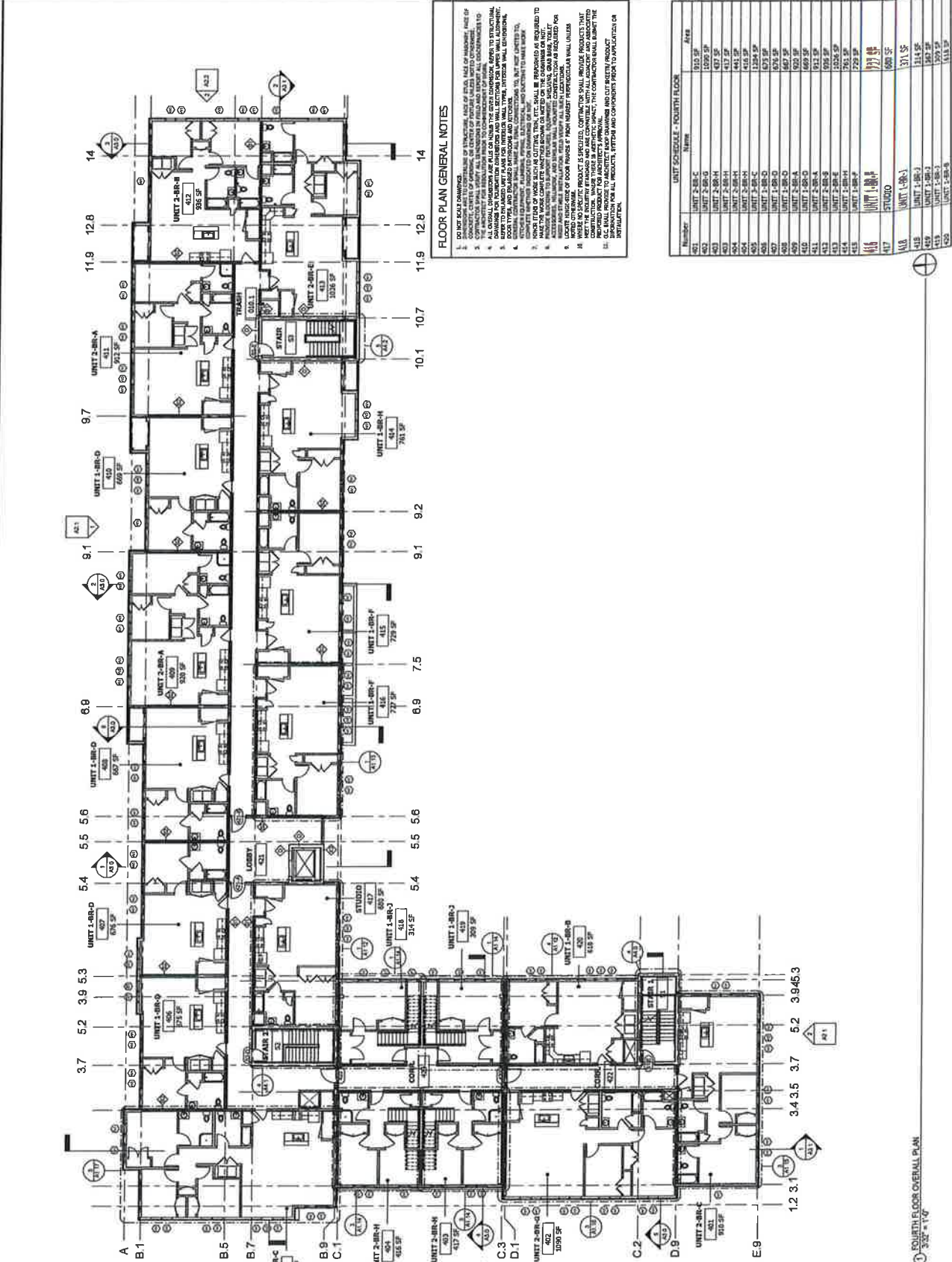
2. ENLARGED PLAN OF LOBBY 117
3/8" = 1'-0"



⑦ SECOND FLOOR OVERALL PLAN



① THIRD FLOOR OVERALL PLAN
3/32" = 1'-0"



MILESTONES SCHEDULE

733 Broadway

Pre-Application to HUD	August, 2012
Zoning Board Approval	December, 2012
Planning Board Approval	December, 2012
HUD Invitation to Firm	July, 2013 est.
AIDA PILOT Consideration	July/August, 2013
Construction Bidding	July - August, 2013
HUD Firm Commitment	August, 2013
HUD Loan Closing	October, 2013
Construction Start	November, 2013
Construction Completion	May, 2015
Lease Up	May – September 2015

CITY APPROVALS

Status of City Land Use Approvals

In December of 2012, the City's Zoning Board of Appeals and Planning Board provided the necessary approvals for the 733 Broadway project. Additionally, Planning Board issued a Negative Declaration as per the provisions of SEQR confirming that the project's environmental impacts are negligible or non-existent. The project was deemed to be an Unlisted Action.

The Planning Board approval was contingent upon: 1.) 25% of demolition debris being diverted from the landfill, 2.) approval by the City's Water Department of the SWPPP and water/sewer connections, 3.) purchase of Jackson Street from the City; and, 4.) the establishment of all necessary easements in Jackson Street to maintain all utilities and infrastructure.

All conditions will be satisfied prior to the start of construction at the time that the financing for the project closes.

NOTIFICATION OF LOCAL ACTION
DECISION OF THE CITY OF ALBANY BOARD OF ZONING APPEALS

► Important Note: This is not a building permit. All building permits must be approved and issued by the Division of Building & Codes prior to the start of any construction.

ADDRESS OF SUBJECT PROPERTY: **733 Broadway**

IN THE MATTER OF: **Parking Lot Permit to allow a seventy (70)-space parking area as accessory to a proposed four (4)-story, +/- 83,300 square foot, seventy (70)-unit apartment building.**

APPLICANT: **Norstar Development USA c/o Hershberg & Hershberg**

ADDRESS: **18 Locust St., Albany, NY 12203**

CASE NUMBER: **11-12, 4045**

DATE APPLICATION RECEIVED: **10/5/12**

DATE OF HEARING: **11/14/12**

DATE OF DECISION: **12/12/12**

WARD: **4**

DECISION: **Approved**

N.A.: **N/A**

HISTORIC/ SPECIAL DISTRICT(S): **Downtown Albany Business Improvement District**

The request is **Approved**, by the following vote:

For: 6	Apostol: Y	Ray: Y
Against: 0	Cronin: Y	Tucker-Ross: Y
Abstain: 0	Moran: Y	Viele: Y

Site Description

The property in question is located on the east side of Broadway between Spencer Street and Livingston Avenue in a C-3 Central Business zoning district and Downtown Albany Business Improvement District. The property is improved with three-story, +/- 44,400 square foot, commercial structure and a +/- 80-space accessory parking area. The project also involves the purchase of a portion of the Jackson Street right-of-way as it abuts the rear of the subject property and extends towards its terminus at Livingston Avenue.

Relevant Considerations

The applicant is proposing to construct a 70-space parking area as accessory to the construction of a 70-unit apartment structure to be constructed at the site. The proposed apartment building is a permitted use of the site, but will required Site Plan Approval from the City Planning Board as well as an approval of the demolition of the existing building at the site. The existing site is already improved with approximately 80 parking spaces, albeit in a differing configuration.

The property is located in a C-3 zoning district and thus there is no parking requirement for the new structure. However, the applicant seeks to provide a minimum of 70 parking spaces at the site as an amenity to residents and as a requirement of the lender that is financing the project. The proposed parking will require authorization by means of a Parking Lot Permit:

§ 375-174. Development and maintenance of parking and loading areas.

Authorization of the Board shall be required for parking, storage or garaging for more than four vehicles. Every parcel of land used in whole and in part as a public or private parking area or loading area, including a commercial parking lot and automobile or trailer sales lot, shall be developed and maintained in accordance with this article.

**NOTIFICATION OF LOCAL ACTION
DECISION OF THE CITY OF ALBANY PLANNING BOARD**

ADDRESS OF SUBJECT PROPERTY: 733 Broadway

IN THE MATTER OF: Site Plan Approval to allow for the construction of a four (4)-story, +/- 82,300 square feet, seventy (70)-unit apartment building and a seventy (70)-space accessory parking area. Demolition Approval is also sought for the demolition of a two (2)-story, 47,200 square foot structure at the site.

APPLICANT: Norstar Development USA c/o Hershberg and Hershberg
ADDRESS: 18 Locust St., Albany, NY 12203

CASE NUMBER: 10-12, 853

Date Received: 10/5/12
Preliminary Presentation: 10/18/12
Subsequent Presentation: 12/20/12
SEQR Classification: Unlisted Action
SEQR Determination: 12/20/12
Date of Decision: 12/20/12

Vote:	For Approval:	4	Abbott:	Y	Pryor:	Y
	Against:	0	Fox:	Y	Trant:	NIA
	Abstain:	0	Hancox:	Y		

Relevant Considerations:

Owner: 733 Broadway, LLC, 200 S. Division St., Buffalo, NY 14204

Applicant: Norstar Development USA, 200 S. Division St., Buffalo, NY 14204

Authorized Agent: Hershberg and Hershberg, 18 Locust St., Albany, NY 12203

Parcel size: 1.3 acres.

Property Valuation: \$1,000,000 +.

Location: The property is located on the east side of Broadway between Spencer Street and Livingston Avenue, and currently abuts unimproved Jackson Street at its eastern boundary.

Zoning: C-3 (Central Business). A Parking Lot Permit was approved by the Board of Zoning Appeals on December 12, 2012.

Surrounding Uses: *North:* +/- 160-space parking lot of Selected Properties of the Northeast, LLC. *West:* 171,144 sq. ft. Leo W. O'Brien Federal Office Building and

accessory parking garage. *East:* 87,616 sq. ft. office building and parking lot of Progressive Casualty Insurance Company. *South:* Vacant lands and buildings of Albany Soma Project, LLC.

Project Overview: The applicant is proposing to demolish an existing two-story, 47,200 square foot commercial structure in order to construct a +/- 82,300, 70-unit apartment building and accessory parking area. The apartment structure will be built in the shape of an "L" with primary frontage along Broadway and a perpendicular extension along the northern property boundary adjacent 737 Broadway.

Jackson Street Land Acquisition: The applicant intends to acquire a 0.34-acre strip of land from the City of Albany currently known and referenced as the Jackson Street right-of-way. This piece of land is an ill-maintained and largely unutilized segment of roadway. Acquisition of the land will allow the applicant to provide the full allocation of seventy parking spaces needed to obtain construction financing.

Parking & Traffic: The applicant proposes seventy parking spaces at the site (1.0 per dwelling unit). 45 spaces are to be located on land currently owned by the applicant, while the remaining 25 will be located on the currently unutilized Jackson Street right-of-way to be purchased from the City of Albany. Traffic is proposed to enter from Broadway via an archway built into the building façade and exit via the former Jackson Street right-of-way onto Livingston Avenue.

Transit Service: The site is most directly served by CDTA Route #22 and #116 running along the Broadway corridor, but is within proximity to numerous other transit services.

Pedestrian Accessibility: A concrete walk is proposed to lead to three distinct entrances to the building. The plan proposes no direct ingress/egress onto Broadway, the main abutting thoroughfare, with the nearest access being approximately thirty feet set back. While the general orientation of the building is sound, pedestrian access is internally oriented. The applicant was unwilling to modify proposed entrance locations.

Water/Sewer: Daily water use is estimated at 14,000 GPD. A new sanitary sewer connection will connect to a combined sewer running along the Jackson Street right-of-way. A proposed water service is as-yet-undetermined.

Storm Water: The applicant is preparing a Storm Water Pollution Prevention Plan (SWPPP) for submission to the Department of Water & Water Supply.

Archeology: Phase 1A and Phase 1B Archeological Surveys were prepared by The Louis Berger Group, Inc. for a prior iteration of this project. Trenching indicate that twentieth-century industrial development had removed any historic or prehistoric archeological deposits that may have been present in the area. These findings should hold true given the changes in the current site design.

Landscaping: The applicant proposes the planting of sixteen trees and numerous shrubs throughout the project site. There are currently no street trees located along the abutting section of Broadway and none are proposed.

Lighting: A total of sixteen pole-mounted lights and six building-mounted lights are proposed to light the interior site and parking areas. Photometric drawings do not depict any substantive impact upon adjacent properties.

Solid Waste: Two trash dumpsters are provided at the rear of the building. A private collection service will be utilized.

Signage: The number “733” appears on the building façade in several visible locations.

Demolition: The 47,200 square foot structure to be demolished is a two- to four-story structure of steel frame, brick and concrete block construction. The site slopes to the east resulting in the variation in number of floors. The building has two-story frontage along Broadway and a four-story façade inclusive of a loading area at its rear. It was constructed circa 1930 for a plumbing supply company and is currently used as commercial offices and storage space. While functionally and structurally sound, the building is not ideally suited to the highest and best use of the land.

Actions Taken:

The Board issued a **Negative Declaration** for this **Unlisted Action** as per the provisions of SEQR, as the environmental impacts are negligible or non-existent.

The Board **Approved** the demolition of 733 Broadway with the following conditions:

1. A minimum of twenty-five percent (25%) of construction and demolition debris generated from demolition shall be diverted from disposal to landfills through recycling, reuse and diversion programs.

The Board **Approved** the site plan with the following conditions:

1. The Storm Water Pollution Prevention Plan (SWPPP) and water/sewer service connections shall be approved by Department of Water & Water Supply.
2. The applicant shall complete the purchase of the Jackson Street right-of-way and fully incorporate this area into building site as proposed; the land should be merged into existing tax parcel # 65.83-1-32.
3. An easement agreement shall be put into place providing for continued access to all under- and above-ground utilities or other City, County and private infrastructure within the discontinued Jackson Street right-of-way.

I, **Edward Trant** representing the Planning Board of the City of Albany, hereby certify that the foregoing is a true copy of a decision of the Planning Board made at a meeting thereof duly called and held on the day of **December 20, 2012**.

Date: **12/20/12**

Signature: _____

Edward R. Trant

This is not a building permit. All building permits must be approved and issued by the Building Department prior to the start of any construction.

Prior to making an application for a Certificate of Occupancy, the applicant will be required to submit to the Building Department an “as built” site plan which depicts all elements shown on the approved site plan including but not limited to contours, landscaping, building locations, utilities paved and parking areas, signage, accessory structures and other related physical improvements.


SHORT ENVIRONMENTAL ASSESSMENT FORM

INSTRUCTIONS:

In order to answer the questions in this short EAF it is assumed that the preparer will use currently available information concerning the project and the likely impacts of the action. It is not expected that additional studies research or other investigations will be undertaken.

ENVIRONMENTAL ASSESSMENT

- | | | | |
|-----|--|---------------|-------------|
| 1. | Will the project result in a large physical change to the project site or physically alter more than 10 acres of land?..... | __Yes | <u>X</u> No |
| 2. | Will there be a major change to any unique or unusual landform found on this site?..... | __Yes | <u>X</u> No |
| 3. | Will project alter or have a large effect on an existing body of water?..... | __Yes | <u>X</u> No |
| 4. | Will project have a potentially large impact on groundwater quality? | __Yes | <u>X</u> No |
| 5. | Will project significantly affect drainage flow or air quality?..... | __Yes | <u>X</u> No |
| 6. | Will project affect any threatened or endangered plant or animal species... | __Yes | <u>X</u> No |
| 7. | Will project result in a major adverse impact on air quality?..... | __Yes | <u>X</u> No |
| 8. | Will project have a major effect on visual character of the community or scenic views or vistas known to be or important to the community?... | __Yes | <u>X</u> No |
| 9. | Will project adversely impact any site or structure of historic, prehistoric or paleontological importance or any site designated as a critical environmental area by a local agency?..... | __Yes | <u>X</u> No |
| 10. | Will project have a major effect on existing or future recreational opportunities? | __Yes | <u>X</u> No |
| 11. | Will project result in major traffic problems or cause a major impact on existing transportation systems?..... | __Yes | <u>X</u> No |
| 12. | Will project regularly cause objectionable odors, noise, glare, vibration, or electrical disturbances as a result of the project's operation?..... | __Yes | <u>X</u> No |
| 13. | Will project have any impact on public health or safety?..... | __Yes | <u>X</u> No |
| 14. | Will project affect the existing community by directly causing a growth? in permanent population of more than 5% over a one-year period <u>or</u> have a major negative effect on the character of the community or neighborhood?..... | __Yes | <u>X</u> No |
| 15. | Is there any public controversy concerning the project?.....X. | Unknown __Yes | __No |

PREPARER'S SIGNATURE:  TITLE: Engineer for the applicant

Daniel R. Hershberg, P.E.&L.S.

REPRESENTING: Norstar Development USA DATE: 10/3/12

MEMO

TO: City of Albany IDA Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: TMG-NY Albany I, LP

DATE: July 8, 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 Finance Committee at the June 12th meeting. Applicant is seeking to obtain approval to all straight lease related items including a Project SEQR Resolution, Project Commercial Findings Resolution, Project Deviation Resolution, and Project Bond Approving Resolution.

The Committee is being asked to make a positive recommendation that the aforementioned resolutions be considered by the Board at the July 18th Board meeting.

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

- 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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City of Albany

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400 HUDSON AVENUE

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.

NOELLE AFFORDABLE HOUSING CORPORATION
141-07 Twentieth Avenue-Suite 507
Whitestone, New York 11357
(212)661-5015

July 1, 2013

Mr. Michael Yevoli
Chief Executive Officer
City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207

Re: Request for IDA Assistance for Parkview Apartments Project

Dear Mr. Yevoli:

Attached is a revised application, as well as the appropriate supplementary material required by the City of Albany Industrial Development Agency, for the consideration of financial assistance associated with the Noelle Affordable Housing Corporation's Parkview Apartments project. This application reflects updates to the project and incorporates various matters we have discussed with your staff.

Parkview Apartments consists of 179 units, primarily studios and large one bedroom units. In addition, we will construct three new studio units on the first floor which will be fully handicapped accessible units. The total number of affordable units at Parkview after renovations will be 182. It is a designated as an affordable development for senior citizens. The property is located west of Downtown on Hudson Avenue directly across from Washington Park. Some of the units offer beautiful views of the Park. Mass transit is located directly on Hudson Avenue for easy access for the tenants. Albany Medical Center is situated two blocks from the property. There is shopping within walking distance of the site. We will obtain Bond Financing, Low Income Housing Tax Credits and grants in order to purchase, renovate and operate the building as an affordable rental community for the next forty years.

The developer is seeking to obtain sales tax exemption, mortgage recording tax exemption and real property tax abatement. Currently the property has a PILOT in the amount of \$17,000 per year, which has been fixed since 1972. We are proposing a 40 year PILOT in the initial amount of approximately \$43,000/year, this will increase of 3% each year for the term of the PILOT.

The reason we require the IDA's assistance is due to fact that allowed rents are substantially below 50% of the area median income (AMI) and therefore in order to keep the rents affordable

to the tenants and still be able to operate the property it is necessary that we obtain the requested assistance from the City. Parkview has been a senior affordable housing development since 1972. It is imperative that in order to keep this development viable for another forty years there needs to be a complete renovation of the property. The systems in the building have exceeded their useful life and are not functional or energy efficient and need to be replaced. It is important for the City stakeholders to understand that this building will be a problem to the community if these issues are not addressed.

Please do not hesitate to contact me if you have any questions or find additional information is needed. I look forward to working with the Agency on this project. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael O'Donnell". The signature is fluid and cursive, with a large initial "M" and a stylized "O'Donnell".

Michael O'Donnell
Chief Operating Officer

Enclosure

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the City of Albany Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

This application by applicant respectfully states:

APPLICANT: TMG-NY Albany I, LP

APPLICANT'S ADDRESS: 141-07 20th Avenue

CITY: Whitestone STATE: New York ZIP CODE: 11357

PHONE NO.: 212-661-5015 FAX NO.: 212-661-5771 E-MAIL:

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO
THIS APPLICATION: Michael O'Donnell, Laurie Gordon, Angela Burke

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: John Poklemba, Esq.

ATTORNEY'S ADDRESS: 2715 Route 9-Suite 102

CITY: Malta STATE: New York ZIP CODE: 12020

PHONE NO.: 518-581-9797 FAX NO.: 518-581-9590 E-MAIL: phu@phulawyers.com

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING
OUT THIS FORM.

INSTRUCTIONS

- 1 The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return eight (8) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of One Thousand Five Hundred Dollars (\$1,500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**

1. Project Number	
2. Date application Received by Agency	. 20
3. Date application referred to attorney for review	. 20
4. Date copy of application mailed to members	. 20
5. Date notice of Agency meeting on application posted	. 20
6. Date notice of Agency meeting on application mailed	. 20
7. Date of Agency meeting on application	. 20
8. Date Agency conditionally approved application	. 20
9. Date scheduled for public hearing	. 20
10. Date Environmental Assessment Form ("EAF") received	. 20
11. Date Agency completed environmental review	. 20
12. Date of final approval application	. 20

SUMMARY OF PROJECT

Applicant: TMG-NY Albany I, LP

Contact: Michael O'Donnell

Phone: 212-661-5015

Project Location: 400 Hudson Avenue,
Albany, New York

Approximate Size of Project Site: 130,000 Sq. Ft.

Description of Project: The building is a 13 story high rise that consists of 182 senior affordable housing units with community space.

Type of Project: ☐ Manufacturing
☐ Commercial
☒ Other-Specify-Affordable Senior Housing

Employment Impact: Existing Jobs-New Jobs-Yes-Five existing jobs and 60
Construction jobs.

Project Cost: \$19,023,331

Type of Financing: ☒ Tax-Exempt

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

Project Cost: \$ 19,023,331

Type of Financing: ☒ Tax-Exempt

Amount of Bonds Requested: \$

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$328,000
Mortgage Recording Taxes:	\$158,750
Real Property Tax Exemption:	\$ 0

INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT
(HEREINAFTER, THE "COMPANY").

A. Identity of Company:

Company Name: TMG-NY Albany I, LP

1.

Present Address: 141-07 Twentieth Avenue-Suite 507

Whitestone, NY

Zip Code: 11357

Employer's ID No.:45-3555404

2. If the Company differs from the Applicant, give details of relationship: N/A

3. Indicate type of business organization of Company: Real Estate

a. (If so, incorporated in what country?-USA

What State? Delaware

Date Incorporated 9/8/11

Type of

Corporation? Limited Partnership Authorized to do business in New York?

Yes X ; No

b. _____ Partnership (if so, indicate type of partnership: Limited Partnership.

Number of general partners 1 Number of limited partners 1.

c. _____ Limited liability company, Date created? _____

d. _____ Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship: No

B. Management of Company: _____

List all owners, officers, members, directors and partners (complete all columns for each person): See Attachment

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
Royce A. Mulholland Noelle Affordable Housing Corp.	Chairman of the Board General Partner	

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes ; No X

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ; No X

4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes ; No X
(If yes to any of the foregoing, furnish details in a separate attachment).

5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment.

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Ye No X

If yes, list exchanges where stock traded:

2. If no, list all stockholders having a 5% or more interest in the Company:

<u>NAME</u>	<u>ADDRESS</u>	<u>PERCENTAGE OF HOLDING</u>
<u>Noelle Affordable Housing Corp.</u>	<u>141—07 20th Avenue</u>	<u>.01%</u>
<u>(General Partner)</u>	<u>Whitestone, NY</u>	<u>.01%</u>
<u>Special Limited Partner</u>	<u>Stratford Capital Group</u>	
<u>Investment Partnership</u>	<u>Investor Limited Partner</u>	<u>99.98%</u>

D. Company's Principal Bank(s) of account: HSBC, 144-61 Northern Blvd., Flushing, NY

IL DATA REGARDING PROPOSED PROJECT

A. Summary: (Please provide a brief narrative description of the Project.) Parkview Apartments consists of 179 units of affordable housing for seniors and special needs persons. We will be adding an additional 3 units to make the total 182 units of affordable housing. The property is located on Hudson Avenue directly across from Washington Park. Some of the units offer beautiful views of the park. The property was newly constructed in 1972 and has been operated by B'nai B'rith since its completion. We will renovate all the units with new kitchens and bathrooms and upgrade appliances to energy efficient standards. In addition, we will upgrade all the building systems such as heating, air-conditioning and electric. We will renovate the exterior of the building and the lobby areas as well. We will provide needed support services to the residents in order to assist with their daily life needs.

B. Location of Proposed Project:

1. Street Address: 400 Hudson Avenue
2. City: Albany
3. Town: N/A
4. Village: N/A
5. County: Albany

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: 130,000 sq. ft.
Is a map, survey or sketch of the project site attached? Yes X; No
2. a. Are there existing buildings on project site? Yes X; No
If yes, indicate number and approximate size (in square feet) of each existing Building: One Building and it is approximately 130,000 sq. ft.

b. Are existing buildings in operation? Yes X ; No
If yes, describe present use of present buildings: 179
Units of affordable senior housing.

c. Are existing buildings abandoned? ; No X. About
to be abandoned? ; No X. If yes, describe:

Attach photograph of present buildings.

3. Utilities serving project site:
Water-Municipal: Albany
Water Board
Sewer-Municipal: Albany
Water Board
Electric-Utility: National
Grid
Heat-Utility: Gas
National Grid

3. Present legal owner of project site:

Gideon Lodge No. 140 B'nai B'rith Housing Development Fund, Inc., a New York Corporation

- a. If the Company owns project site, indicate date of purchase:

_____, 20____; Purchase price: \$

- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes: X ; No . If yes,

indicate date option signed with owner: March 18, 2011 (Amended on 4/3/12); and the date the option

expires: 60 days after financing is obtained

- c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes ; No X. If yes, describe:

5. a. Zoning District in which the project site is located: R2B

- b. Are there any variances or special permits affecting the site? Yes X
No. If yes, list below and attach copies of all such variances or special permits: Telecommunications tower on roof.

D. Buildings:

1. Does part of the project consist of a new building or buildings? Yes; No X
If yes, indicate number and size of new buildings:

Does part of the project consist of additions and/or renovations to the existing buildings? Yes X ; No . If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:
See Attachment A-Additions/Renovations

Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded: Affordable Senior Housing

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes ☒ ; No ☐ . If yes, describe the Equipment: New air-conditioning and heating systems, electric upgrades, roofs and safety systems.
2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes: ☐ No: ☒ X
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed: To heat and air-condition the building common areas and individual apartment units. We will provide state-of-art equipment in the units that will be energy efficient throughout the building in order to increase the useful life of the building.

F. Project Use:

1. What are the principal products to be produced at the Project? Affordable senior residential apartments.
2. What are the principal activities to be conducted at the Project? Residential
3. ☐ Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes ☒ X ; No ☐ . If yes, please provide detail:
4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? 100%
5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:

- a. Will the Project be operated by a not-for-profit corporation? Yes ☒ ; No . If yes, please explain: Noelle Housing Development Corp. shall operate the building as a senior affordable housing community.
- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes ; No ☒ . If yes, please explain: N/A
- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes ; No ☒ . If yes, please explain: N/A
- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonable accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes ; No. ☒ If yes, please provide detail: N/A
- e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes ☒ ; No . If yes, please explain: The project is located within a QCT in accordance with Section 42 of the IRS Code.

6. If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes ☒ ; No . If yes, please explain: There will be five permanent jobs on site.

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? No

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes ; No X If yes, please provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project: N/A

a. Is the Project reasonably necessary to preserve the competitive position of the Company on such Project Occupant in its industry?
No ____ . If yes, please provide detail: N/A

b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes ; No . If yes, please provide detail: N/A

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

Yes-City of Albany-IDA, , City of Albany, Federal Home Loan Bank, Department of Housing and Community Renewal and New York State Energy Research and Development Authority. Also we will need approvals from the Department of Building and Regulatory Compliance.

Describe the nature of the involvement of the federal, state or local agencies described above: See Attachment B-Involved Agencies

H. Construction Status: Has not commenced.

I. Has construction work on this project begun? Yes ; No X . If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

2. Please indicate amount of funds expended on this project by the Company in the past three (3) years and the purposes of such expenditures: Approximately \$50,000 in plans and reports in order to apply to various state and city agencies.

I. Method of Construction After Agency Approval:

1. ___ If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the project Yes X ___; No ___

2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes X ___; No ___

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT.
(PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS
TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes X ___; No __. If yes, please complete the following for each existing or proposed tenant or subtenant: TBD--However there shall be leases with the residents.

I. Sublessee name:

Present Address:

City: _____ State: _____ Zip: _____

Employer's ID No.:

Sublessee is: _____ Corporation: _____ Partnership: _____ Sole

Proprietorship Relationship to Company:

Percentage of Project to be leased or subleased:

Use of Project intended by Sublessee:

Date of lease or sublease to Sublessee:

Term of lease or sublease to Sublessee:

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ___; No __. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee

2. Sublessee name:
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____
_____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes _____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

3. Sublessee name:
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ; No . If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? 100% Residential tenants

IV. Employment Impact

A. Indicate below the number of people presently employed at the project site and the number that will be employed at the project site at end of the first and second years after the project has been completed (Do not include construction workers). Also indicate below the number of workers employed at the project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT					
	PROFESSIONAL MANAGERIAL	SKILLED	SEMI- SKILLED	UNSKILLED	TOTALS
Present Full Time	Property Manager Superintendent Social Service Provider	3			3
Present Part Time	Maintenance Staff Food Server		2		2
Present Seasonal	N/A				
First Year Full Time	Property Manager Assistant Property Mgr Superintendent Assistant Super Social Service Provider	3	2		5
First Year Part Time	N/A				
First Year Seasonal	N/A				
Second Year Full Time	Same as above				
Second Year Part Time	N/A				
Second Year Seasonal	N/A				

B. Please prepare a separate attachment describing in detail the types of employment at the project site. Such attachment should describe the activities or work performed for each type of employment. See Attachment C-Staffing

V. Project Cost

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the project site and the construction of the proposed project including the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$572,000
Buildings	\$4,628,000
Machinery and equipment costs	\$0
Utilities, roads and appurtenant costs	\$0
Architects and engineering fees	\$375,000
Costs of Bond issue (legal, financial	

and printing)	\$ 1,175,040
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)Reserves	\$ 997,498
Fees	\$ 2,771,567
Construction	\$ 7,369,783**
Soft Cost	\$ 215,580
Relocation	\$100,000
Contingency	\$ 818,864
 TOTAL PROJECT COST	 \$ 19,023,331

B. Have any of the above expenditures already been made by applicant?

Yes X; No . (If yes, indicate particular.) Legal fees, architectural fees, appraisal and preparation of physical needs assessment.

**Includes the acquisition and installation therein and thereon related to fixtures, machinery, equipment and other tangible personal property.

V. BENEFITS EXPECTED FROM THE AGENCY

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the project? Yes X ; No ____ . If yes, indicate:

a. Amount of loan requested: \$10,720,000 Dollars; Not to exceed \$11,500,000

b. Maturity requested: 40 Years.

2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes X; No

3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes:

a. retail food and beverage services: Yes ; No X

b. automobile sales or service: Yes ____; No X

c. recreation or entertainment: Yes ____; No X

d. golf course: Yes ; No X

e. country club: Yes ; No X

f. massage parlor: Yes ; No X

g. tennis club: Yes ____; No X

h. skating facility (including roller X

i. skating, skateboard and ice skating): Yes ____; No X

j. racquet sports facility (including Yes No X
handball and racquetball court): Yes ; No X

k. hot tub facility: Yes ____; No X

l. suntan facility: Yes ; No X

m. racetrack: Yes ; No X

4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment.

5. Is the Project located in the City's federally designated Enterprise Zone?
Yes ____; No X
6. Is the applicant requesting the Agency to issue federally tax-exempt Enterprise Zone bonds? Yes No X

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency? Yes X ; No
2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes X ; No ____ . If yes, what is the approximate amount of financing to be secured by mortgages? There will be Bonds in the amount of \$10,720,000 (Not to exceed \$11,500,000). Homes for Working Families in the amount of \$1,200,000.

Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes X ; No
If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$4,100,000.

3. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

a.	N.Y.S. Sales and Compensating Use Taxes:	\$328,000
b.	Mortgage Recording Taxes:	\$158,750
c.	<u>Real Property Tax Exemptions:</u> _____	\$ 0
d.	<u>Other (please specify):</u> _____	

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's tax-exemption policy contained in its Rules and Regulations? Yes ; No X . If yes , please explain .

6. Is the Project located in the City's state designated Empire Zone? No

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VI. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency as follows:

A. Job Listings. Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and with the administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.

B. First Consideration for Employment: In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. City Human Rights Law. The Applicant agrees to endeavor to comply with the provisions of Article XI, Division 2 of the City Code, entitled "The Omnibus Human Rights Law". The Applicant understands that it is not subject to the provisions of The Omnibus Human Rights Law.

D. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

E. Annual Employment Reports: The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

G. Absence of Conflicts of Interest: The applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

TMG-NY Albany I, LP

By: 
Michael O'Donnell

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION
APPEARING ON PAGES 18 THROUGH 21 HEREOF BEFORE A NOTARY PUBLIC AND MUST
SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 22

VERIFICATION-Not Applicable

(If Applicant is a Corporation)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____ deposes and says that he is the
(Name of chief executive of applicant)

_____ of _____
(Title) (Company Name)

the corporation named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. Deponent further says that the reason this verification is made by the deponent and not by said company is because the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

(officer of applicant)

Sworn to before me this
_____ day of _____, 20__.

(Notary Public)

VERIFICATION-Not Applicable

(If applicant is sole proprietor)

STATE OF _____)
) SS.:
COUNTY OF _____)

deposes and says

(Name of Individual)

that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application.

Sworn to before me this day
of _____, 20__.

(Notary Public)

VERIFICATION-Not Applicable

(If applicant is partnership)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____, deposes and says (Name of Individual)
that he is one of the members of the firm of _____

(Limited Liability Company)

the limited liability company named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said limited liability company.

Sworn to before me this
____ day of _____, 20__

(Notary Public)

VERIFICATION

(If applicant is a partnership)

STATE OF: (New York)

) SS.:

COUNTY OF (Queens)

MICHAEL O'DONNELL , deposes and says

Michael O'Donnell

that he is one of the members of the firm of TMG-NY Albany I, LP

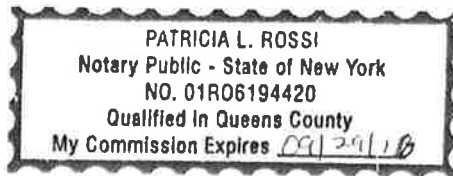
(Partnership Name)

the partnership named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said partnership.

MICHAEL O'DONNELL

Sworn to before me this day
2 of July , 20 13

[Signature]
(Notary Public)



NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD
HARMLESS AGREEMENT APPEARING ON PAGE 22 IS SIGNED BY THE APPLICANT.

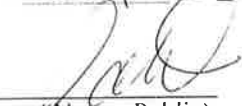
HOLD HARMLESS AGREEMENT

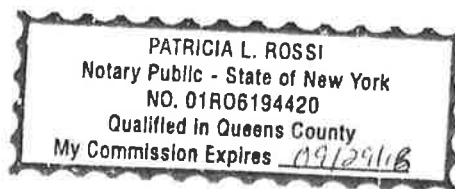
Applicant hereby releases City of Albany Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issue of bonds requested therein are favorably acted upon by the Agency, and (ii) the Agency's financing of the Project described therein; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

(Applicant)

BY: 

Sworn to before me this day
2 of July, 2013


(Notary Public)



TO: Project Applicants
FROM: City of Albany Industrial Development Agency
RE: Cost/Benefit Analysis

In order for the City of Albany Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

Since we need this Questionnaire to be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"): TMG-NY Albany I, LP
2. Brief Identification of the Project: 182 Units of Senior Affordable Housing project.
3. Estimated Amount of Project Benefits Sought:
 - A. Amount of Bonds Sought: \$10,720,000 (not to exceed \$11,500,000)
 - B. Value of Sales Tax Exemption Sought \$ 328,000
 - C. Value of Real Property Tax Exemption Sought \$ 0
 - D. Value of Mortgage Recording Tax Exemption Sought \$ 158,750

E. PROJECTED PROJECT INVESTMENT

- A. Land-Related Costs
 1. Land acquisition \$572,000
 2. Site preparation \$
 3. Landscaping \$
 4. Utilities and infrastructure development \$
 5. Access roads and parking development \$
 6. Other land-related costs (describe) Title and Recording \$ 85,000
 7. Insurance Deposit \$ 34,580
- B. Building-Related Costs
 1. Acquisition of existing structures \$ 4,628,000
 2. Renovation of existing structures \$ 7,369,783**
 3. New construction costs
 4. Electrical systems
 5. Heating, ventilation and air conditioning (Electrical, Heating and
 6. Plumbing Plumbing included above)

** Includes the acquisition and installation therein and thereon related fixtures, machinery, equipment, and other personal property.

C. Machinery and Equipment Cost-Not Applicable

1. Production and process equipment
2. Packaging equipment
3. Warehousing equipment
4. Installation costs for various equipment
5. Other equipment-related costs (describe)

D. Furniture and Fixture Costs-(Leasing Office and Community Room Amentities included above)

1. Office furniture
2. Office equipment Computers
3. Other furniture-related costs (describe)

E. Working Capital Costs

1. Interim Interest Reserve	\$525,698
2. Contingency	\$1,105,467 (Incl. Const. Manager Fee)
3. Transitional Operating Reserve Fund	\$428,800
4. Debt service	
5. Relocation costs	\$100,000
6. Skills training	
7. Negative arbitrage Reserve	\$
8. Real Estate Tax Escrow	\$ 43,000

F. Professional Service Costs

1. Architecture and engineering	\$375,000
2. Accounting/legal	\$ 330,000
3. Other service-related costs (describe) Dev Fee	\$2,484,964
4. Third Party Reports	\$ 81,000
5. Construction Lender Fee	\$
6. Application Fee, Marketing, Consultant Fee	\$ 860,040 (Cost of Issuance Fees)

Summary of Expenditures

Total Land-Related Costs:	\$ 691,580
Total Building-Related Costs:	\$11,997,783
Total Machinery and Equipment Costs:	\$ N/A
Total Furniture and Fixture Costs:	\$ N/A
Total Working Capital Cost:	\$2,202,965
Total Professional Service Costs	\$4,131,004

PROJECTED PROFIT

- I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization:

<u>Projected Profit</u>		
Year	Without IDA*	With IDA benefits
1	\$0	\$ 133,547
2	\$0	\$ 139,768
3	\$0	\$ 41,690
4	\$0	\$ 47,755
5	\$0	\$ 53,731

*It is imperative that IDA fund the first mortgage on this project

<u>PROJECTED CONSTRUCTION EMPLOMENT IMPACT</u>		
Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
1	\$5,086,000	\$152,584
2		
3		

<u>PROJECTED PERMANENT EMPLOMENT IMPACT</u>		
Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
1	\$267,0000	N/A
2	\$267,0000	N/A
3	\$267,0000	N/A
4	\$267,0000	N/A
5	\$267,0000	N/A

- I. Please provide estimates of total number of existing permanent jobs to be preserved or retained as a result of the Project:

Five permanent jobs.

- III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

IV. Provide the projected percentage of employment that would be filled by City of Albany residents: 100%

A. Provide a brief description of how the project expects to meet this percentage: We will advertise in the Albany Times Union for various employment opportunities. We will also work with City Agencies on filling jobs as well.

I. Please provide estimates for the impact of Project operating purchases and sales: N/A

Additional Purchases (1st year following 7-
project completion)

\$ N/A

Additional Sales Tax Paid on Additional Purchases

N/A

Estimated Additional Sales (1st full year
following project completion)

N/A

Estimated Additional Sales Tax to be

N/A

collected on additional sales (1st full year
following project completion)

N/A

Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"): The project currently has a PILOT with the City of Albany dating back to 1972 in the amount of \$17,000/year. The PILOT is non-transferable and will expire upon the sale of the property to the Applicant. Applicant proposes a PILOT schedule in which the annual payment will be \$43,000 in the initial year for with an annual increase of 3% per year.

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year	\$17,000	N/A	N/A
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

See Separate Schedule

Please provide a brief description for the impact of other economic benefits expected to be produced as a result of the Project: Substantial rehabilitation of this building will have a positive impact on the surround area. This area is primarily residential; landlords and homeowners will want to upgrade their asset as a result of seeing the amount of funds that will be expended on this project.

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge, such responses are true, correct and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

• Date Signed: 7/1 2003

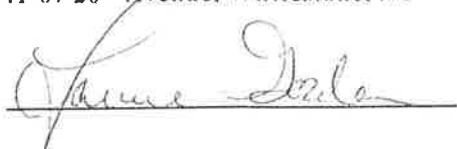
Name of Person Completing Project Questionnaire on
behalf of the Company.

Name: Laurie Gordon

Title:

Phone Number: 212-661-5015

Address: 141-07 20th Avenue, Whitestone, NY

Signature: 

SCHEDULE A

CREATION OF NEW JOB SKILLS

Please list the projected new job skills for the new permanent jobs to be created at the Project as a result of the undertaking of the Project by the Company. While there will be approximately 40 construction jobs that will be non-permanent the following existing jobs will remain. We will enhance the skills of the personnel through start-of-the-art technology throughout the building. We will train employees extensively to use integrated networks that will operate the building in a more efficient manner.

New Job Skills	Number of Positions Created	Wage Rate
Property Manager	1	\$43,000-\$47,000
Social Service Provider	1	\$35,000-\$45,000
Superintendent	1	\$40,000-\$45,000
Maintenance Staff	2	\$30,000-\$37,000

AGENCY INVOLVEMENT

City of Albany-IDA

We will request from Industrial Development Corporation to provide tax-exempt bonding for the project. As part of the bond financing the federal government will provide 4% tax credits to the project. These credits will be sold to a Limited Partner that will provide additional equity to the development. Also seeking financial assistance in the form of sales tax exemption, mortgage recording tax exemption, and real property tax abatement.

City of Albany-Department of Building and Regulatory Compliance

We will request permits from the Department of Building and Regulatory Compliance for the renovation of the property. These permits are routine in nature and will not require special approvals.

Department of Housing and Community Renewal/Homes for Working Families/NYS Housing Tax Credits

We submitted an application to DHCR to assist us with a grant/loan in the amount of \$1,200,000 in order to complete the necessary construction on the site.

New York State Energy Research and Development Authority

We have received an allocation of funds from NYSERDA in the amount of \$107,000 for exceeding energy efficient systems throughout the building and in the units.

STAFFING DUTIES

Property Manager

Responsible for maintaining the asset and increasing the value of the property. They will track the performance and make sure that revenues are increasing. Other tasks assigned are; scheduling property maintenance, analyzing market conditions, compiling data for financial reporting, evaluating performance of employees, resolving customer and public complaints and ensuring rental properties are occupied.

Assistant Property Manager

Assist the Property Manager with the duties above. In addition, their responsibilities will include; handling property's financial operation, making sure rent is collected on time and ensuring mortgages, property taxes and maintenance bills are paid in a timely manner.

Social Service Provider

Responsible for locating and providing services to the residents in order to make the lives better. This will include; locating transportation, food providers, translating services, medical providers and any other service needed.

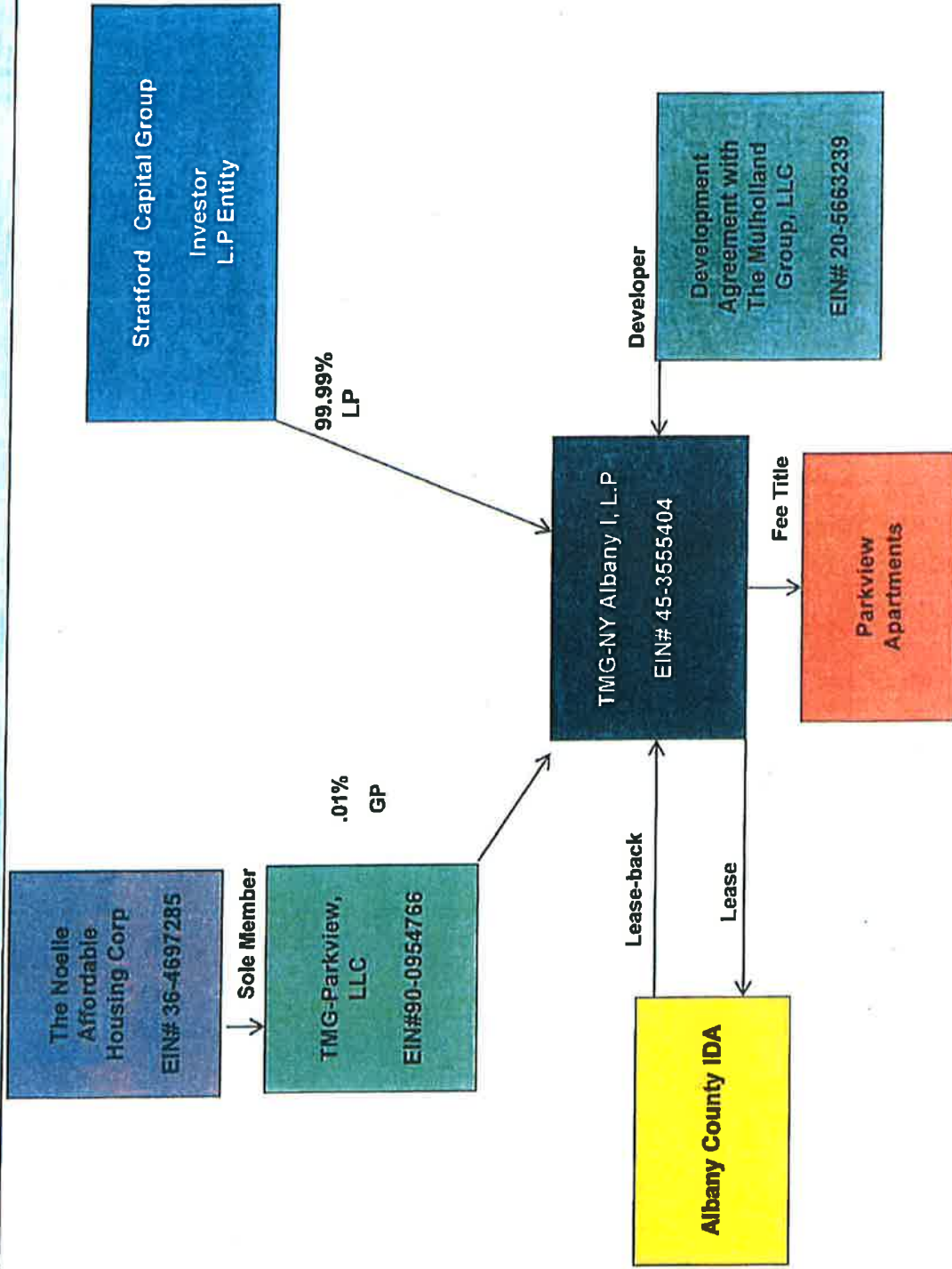
Superintendent

Responsible for cleaning and maintain the indoor and outside areas of the building. Their duties include; sweeping, mopping, washing and waxing hallway, floors and stairs, emptying trash cans and garbage, washing windows and cleaning common area washrooms. They also maintain proper heating throughout the building and make minor repairs as needed. Outside work includes clearing snow and ice from sidewalks and driveways, cutting grass, raking leaves and tending gardens.

Assistant Superintendent

Assist the Superintendent with the above reference duties. There will be tasks that will be assigned to the assistant as their daily job responsibilities. This will be determined by the Property Manager and Superintendent.

Parkview Entity Structure



**Noelle Affordable Housing Corporation
BOARD OF DIRECTORS**

Royce Mulholland
141-07 20th Avenue-Suite 507
Whitestone, NY 11357

President

Laurie Gordon
300 Saw Mill Lane
Wyckoff, NJ 07481

Board Member

Frank Fuentes
National Hispanics Contractors Association
323 Congress Avenue-Suite 250
Austin, TX 78701

Board Member

James Holmes, Jr.
TriSure
4325 Lake Boone Trail-suite 200
Raleigh, NC 27607

Board Member

Richard Hurlbert
Kaufman & Canoles
Two James Center
1021 East Cary Street-Suite 1400
Richmond, VA 23219

Board Member

Michael O'Donnell
314 8th Avenue-Apt. 3L
Brooklyn, NY 11215

Board Member

MEMORANDUM

To: Bradley Chevalier

DATE: July 1, 2013

FROM: Laurie Gordon

RE: 400 Hudson Avenue
Albany, New York
PILOT

The following explanation is offered in relation to the PILOT benefit being sought from the Albany Industrial Development Agency for the TMG-NY Albany I, LP project. The project currently has 179 units and we anticipate on constructing an additional three units to make the total 182 of affordable senior housing units.

As outlined in the cost benefit information provided with the IDA application, a PILOT currently exists that requires a flat payment of \$17,000 per year since construction of the building in 1972. However, the current PILOT is non-transferable and will expire upon sale of the property. We are proposing a PILOT schedule in which the annual payment will be \$43,000 and will increase at 3% per year.

Should you have any questions, please feel free to contact me. Thank you.

PILOT INFORMATION**

Year	Existing Real Property Taxes *	New Pilot Payments	Total (Difference)
Current Year	\$17,000	N/A	N/A
Year 1	\$17,000	\$43,000	\$26,000
Year 2	\$17,000	\$44,290	\$27,290
Year 3	\$17,000	\$45,619	\$28,619
Year 4	\$17,000	\$46,987	\$29,987
Year 5	\$17,000	\$48,397	\$31,849
Year 6	\$17,000	\$49,849	\$32,849
Year 7	\$17,000	\$51,344	\$34,344
Year 8	\$17,000	\$52,885	\$35,885
Year 9	\$17,000	\$54,471	\$37,471
Year 10	\$17,000	\$56,105	\$39,105

*Assumes current PILOT would remain in place if not for sale of the property

**PILOT Agreement will run for 40 years

JAMES A. BRUNET
TREASURER

CITY OF ALBANY
STATE OF NEW YORK
OFFICE OF THE TREASURER

July 23, 1974

Ref: 600 Hudson Ave.
Gideon Lodge # 140 Elmer B'Rich
Ward 13, Page 59, Line 4

Federal National Mortgage Assoc.
5 Penn Center Plaza
Philadelphia, Pa. 19103

Gentlemen: Attn: Eileen McConl, Loan Clerk

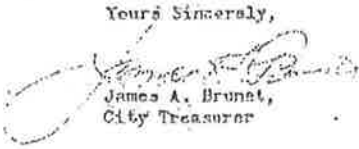
In reference to the above subject property, I wish to advise you that on March 6, 1972, a Resolution was presented and passed unanimously by the Albany Common Council allowing the above project to pay to the City of Albany the sum of \$17,000 per year in lieu of taxes. These payments to commence on the date that a Certificate of Occupancy was issued by the Building Commissioner, which in this case occurred on July 20, 1973.

Using these dates, we have computed the payment on a basis of \$46.58 per day, and \$1,416.66 per month, so that dating from July 20, 1973 there is now due and owing the City of Albany the sum of \$7,542.26 less the School Taxes for 1973-1974 in the amount of \$459.72, leaving a balance due for the calendar year of 1973 the amount of \$7,082.54.

In the future, Bills for the above project will be mailed to you on the 1st of December of each calendar year.

Hoping this is the information you desire, I remain

Yours Sincerely,


James A. Brunet,
City Treasurer

jb/mf

PHILA, Pa 2/25/75
NAME AND ADDRESS OF PAYEE
City of Albany, Treasurer
Room 109
City Hall
Albany, New York 12207
ZIP CODE

Mortgagee Name
FNMA Loan No. B'nad B'rith Apts. 1-31-791335
FHA OR VA No.
REMARKS PLEASE RETURN AND ADVISE OF ANY OUTSTANDING CHARGES.
Account submitted for \$7,182.54
Adjustments
Remitted herewith \$7,182.54

FEDERAL NATIONAL MORTGAGE ASSOCIATION
5 PENN CENTER PLAZA
PHILADELPHIA, PENNSYLVANIA 19103

No. P 029181

PAY TO THE ORDER OF February 28 1975
Treasurer, City of Albany, New York \$7,182.54
Seven Thousand One Hundred Eighty and 54/100 DOLLARS
FEDERAL NATIONAL MORTGAGE ASSOCIATION
PHILADELPHIA NATIONAL BANK
PHILADELPHIA, PA. 19103

⑈029181⑈ ⑈0310⑈0001⑈ ⑈104⑈0573⑈

NO POSTAGE STAMP NECESSARY
POSTAGE HAS BEEN PREPAID BY

FEDERAL NATIONAL MORTGAGE ASSOCIATION
5 PENN CENTER PLAZA
PHILADELPHIA, PA. 19103

John T. Hagor

67-102-111

ALBANY CITY RECORD

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VOL. 11 NUMBER 50

FEBRUARY 26, 1972

ALBANY, New York

Continuation of Common Council Meeting, Feb. 7

Alderman HAGGERTY offered the following:

WHEREAS, The State of New York, through its Commissioner of Transportation, has submitted to the City of Albany a proposed agreement relating to Traffic Operations Improvements within the City of Albany, entitled, "Agreement for Maintenance of Traffic Operational Improvements Funded Under the New York State TOPICS Program" and

WHEREAS, the execution of such agreement is in the best interest of the City of Albany.

Now, Therefore, Be It Resolved, that the Common Council of the City of Albany does hereby authorize and empower Ernestus Corning, 2nd, Mayor to execute such agreement on behalf of the City of Albany.

Adopted by the following vote:

Affirmative—Aldermen Ballen, Buechs, Burch, DiPace, Dorematt, Giblin, Givlin, Gordon, Haggerty, Horan, Kutcher, Lynn, B. McArdle, S. McArdle, Signor, Tanksley, Wallace—17. Negative—0.

Alderman Haggerty offered the following:

WHEREAS, The State of New York, through its Commissioner of Transportation, has submitted to the City of Albany proposed agreements for maintenance of Traffic Operational Improvements funded under New York State TOPICA Program, in the City of Albany particularly:

Project No. 3. Washington Avenue—Fuller Road.

Project No. 8. Washington Avenue—State Street.

Project No. 9. Pearl Street.

Project No. 10. Western Avenue, and

WHEREAS, The Common Council of the City of Albany concurs with the general aspects of the suggested project and it is compatible with the projected transportation and development objectives for the region. It is understood that this statement of acceptance in no way diminishes our right under present procedures to further review and comment on specific stages of the design, and

WHEREAS, The execution of such agreements would be in the best interest of the City of Albany.

Now, Therefore, Be It Resolved, That the Common Council of the City of Albany hereby authorizes the Mayor to execute such agreements on behalf of the City of Albany.

Adopted by the following vote:

Affirmative—Aldermen Hallien, Bueche, Buech, MPace, Doreman, Giblin, Girvin, Gordon, Haggerty, Horan, Kutcher, Lynn, B. McArdle, S. McArdle, Signer, Tankaley, Wallace—17. Negative—0.

Alderman Haggerty offered the following:

In the Matter of the Petition of Gideon Lodge No. 40, B'nai B'rith Housing Development Fund Company, Inc. for Leave to Pay to the City of Albany, New York, a Sum in Lien of Taxes.

RESOLUTION

WHEREAS, Gideon Lodge No. 40, B'nai B'rith Housing Development Fund Company, Inc. a corporation organized pur-

quant to Article XI of the Private Housing Finance Law, and Section 402 of the Not-for-Profit Corporation Law of the State of New York with its principal office located in the City of Albany, New York, has been formed exclusively to develop, on a non-profit basis, a housing project for elderly persons of low income where no adequate housing exists for such persons, which project is to be aided by a below-market interest rate mortgage insured by the Secretary of Housing and Urban Development, or a mortgage insured by the Secretary of Housing and Urban Development, or a mortgage insured by the Secretary of Housing and Urban Development and augmented by a program of rent supplements authorized by the Housing and Urban Development Act of 1905, or a mortgage insured by the Secretary of Housing and Urban Development assisted pursuant to Section 238 of Title II of the National Housing Act, or a mortgage loan made by the Secretary of Housing and Urban Development pursuant to Section 202 of the Housing Act of 1959, and any federal laws amendatory or supplemental thereto, and

WHEREAS, Gideon Lodge No. 140, B'nai B'rith Housing Development Fund Company, Inc., is irrevocably dedicated to building of housing for the elderly project containing approximately 188 units on the following described land:

WHEREAS, The company has undertaken the planning, and building of housing for the elderly project containing approximately 188 units on the following described land:

ALL THAT TRACT OR PARCEL OF LAND, situate on the northerly side of Hamilton Street, in the City and County of Albany, New York, and being more particularly known and designated as lot Number 401 and the easterly 1 foot of lot number 403 Hamilton Street, on a map of lots entitled "Property belonging to the George E. Hohl Company, Albany, N.Y.," surveyed by Howard Batchelder, October 1909 and filed in the Albany County Clerk's Office and bounded and described on said map as follows:

Beginning at a point in the northerly line of Hamilton Street, which point is 472 feet easterly from the intersection

of the northerly line of Hamilton Street with the easterly line of Quail Street and running thence easterly along the northerly line of Hamilton Street, 81 feet; thence northerly and in a straight line parallel to the easterly line of Quail Street, and along an alley, 100 feet; thence westerly and in a straight line parallel to the northerly line of Hamilton Street, 81 feet and thence southerly and in a straight line parallel to the easterly line of Quail Street 100 feet to the point or place of beginning, said dimensions being more or less.

Also THAT TRACT OR PARCEL OF LAND, with the buildings thereon, situate on the southerly side of Hudson Avenue, in the City of Albany, County of Albany and State of New York, and being more particularly known and designated as a portion of Lot Number Four Hundred Four (404) and Four Hundred Six (406), on map of lots entitled "Property belonging to the George E. Hohl Co., of Albany, N. Y." surveyed by Howard Batchelder, September 1909, and bounded and described as follows:

Beginning at a point in the southerly line of Hudson Avenue, which point is four hundred seventy-three (473) feet easterly of the easterly line of Quail Street; and running thence easterly along said southerly line of Hudson Avenue thirty (30) feet; thence southerly and in a straight line parallel to the easterly line of Quail Street one hundred twenty-seven and sixty-seven one hundredths (127.67) feet; thence westerly and in a straight line parallel to the southerly line of Hudson Avenue thirty (30) feet; and thence northerly and in a straight line parallel to the easterly line of Quail Street one hundred twenty-seven and sixty-seven one hundredths (127.67) feet to the southerly line of Hudson Avenue and the point or place of beginning, and being the westerly thirty (30) feet of said lot as shown on the above mentioned map. Said premises are known as Street No. 406 Hudson Avenue, Albany, New York.

Also ALL THAT CERTAIN LOT, situate on a parcel of land lying and being in the Thirteenth Ward (formerly Sixteenth Ward) of the City of Albany and is bounded and described as follows:

COMMENCING at a point in the southerly line of Hudson Avenue which point is at the northwesterly corner of a lot heretofore conveyed by Smith Cobb and Ella C. Cobb, his wife, to John J. Olcott and J. Howard King and said point is also about one hundred fifty-four (154) feet westerly from the westerly line of Perry Street now called Lake Avenue and runs from thence along said Olcott and King's lot and the westerly line of same conveyed to them as aforesaid two hundred fifty-eight (258) feet to the center of Hamilton Street as now laid out, thence westerly through center of Hamilton Street one hundred (100) feet, thence northerly and parallel with the first mentioned line two hundred fifty-eight (258) feet to the southerly line of Hudson Avenue, thence easterly along the southerly line of Hudson Avenue one hundred (100) feet to the point or place of beginning.

WHEREAS, The Federal Housing Administration, in order to maintain the project's feasibility, has required the company to seek and obtain some form of tax relief from the City of Albany, New York, upon the above-described real property and its improvements; and

WHEREAS, The tax relief here being sought may be granted in the form of an annual payment in lieu of taxes, said payment in lieu of taxes to be made in a minimum annual amount of Seventeen Thousand (\$17,000.00) Dollars, and

WHEREAS, The tax period for the payment in lieu of taxes is to begin on the day and date that the Petitioner becomes the Owner in Fee of the above-described real property, and said payments in lieu of taxes are to continue for the life of the mortgage or so long as Federal Housing Administration is in effect and as long as the Petitioner continues to operate as a non-profit organization; and

WHEREAS, The company has petitioned the Common Council to grant the tax relief here described; and

WHEREAS, The City of Albany, New York, pursuant to the provisions of Article 16 of the General Municipal Law of the State of New York, has the authority and the power to grant the relief here being sought,

ADDITIONS/RENOVATIONS

Parkview Apartments consists of 179 units primarily studios and large on bedroom units. In addition, we will be constructing three additional units on the first floor that will be fully handicapped accessible for the tenant. After construction there will be a total of 182 units. It is a designated building for senior citizens. The property is located west of Downtown located on Hudson Avenue directly across from Washington Park. Some of the units offer beautiful views of the Park. Mass transit is located directly on Hudson Avenue for easy access for the tenants. Albany Medical Center is situated near the property. There is shopping within walking distance of the site.

Significant parts of the property's infrastructure and systems have reached the end of their useful life and are failing and in dire need of substantial renovation. Significant work to the building will include; a new roof, exterior masonry repairs, new thermal energy star windows, two new elevators, conversion of heating system from all electric to natural gas, extension of sprinkler system into each apartment unit, replacement of fire alarm and fire safety systems. Absent immediate work many of these items will accelerate in their deterioration and lead to substantially greater costs than currently project to remediate in the future. The elevators are well beyond their useful life and will break down with greater frequency in the future potentially making it difficult or impossible for residents to get emergency medical or all safety personnel to get to the units. The Sponsor intends to expend nearly \$46,500 per unit to totally renovate and modernize the building from its current state.

Parkview will remain for at least the next 40 years as an affordable housing community, preserving the current characteristics of the existing tenancy and providing a high quality living environment for Albany's aging population

Thursday, May 12, 2011 12:34:15 PM
USDA/USGS National Wetlands Inventory Map (NWI) - Albany, NY



2011 Orthimagery provided by NYS CSOIC

This City of Albany Department of Planning and Economic Development map is for informational purposes only. It is not intended to be used as a legal document. The City of Albany does not warrant the accuracy or completeness of the information contained herein. The City of Albany is not responsible for any errors or omissions in this map.



City of Albany

400 HUDSON AVENUE

B'NAI B'RITH PARKVIEW APARTMENTS
400 HUDSON AVENUE, ALBANY, NY 12203





**EXISTING FRONT EXTERIOR
OF THE BUILDING**





**PROPOSED FRONT EXTERIOR
OF THE BUILDING**



PARKVIEW APARTMENTS

10.21.2011

hbt

10.21.2011



PARKVIEW APARTMENTS

10.21.2011

ARCHITECT

EXISTING ROOF

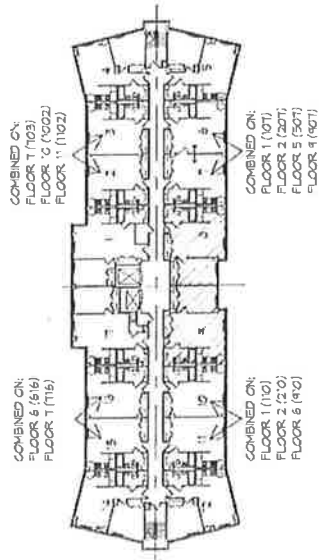


**SCOPE OF WORK FOR THE
BUILDING INCLUDES
A NEW ROOF**

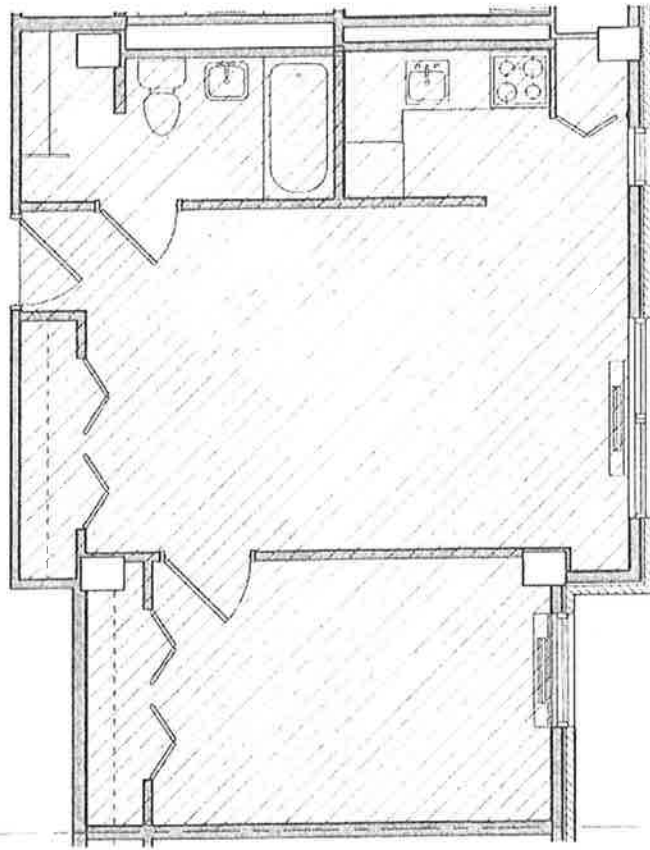
**PROPOSED FLOOR PLAN
FOR
FIRST FLOOR**



PROBABLY THE FIRST PERSONS KNOWN TO BE INVOLVED IN THE RECEPTION OF THE FIRST GROUP OF REFUGEEES IN THE 1930s were the two young brothers, who were not only the sons of the Jewish community in the city, but also the sons of the Jewish community in the city.



1 BEDROOM - A PLAN
AREA: 531 S.F.

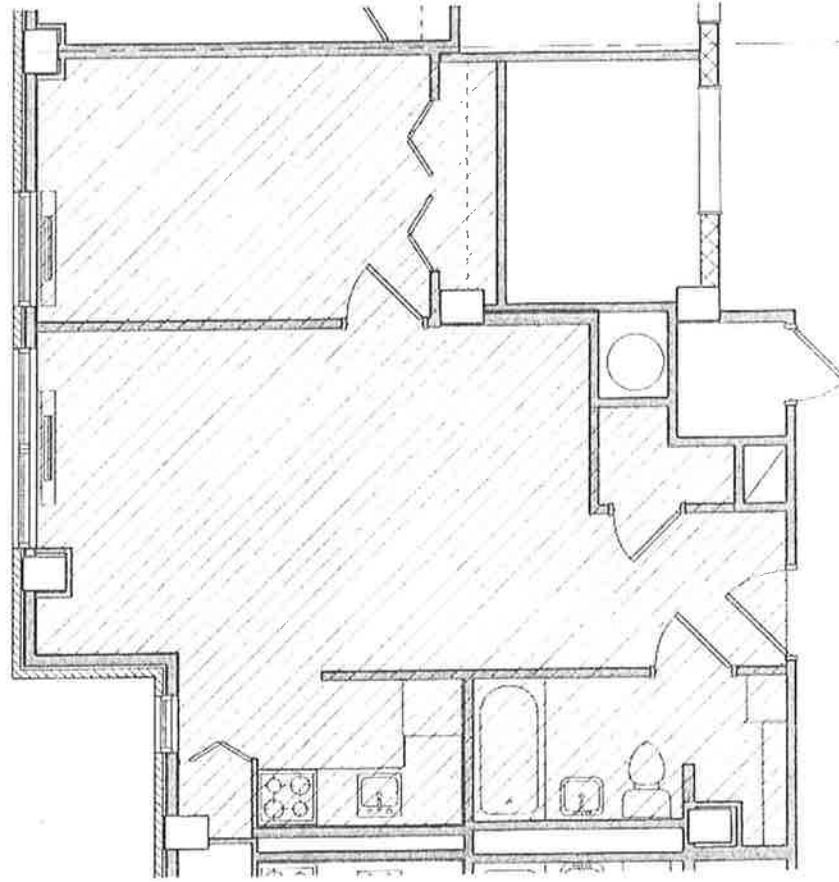


PARKVIEW APARTMENTS

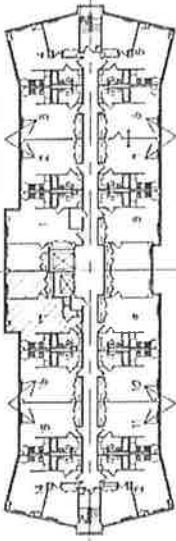
PROJECT NO. 2011-08-05
DATE: MARCH 27, 2013
SHEET NO. PA-1

16 S. Main Street, Pittsford, NY 14534 (585) 585-0450 F (585) 585-1299

1 BEDROOM - B PLAN
AREA: 549 S.F.



COMBINED ON:
FLOOR 1 (103)
FLOOR 10 (1002)
FLOOR 11 (102)



COMBINED ON:
FLOOR 1 (101)
FLOOR 2 (201)
FLOOR 5 (501)
FLOOR 8 (801)

COMBINED ON:
FLOOR 1 (110)
FLOOR 2 (210)
FLOOR 6 (610)



PARKVIEW APARTMENTS

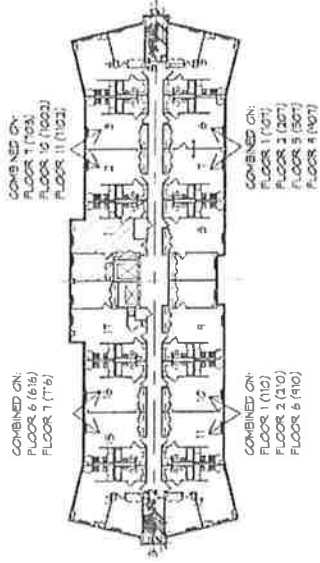
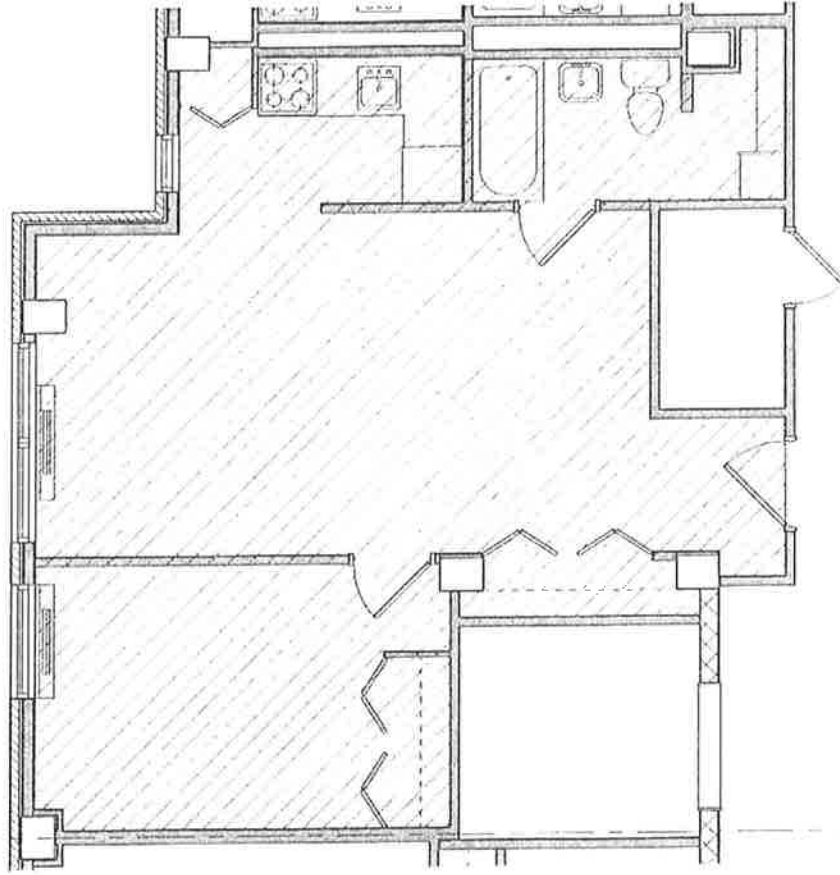
SHEET NO.
PA-2

DATE:
MARCH 27, 2013

PROJECT NO.
2011-08-05

16 S. Main Street, Pittsford NY 14534 (518) 585-0480 F: (518) 585-1029

1 BEDROOM - C PLAN
AREA: 548 S.F.



PARKVIEW APARTMENTS

PROJECT NO.
2011-08-05

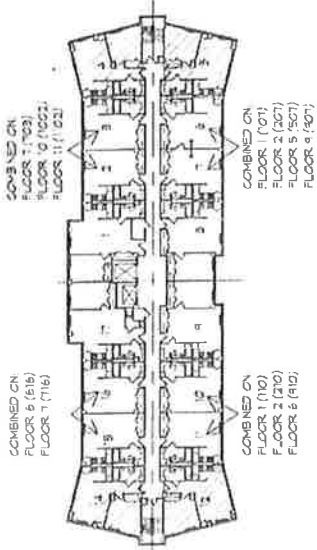
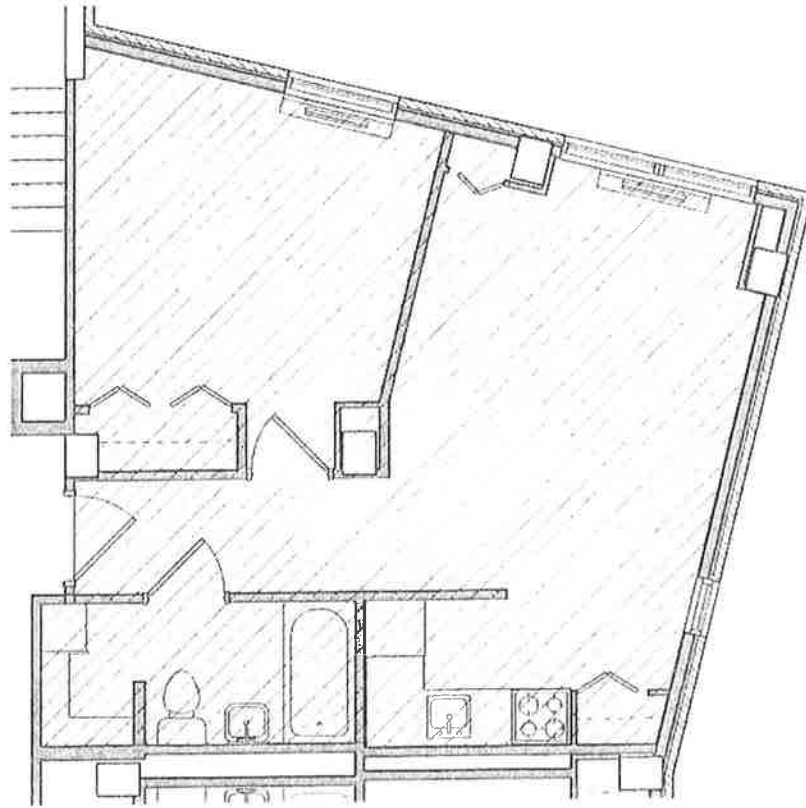
DATE:
MARCH 27, 2013

SHEET NO.
PA-3

15 S. Main Street, Pittsford, NY 14534 (585) 386-0480 F (585) 586-1239



1 BEDROOM - END PLAN
AREA: 498 S.F.



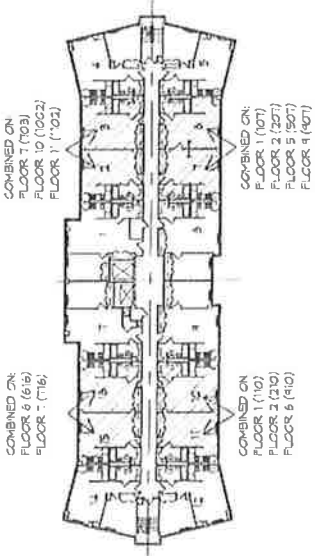
PARKVIEW APARTMENTS

PROJECT NO.
2011-08-05

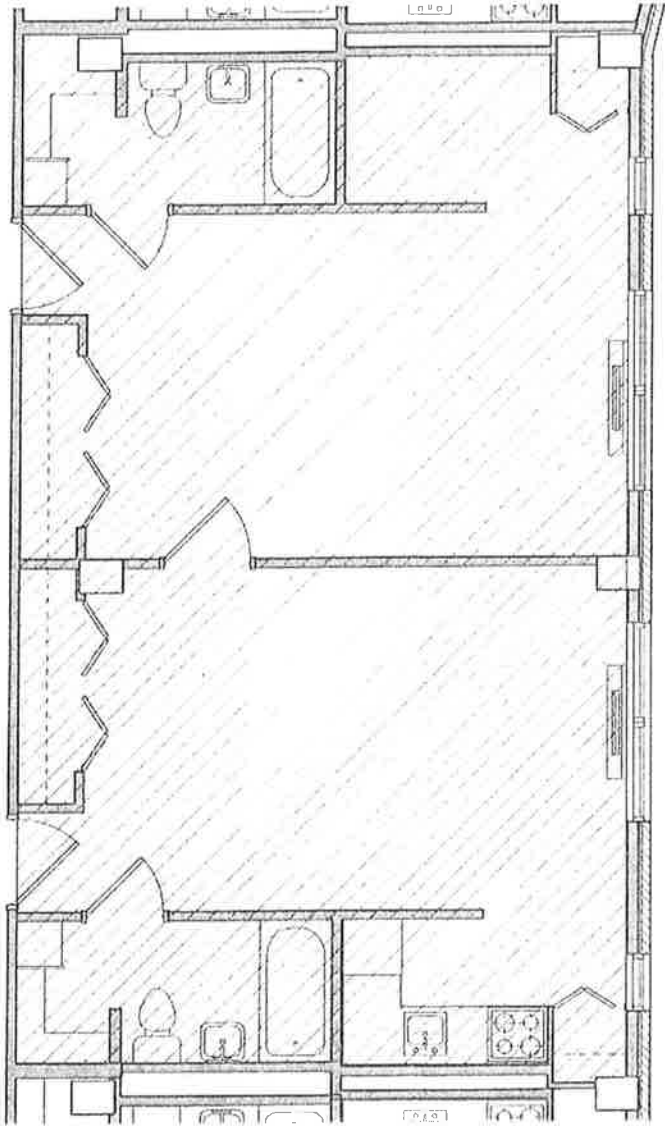
DATE:
MARCH 27, 2013

15 S. Main Street, Pittsford, NY 14534 (585) 596-0450 F (585) 586-1299

SHEET NO.
PA-4



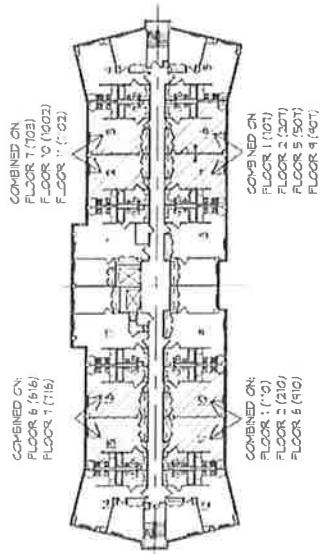
DOUBLE EFFICIENCY PLAN
AREA: 757 S.F.



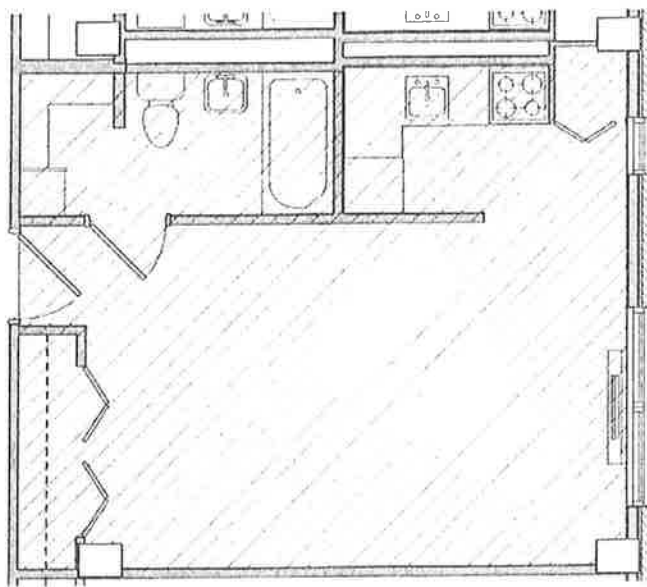
PARKVIEW APARTMENTS

PROJECT NO. 2011-08-05 DATE: MARCH 27, 2013 SHEET NO. PA-5

15 S. Main Street, Pittsford, NY 14534 (518) 555-0450 F (518) 555-1238



EFFICIENCY PLAN
AREA: 312 S.F.



PARKVIEW APARTMENTS

PROJECT NO. 2011-08-05
DATE: MARCH 27, 2013
SHEET NO. PA-6

15 S. Main Street, Pittsford NY 14534 (585) 586-0430 F (585) 586-1293

Appendix C

State Environmental Quality Review

SHORT ENVIRONMENTAL ASSESSMENT FORM

For UNLISTED ACTIONS Only

PART I - PROJECT INFORMATION (To be completed by Applicant or Project Sponsor)

1. APPLICANT/SPONSOR <u>TMG-NY Albany I, L.P.</u>	2. PROJECT NAME <u>Parkview Apartments</u>
3. PROJECT LOCATION: Municipality <u>Albany</u> County <u>Albany</u>	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) <u>400 Hudson Avenue</u> <u>Albany, New York</u>	
5. PROPOSED ACTION IS: <input type="checkbox"/> New <input type="checkbox"/> Expansion <input checked="" type="checkbox"/> Modification/alteration	
6. DESCRIBE PROJECT BRIEFLY: <u>Rehabilitation of a 13-story senior affordable housing development.</u>	
7. AMOUNT OF LAND AFFECTED: Initially <u>.79</u> acres Ultimately <u>.79</u> acres	
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe briefly	
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? <input checked="" type="checkbox"/> Residential <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Agriculture <input type="checkbox"/> Park/Forest/Open Space <input type="checkbox"/> Other Describe: <u>single family and multi-family dwellings located in the neighborhood.</u>	
10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, list agency(s) name and permit/approvals: <u>HFA - Tax Credits</u> <u>NYSED - Energy Grant</u> <u>Building Department - Building Permits</u> <u>HCR - Grant - HWF</u> <u>IDA - Tax abatement</u>	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, list agency(s) name and permit/approvals: <u>HFA</u> <u>HCR</u> <u>NYSED</u>	
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor name: <u>Royce Mulholland</u> Date: <u>6/11/13</u> Signature: <u>[Signature]</u>	

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment

TMG



The Mulholland Group, LLC

CORPORATE OVERVIEW

OBJECTIVE

The Mulholland Group, LLC and its affiliates (collectively "TMG") own or control 2,279 residential multi-family apartment units in three states. These units have been acquired on a one-off basis using conventional debt, tax-exempt bond financing with low income tax credit equity (Section 42 IRS code) and FHA insured loans under the 221(d)4 program. Ultimately, TMG desires to expand its portfolio to a level of 25,000 units within five to six states while limiting its concentration to no more than 5,000 units per state. To assist in this acquisition process, and to gain more operational control and focus, TMG has developed significant relationships among professionals in the industry, including MAP lenders, management companies and construction companies. TMG intends to use these relationships to acquire individual properties as well as portfolios that present value added opportunities. TMG will operate the properties providing high quality affordable housing during the investment period and then apply a series of proven exit strategies to the portfolio to maximize value at sale or refinancing. TMG intends to expand into two additional markets within the next two to three years.

HISTORY

TMG commenced business in late 1991 raising equity for low and moderate-income projects, primarily in New York State, through the sale of the Low income Housing Tax Credit. TMG raised over \$50 million dollars in equity to finance 820 units of housing in its first six years of existence. Soon after, TMG entered into a joint venture, which closed its first acquisition at the end of the first quarter, 1998. To date, TMG has acquired or facilitated the acquisition of nearly 6000 units in 31 transactions within five states and eleven different submarkets. Properties we acquire generally range in quality from B to C and are leased to low, moderate and middle income persons. Seventeen properties were acquired using private activity bonds and tax credit equity, with TMG acting as the general partner or managing member of the ownership entity. The remaining properties were acquired using tax-exempt 501 (C) 3 bonds, with TMG acting as Owner's Representative for the non-profit owner under a long-term contract. In all cases, TMG sources the property, secures the financing, and oversees the acquisition and renovation process. TMG provides all the earnest money and funds the due diligence from its own equity as a typical owner would. TMG further manages the renovation and acts as the Owner's Representative throughout the ownership period.

TMG has obtained credit enhancement for some of its bond transactions with Radian (formerly Asset Guaranty Insurance Company), American Capital Access, MBIA Insurance Company, Red Stone Partners, Prudential, and FHA. In addition, TMG has financed its other deals with unrated bonds, with Nuveen, Lord Abbett, Rochester funds, Goldman Sachs and Salomon Smith Barney among the primary bond purchasers. We maintain continuous contact with investment bankers, bond investors, and credit enhancers such as RBC Dain Rauscher, Ferris Baker Watts, JP Morgan Chase, Morgan Stanley and Raymond James in order to monitor the current market conditions and most beneficial financing structures.

"Thanks a million! It is individuals such as yourself who give all children hope for a brighter future through your generosity."

*Sgt. Kenneth I. Roland
Executive Director
Henrico Police Athletic League*

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Mr. Mulholland is the President and CEO of The Mulholland Group, LLC

Mr. Mulholland has over twenty-five years' experience in the public and private real estate sectors. During this period Mr. Mulholland has been involved in the financing and/or development of nearly 6000 units of housing with a total development cost in excess of \$430 million dollars.

Mr. Mulholland commenced his private sector career acting as placement agent for section 42 low income housing properties. He placed over \$85 million dollars in the Federal Low Income Housing Tax Credits ("Tax Credits") for non-profit and for profit corporations. Subsequent to this time Mr. Mulholland has focused his business in the acquisition and rehabilitation of low, moderate and middle income housing communities. He has combined high quality construction with the provision of support services to provide the best quality communities in his markets. Mr. Mulholland developed the first of its kind on site dental and medical facility within one of his affordable housing communities.

Mr. Mulholland was nominated on January 12, 2009 by David A. Paterson, Governor of New York State, to serve as a member of the New York State Housing Finance agency (HFA). The Senate confirmed his appointment on April 7, 2009, for a term that expires on January 1, 2015

Mr. Mulholland served in the executive branch of the government of the State of New York for eight years under the administration of former Governor Mario Cuomo. Mr. Mulholland served as chairman of the Governor's Housing Sub-Cabinet (The highest State housing post). During his tenure, New York State received national recognition for their programs: the Housing New York Program, the Housing Trust Fund, the Affordable Home Ownership Program, the Permanent Housing for Homeless Families Program and the Infrastructure Demonstration Program.

Mr. Mulholland currently serves on the boards of several charitable organizations including: Providence House Inc.; the New York Athletes Fund, Inc., Ohio Wesleyan University Friends Fund, Inc.; and is the President of The Douglas Manor Association.

Mr. Mulholland received his Bachelor of Arts, with a concentration Economics, from Ohio Wesleyan University, in Delaware, Ohio. He currently resides in Douglas Manor, NY with his wife Laurretta and five children.

CHIEF OPERATING OFFICER

Michael O'Donnell serves as Chief Operating Officer and has overall responsibility for corporate operations for the affordable housing portfolio. He is responsible for asset management, finance, maintenance, capital projects, budgeting and compliance issues. Specifically, in this capacity Mr. O'Donnell is responsible for the 12 communities in four states, consisting of 1,410 units, nearly 70 staff with gross receipts of over \$10 million. Mr. O'Donnell joined TMG in the spring of 2003.

Prior to joining TMG in 2003 Mr. O'Donnell was Executive Vice President and Chief Operating Officer for the Doe Fund, Inc., a New York homeless services and housing provider, and managed and directed the organization during a period of significant growth. At the end of Mr. O'Donnell's tenure he oversaw a \$47 million dollar operating budget, a \$50 million capital budget and a staff of over 150 persons.

From 1984 to 1996 Mr. O'Donnell served in various senior level management positions within the New York City government. As Assistant Budget Director for Housing, Economic Development and Transit, Mr. O'Donnell was responsible for the operating and capital budget programs of eight city agencies with annual budgets of nearly five billion dollars. Additionally, this position was responsible for the evaluation of existing programs and the implementation of creative revenue enhancing mechanisms including securitizing \$150 million in Mitchell-Lama mortgages, the City's largest middle class housing portfolio. Prior to his tenure at the Office and Management and Budget, Mr. O'Donnell was the Director of Housing Operations for the Department of Housing Preservation and Development. He oversaw a portfolio of 2,800 buildings with over 30,000 apartment units. In this position he was directly responsible for a staff of 1,200, an annual operations budget of over \$200 million, and an annual capital budget of over \$80 million. He received his BS in Mechanical Engineering from Brown University and a Master of Science in Urban Policy Analysis and Management from New School University.

Schedule of Real Estate for Royce A. Mulholland

Property Name and Address	# of Units	Year Built & Renovated	Type	Bond/ Mortgage Amount	Date of Issue	Total Development Costs	Current Rate
CONVENTIONAL PROPERTIES:							
1) THE SHANNON TOWNHOMES 764 Windmere Avenue, Richmond, VA 23227	156	1964 (Renovated 2007)	Townhomes	\$10,795,000	Feb-10	\$11,693,135	5.45%
TAX CREDIT PROPERTIES: Private Activity Bond, FHA Loan & Tax Credit Financings							
2) GLENWOOD FARMS APARTMENTS 2709 Byron Street, Richmond, VA 23233	294	1948-1966 (Renovated 2005)	Townhomes & Garden	\$8,815,000	Nov-03	\$12,390,379	7.05%
3) THE NOELLE APARTMENTS 5613 Crenshaw Rd, Richmond, VA 23227	292	1966 (Renovated 2007)	Townhomes	\$12,300,000	Apr-06	\$22,466,886	6.48%
4) ANDOVER TOWNHOMES 2936 Fairfield Avenue, Richmond VA 23223	192	1966 (Renovated 2011)	Townhomes	\$8,200,000	Dec-07	\$14,557,000	Variable Weekly Rate
5) THE MALIBU APARTMENTS 8600 North Lamar Boulevard, Austin, TX 78753	476	1974 (Renovated 2011)	Garden	\$16,203,400	Jun-10	\$36,506,017	5.85%
6) PHOENIX ARIZONA PORTFOLIO (ONE FINANCING FOR ALL THREE PROPERTIES) Orangewood Apartments, 5333 East Thomas Road, Phoenix, AZ Melrose Apartments, 5627 North 16th Street, Phoenix, AZ Missouri Apartments, 5530 North 17th Avenue, Phoenix, AZ	351 160 108 83	Various 1975 1972 1972	Garden Garden Garden Garden	\$11,780,000 \$5,370,000 \$3,625,000 \$2,785,000	Dec-05 Dec-05 Dec-05 Dec-05	\$17,045,000 \$7,770,000 \$5,245,000 \$4,030,000	6.62%
7) MEMPHIS PORTFOLIO (ONE FINANCING FOR ALL FIVE PROPERTIES) Highland Gardens, 491 N Highland Street, Memphis, TN 38122 Mendenhall Gardens, 553 N Medenhall Road, Memphis, TN 38117 Northgate Apts., 3321 Thomas Street Apt.5, Memphis, TN 38127 North Terrace Apts., 3236 Millington Road, Memphis, TN 38127 The Village Apts., 2603 Pojest Drive, Memphis, TN 38127	518 64 82 88 84 200	Various 1960 1970 1970 1964 1970	Garden Garden Garden Garden Garden Garden	\$18,160,000 \$3,470,000 \$4,830,000 \$2,390,000 \$2,200,000 \$8,950,000	Feb-07 Feb-07 Feb-07 Feb-07 Feb-07 Feb-07	\$32,769,000 \$5,567,000 \$7,104,000 \$3,680,000 \$3,361,000 \$13,057,000	5.75%
TOTAL	2,279			\$86,253,400		\$147,523,015	



Dorothy's Place
at
The Noelle at Brook Hill
An Opportunity for Enrichment

Dorothy's Place is a unique enrichment center that serves as the heart of the newly renovated Noelle at Brook Hill apartments. It is the visionary creation of The Mulholland Group (TMG), a development firm committed to providing high quality affordable housing in states across the nation. In Richmond and Henrico alone, TMG is enabling thousands of individuals and families to live their lives in dignity. TMG offers affordable residences along with numerous educational, health, employment, and recreational opportunities. We welcome you to learn more about The Noelle and Dorothy's Place and TMG's vision for the future.

Mission

To provide an environment in which every member of our community, from toddler to adult, can enrich and advance their lives by participating in Dorothy's Place programs.

To create within our neighborhoods a sense of faith, hope, and charity that will be shared with the greater Henrico and Richmond communities.

To have present and future generations build upon the tremendous accomplishments of those who came before us; who sacrificed so much to ensure our personal freedoms, civil rights, educational opportunities, and human dignities.

Goals

Provide opportunities to our residents in the areas of education, employment and mentoring, and to provide access to health care and prescription drugs.

Assist with finding viable employment and skill development opportunities for those who are motivated to improve their lives and community.

Enable our youth to compete at the highest of levels in all areas of their lives including academics, personal achievement, and athletic competition.

Judge our success not only by the number of MDs and JDs that our residents obtain, but by the charitable way they set about achieving their goals and dreams.

How We Get There

Dorothy's Place will operate four essential programs:

Education: TMG's goal is to assist children, from pre-k to high school, in progressing and achieving a high level of performance in their academic lives. The Edward H. Lockett II Learning Center will provide mentors for children in addition to housing state of the art educational software. Volunteer residents who have taught in the Richmond or Henrico school system will staff the learning center. They will work with young community members to tutor them in the basics



of reading, writing, and arithmetic and ensure that they successfully complete their class work. Additionally, in partnership with Henrico High School, TMG has established a Senior Class mentoring program. Nearly a dozen members of the senior class have volunteered their time to mentor youth in academics and social issues of the day. Finally, TMG will work with college preparatory programs, like the Kaplan program, to provide on-site assistance to college bound residents.

TMG's adult education program will be administered by a faculty member of Virginia Union University (VUU) who will teach an accredited adult education program for residents seeking to obtain a GED, associates degree, bachelor degree, or masters in their chosen area of concentration. TMG members shall assist residents in securing financial aid and student loans to pay for their courses.

TMG will establish the Dr. Frank Thornton Scholarships, in recognition of Dr. Frank Thornton, a County Supervisor and Professor at Virginia Union University. The "Thornton Scholarship" will be awarded to participants in the learning center's educational programs who either excel or significantly improve their academic performance during the course of an academic year. The criteria of the program shall be established in conjunction with Dr. Thornton and members of the TMG staff.

TMG believes hard work and effort should be as recognized and rewarded as academic excellence. Therefore, it will establish a 529-college savings account for each student "scholar." The cash award will be deposited into the recipient's 529 account and be applied towards their college education costs.





Health Care: Dorothy's Place will house a 500-square-foot fitness center with state of the art equipment. Our goal is to tie the fitness center with a progressive program to combat high blood pressure, diabetes, and other illnesses that affect our residents adversely and disproportionately. We will work with the Capital Area Health Network (CAHN) to devise a rigorous exercise program in conjunction with a nutritional diet that will lead to a reduction in those targeted diseases. Our goal is to teach residents appropriate ways to combat diseases and lead healthier lifestyles. TMG will also provide, for a nominal fee, a discount prescription drug card that will provide residents of The Noelle with discounts of up to 20% on most prescription drugs. Additionally, for an affordable annual fee, residents can purchase eyeglasses and other medical equipment and supplies at substantial discounts.

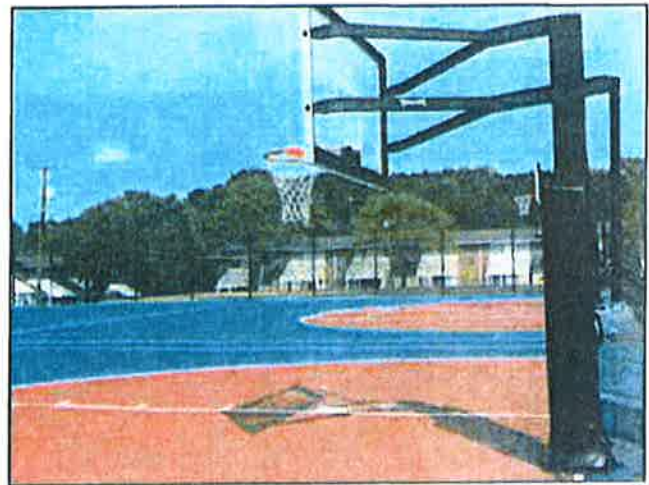
Job Opportunities: Education and access to good health care are extremely important, and so is providing people with the means to improve their station in life. Through our Internet access, each resident of The Noelle will be able to post his or her resume to a job database that nearly every major Richmond employer subscribes. Additionally, residents will be able to review postings of job openings in the Richmond area from various employers. This head-hunting business will be available in the learning center to all of



The Noelle residents. Already more than 5,000 jobs are currently posted and waiting to be filled.

TMG will also conduct seminars to assist residents in improving their ability to secure employment opportunities. Seminars will be conducted within the great room of Dorothy's Place and will address the following areas: dressing for interviews, interview techniques, and resume writing. Professionals from the Richmond business community will be critical participants in this effort.

Competitive Athletics: In addition to working diligently in our academic and mentoring programs, our children need to learn how to compete and work within a team environment. TMG is committed to establishing the Richmond area's most progressive and accomplished athletic program for children ages 8-18.



The Noelle at Brook Hill features a swimming pool and a state of the art outdoor basketball facility where residents can swim or play ball in a safe and sound environment just steps from their home. In addition, TMG shall construct, with the assistance of the Richmond business community, a state of the art indoor arena named for Ron Simmons, an outstanding African American business leader in Richmond.

The Simmons Center shall provide our basketball, boxing, volleyball, and tennis teams a place to compete during the winter months and during periods of inclement weather. It will be located at the Glenwood Farms apartments on the north side of Richmond.

Future sports teams to be established for Noelle's children include: basketball, swimming, volleyball, and tennis. TMG's goal is to provide the kids with the opportunity to compete on the national level in each of these sports. TMG is committed to working with existing programs already established within the metropolitan area to accomplish this goal.

LEFT: County Supervisor Dr. Frank Thornton
RIGHT: Sgt. Kenneth L. Ragland, Exc. Dir. PAL

Who is Dorothy?

Dorothy's life began in an impoverished working class neighborhood in Stamford, Connecticut. She is one of four children of immigrants who worked 20 hours a day to provide a better life for their children. She grew up in a small apartment above a candy store operated by her mother while her father toiled as a carpenter in town.

Dorothy's parents taught their children to appreciate the things they were able to receive rather than fester on what they could not afford. Dorothy realized from the example of her parents that the common denominator of success was hard work. She recognized that there was opportunity through education and that while we all encounter setbacks along the road, it is those with a strong faith and a determined will who persevere. It was through hard work, determination, and persistence that Dorothy overcame the bigotry and stigma attached to that of the working class.

Dorothy set a few records along the way, records that you don't read about, and while her goals may seem modest to us now, they were huge and seemingly insurmountable at the time for this young ethnic woman. Dorothy, after all, was a product of the early part of the 20th century, when women were not to be strong, independent, intelligent, adventurous, daring, and certainly not leaders or pillars within the community. Despite this ethnic and societal caste system, Dorothy accomplished many of her dreams.

She was the first and only family member to attend college and to receive a master's degree. She headed a major division in a large New York hospital and went on to run one of the nation's largest associations of social workers. She has been recognized for outstanding contributions to her community.

Dorothy has traveled the world, from Africa to China to Europe, and she has run the rapids of the Colorado River. She accomplished all of this while raising four children during a successful marriage that spanned nearly five decades.

For a young woman from the south side of Stamford in the early 40s and 50s, it would have been easier to think about climbing Mt. Everest-backwards.

Perhaps Dorothy's greatest achievement and most revealing glimpse into her integrity and character is the person she chose to be her life partner. He was a man whose own father told him he would amount to nothing more than a number on a welfare roll, a man referred to in front of his own children as half a man due to his disability, a man rejected by his church because of his appearance. With Dorothy's love and support, he overcame his disability and became the first disabled person inducted into the New York Basketball Hall of Fame. Dorothy saw the person, not the color of his skin, his disability, or his limitations. Dorothy fell in love with Joseph Mulholland because he never thought for a moment that he could not overcome the polio



that took from him so many opportunities that he had hoped to enjoy. He is gone on to a better place, but there is no doubt that he is proud of his son's plans for Dorothy's Place.

Dorothy is an inspiration to today's children and especially to the kids at The Noelle, who themselves are often subjected to bigotry or who are discouraged from attempting to achieve their goals. Her message to them is this; it is they who control their own destiny through hard work, determination, and persistence. No one shall hand things out for free, but nothing is more satisfying than achieving a positive result from the efforts you put forth. Further, it is not simply the achievement or the win that matters most, but rather how you conduct yourself through life. TMG is proud to name The Noelle's enrichment center-Dorothy's Place-in her honor.

About The Mulholland Group

The Mulholland Group is committed to building affordable housing developments in urban communities throughout the United States. TMG recognizes that affordable housing is only one of the steps necessary to enable individuals and families to live their lives in dignity. TMG has developed The Noelle at Brook Hill, featuring Dorothy's Place, as a prototype for future developments it hopes to open in states across the nation. Each will feature affordable residences along with numerous educational, health, employment, and recreational opportunities.

TMG believes that if it is to have a successful business venture, it must first convince the community members that they will have the opportunity to share in the company's success. All of the programs at Dorothy's Place are designed to build confidence in each and every person who resides in The Noelle community, to provide a path to a better and a healthier life.

TMG is guided by the words of the great Albert Camus: "If I am not for myself than who shall be for me? But if I am only for myself than what am I?" Based upon the values of its founder, Royce A. Mulholland, TMG will strive to bring hope, possibility, and compassion to the communities TMG serves.



HENRICO CITIZEN

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Thursday, MAR 6, 2008

LOCAL NEWS

Business

Good PALs

By Patty Kruszewski, Henrico
Citizen Managing Editor
06.MAR.08

Members of the Henrico Police Athletic League board gathered Feb. 20 with Frank Thornton, Fairfield District representative to the Board of Supervisors, for a Ribbon Cutting Ceremony to mark the opening of Henrico PAL's first administrative office, located at 2723 Byron Street, near Glenwood



Farms in eastern Henrico. Pictured at left (left to right) are Johnny Newman, former NBA star and host of the first Henrico's 2007 PAL basketball camp; Sgt. Kenneth Ragland; Royce Mulholland, president and CEO of the Mulholland Group, which donated the property; Thornton; Col. Henry W. Stanley, Jr., Henrico County Chief of Police; and Henrico PAL President Dr. Robin Lacks.

The new office will help Henrico PAL carry out its mission of providing educational, athletic, and recreational programs for county youth, including the First Annual Henrico PAL Summer Camp (coming June 2008). Information about the camp and other programs will be available starting this month on the official Henrico PAL website (henricopal.org).

Housing Development Reporter

September 17, 2007 HDR Current Developments

TAX CREDIT MATTERS PROJECT DEVELOPMENT

THE NOELLE AT BROOK HILL



Enrichment Center Added in Rehab of Virginia Apartment Complex

The Mulholland Group, LLC, has acquired and rehabilitated a dilapidated, crime-ridden apartment complex outside of Richmond, Va., adding a 3,200-square-foot enrichment center to provide education, health, employment, and recreation services for residents.

The refurbished development is the former Brook Ridge Apartments in Henrico County, which was built in the late 1960s and 1970s. The development had no direct project-based rental subsidies, and the nonprofit owner didn't have enough capital for repairs and decided to sell the development. The project, which was rehabilitated with tax-exempt bonds and 4 percent low-income housing tax credits, has been named the Noelle at Brook Hill.

Developer Royce A. Mulholland, principal of the group, said he named the enrichment center Dorothy's Place after his mother because she is the child of immigrants who overcame personal obstacles to obtain a master's degree and pursue a career. "She is not only an inspiration to me and my family but also to the kids here at Noelle," he said.

Currently, the group has plans for three enrichment centers at its other properties. Mulholland, who served as a New York State housing official under former Governor Mario Cuomo, said he believes the center provides services beyond what can be found in most privately owned affordable housing developments.

Mulholland said that in addition to providing a much-needed community service, the enrichment center is a good business model. "People will stay in your community longer," he said. "They will treat their community better and improve their lot in life. Community services can reduce turnover by 10 to 15 percent and reduce costs."



MULHOLLAND

Enrichment Center

Educational services provided at the enrichment center have been planned in coordination with the Henrico County Board of Education and the adult education department of Virginia Union University. The activities at Dorothy's Place are coordinated by a community affairs director hired by the Mulholland Group.

The center's education initiatives will provide mentors, tutors, and computer equipment and software for school-aged youth. The center will offer on-site assistance for college-bound residents and adult education programs. The Mulholland Group will also establish scholarships for students.

A job opportunity program will also be part of services at the center. There will be seminars on how to write a resume and develop job interview skills and access to an employment data base for the area along with job postings from 15 to 20 major corporations in the Richmond area. Residents will be able to earn their GED and to take courses toward a bachelor's degree.

Dorothy's Place will also house a 500-square-foot fitness center where residents will have access to exercise programs along with nutritional education designed to

combat illnesses such as diabetes and high blood pressure. Residents will also be eligible for prescription drugs, eyeglasses, and other medical supplies at discounted prices.

Residents will also have access to recreation activities that include competitive athletics. The Noelle at Brook Hill features a swimming pool and outdoor basketball court. There are also plans to construct an indoor arena for basketball, tennis, boxing and volleyball which will be named after Ronald Simmons, a prominent African-American business leader in Richmond.

Project Rehabilitation

In the project rehabilitation, the Mulholland Group spent about \$26,000 per unit. Mulholland said that he chose not to reconfigure the units because they were of adequate size and had a satisfactory layout.

The rehabilitation included repairing parquet floors where necessary and refurbishing kitchens and baths. Exterior improvements include new siding, windows, and roofs along with a new heating and cooling system. The objective, Mulholland said, was to get the property in shape to last at least 20 years without another major rehabilitation.

There are 292 rental units at Brook Hill, with 40 one-bedroom units with 740 square feet, 204 two bedroom town homes with 950 square feet, and 48 three-bedroom units at 1,080 square feet. All of the units are eligible for low-income housing tax credits, with rents affordable to families at 60 percent of area median income (AMI). The current rents are \$550 for a one-bedroom unit, \$625 for a two-bedroom, and \$725 for a three bedrooms.

Project Financing

The total acquisition and development costs for Noelle at Brook Hill were \$23.6 million. Funding sources include \$12.3 million in tax-exempt private activity bonds. The 35-year bonds carry interest at 5.15 percent for two years, which covers the rehabilitation and lease-up phase, and the rate then increases to 6.475 percent for the remaining term.

In addition, the sale of 4 percent tax credits to the Phoenix Realty Group of New York raised \$7.5 million in equity. The remaining sources are a \$1 million capital contribution from the Mulholland Group and \$2.8 million in deferred development fees.

Mulholland said that he would like Congress to provide a tax credit bonus to developers that include enrichment centers with the same services as Dorothy's Place and has talked to Sen. James Webb (D Va.) about this issue.

The Mulholland Group owns and operates multifamily properties with about 1,600 rental units in Virginia, Arizona, Tennessee, and Texas and has another 1,100 units under purchase contract. Mulholland said his group's plan is to grow by about 1,000 units each year. The company is based in Whitestone, N.Y., and has offices in Richmond.

HAPPY NEW YEAR

FREE

Richmond Free Press

FREE

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Local News

38 Bikes Awarded

as Christmas presents for participating in
school work program

The Noelle at Brook Hill, Richmond, Virginia.

Thirty-eight young people are the recipients of bicycles as Christmas presents to recognize their participation in a program offering assistance with school work, an introduction to social skills and sports.

The program operates under the banner of The Noelle Connect. It is offered by Noelle at Brook Hill in partnership with Virginia Union University, J. Sargeant Reynolds Community College, the Richmond Police Department and three nonprofit organizations. Brook Hill is a recently renovated 292 low-income apartment community in Henrico County.

Jacqueline Poke, director of community affairs for Brook Hill, announced the names of the 38 recipients. They are:

Jaihschaad Banks, Tatyanna Banks, Erika Bennett, Brandie Brown, Miya Cooper, William Cooper, Kayla Cutler and Enzo Dansby.

Also, TreMani Fegans, Jazon Gatling, Shaquan Goodman, Ayana Green, Ceara Hammond, Daron Harris, Deija Harris and Durrand Harris.

Also, Iesha Hawthorne, Tamia Hicklin, Bria Jefferson, Wy'ell Jefferson, Ma'Kayla Johnson, Orlando Johnson, Franklin Lee Jr., Lavar Mallory and Kashmir Mapp.

Also, Ryan Pearson, CJ Price, Danayia Pringle, Adam Reyes, Jason Reyes, D'von Singletary, Malik Taylor, Teihyanna Thomas, Briana Travis, Kei Wheatley, Jamar Williams, Curtese Wilson and Dallas Woodson.





THE FWEPP

FAR WEST END PRESS

becoming **PALS**

Police find ways to keep teens off the streets
at The Noelle at Brook Hill

Every kid needs a PAL

Henrico program helps strengthen relations
between police, teens

By: TONI J. WOODY

Gen. Colin Powell had a PAL, singer Billy Joel had a PAL and actors Bill Cosby and Jimmy Smits had PALs.

"Every kid needs a PAL," particularly one from the Henrico County Police Department, according to Sgt. Kenneth Ragland, executive director of the Henrico Police Athletic League (PAL). Ragland describes PAL as a youth crime prevention program that utilizes education, athletic and recreational activities to create trust and understanding between police officers and youth.

While the national program is nearly 100 years old, it actually made its debut in Henrico last summer. Ragland said the program basically functions on the rationale that if young people have positive interaction with police officers during their developmental years, they'll develop a finer appreciation for law enforcement officers and for the laws they enforce, thereby producing law abiding citizens.

"I'm a product of PAL, and the program has been very instrumental in my upbringing and my attitudes and belief in law enforcement and police work," Ragland said. "Through the PAL program, my coaches and trainers were police officers, so that tore down those barriers that oftentimes exist between law enforcers and kids. As a result, I am now working in the PAL program here in Henrico. If it was not for the PAL program, I would not be a police officer."

Ragland pointed out that the program, which focuses on children ages 7 to 15, tries to provide a positive alternative for the young people in Henrico. "Those are really the developmental years where a lot of young people form their attitudes about law enforcement and the law - those are the years where they can easily get into trouble," added Ragland.

The PAL program owes much of its success to a dynamic executive board and the involvement of former NBA star Johnny Newman, Ragland said.

"We have a lot of great people on our board, which is made up of a diverse group of people who have a humanitarian spirit and each member is interested in enhancing the lives of our young people," Ragland said. "That's why we've come so far so quickly because of these individuals and the support of the Henrico County government."

He said ideas for PAL events come from the executive board and from Newman, who is program committee chairman. Some of PAL's most recent events included the Johnny Newman basketball camp and the "3-on-3" basketball tournament which included more than 200 kids. Ragland said laptop computers were awarded to each first place team member and iPods for each second place team member in the tournament.

He said there are some exciting events on the horizon this year. They include a "Drop Everything and Read" program in February, a summer camp in June and an after-school program to begin in September.



LEFT: PAL participants and volunteers watch a recent 3-on-3 basketball tournament with Board of Supervisor member Frank Thornton (center right), who also serves on the Henrico PAL Board, and a Henrico County Police officer.



LEFT: 3-on-3 participants pose with former NBA star Johnny Newman (left) and Sgt. Kenneth Ragland, executive director of Henrico Police Athletic League (PAL)

The "Drop Everything and Read" program, which takes place Feb. 29 at Glen Lea Elementary School, will have PAL board members, Henrico County Police officers and volunteers simultaneously reading to students in all the classrooms.

Ragland said the after-school program will have an emphasis on tutoring.

"Education is the key to ensuring that our young people become successful, so we want to make sure we have a very strong tutoring component to the PAL after-school program," Ragland added.

He said the summer camp will include an whole litany of events and activities such as swimming, skating, sports awareness, technology awareness and field trips to museums and amusement parks.

"Our emphasis is always to meet the needs of our kids here in Henrico County," said Ragland. "Our young people are in dire need of positive programs and alternatives to getting into trouble."

He pointed out that the public is excited about the short- and long-term effects of the PAL program and the feedback from parents whose children have participated in PAL events has been overwhelmingly positive.

Christine Anderson, who found out about the program through a PAL board member, said she was impressed with the way the children were treated in the Johnny Newman basketball camp. She said her daughter was a bit nervous when she arrived at the basketball camp because she didn't have a basketball background, but relaxed after realizing prior basketball experience was not a prerequisite.

"It was great the way the police officers pitched in to help the kids so they wouldn't be afraid of police officers," Anderson said. "Prior to participating in the basketball camp, my daughter wanted to be a cheerleader and now she wants to play basketball."

Even though several organizations have stepped up and supported PAL, the program is very reliant on public support, grants and donations, Ragland said. For more information on making a contribution or volunteering for the PAL program, visit www.henricopolice.org, e-mail rag@co.henrico.va.us or call 804-501-4831. <>

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A MEDIA GENERAL NEWSPAPER

FINAL

RICHMOND, VIRGINIA

SUNDAY, OCTOBER 7, 2006

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Real estate



Jacqueline Pike, Mulholland Group's community affairs leader, speaks with Noelle resident Willie Williams about the mentoring program.

A better place to live



Jestin Lewis (left), Robert Price and Corey Brown play basketball at the Noelle apartments' court. The renovated complex is in the Brook Hill area of Henrico County.

Henrico complex redone with plans to help tenants and enrich their lives

BY CAROL HAZARD
TIMES-DISPATCH STAFF WRITER

The Brook Ridge Apartments in Henrico County was not a place to rear children.

"It was awful -- run-down," said resident Lindsay Harris. "The kids didn't have anything to do. They were running wild."

Harris is paying \$75 more a month for her apartment since the complex was renovated and renamed The Noelle at Brook Hill.

"But that's OK; it's worth it," she said. Her boys, ages 8 and 4, can hardly wait to go to the playground.

Rents range from \$585 a month for a one-bedroom apartment to \$750 a month for a three-bedroom unit in this complex east of Chamberlayne Road and north of Azalea Avenue.

A developer from Queens, N.Y., bought the property in spring 2006 and invested \$8 million in it. Renovations are nearing completion.

Here's where it gets personal. Royce A. Mulholland, the developer, renamed the 292-unit complex after his teenage daughter Noelle.

His vision was to provide more than a better place to live. It was to put programs in place where children could have mentors and adults could find help with their education, careers and health.

The apartment complex is teaming with schools and nonprofit agencies to make it work.

"We are very pleased with the physical improvements. It's beautiful," said Willis L. Barnett, past president of the Azalea Civic League, the neighborhood association.

We are waiting to see if the owners will follow through with the programs to enrich people's lives.

Barnett moved to a house in the neighborhood in 1983, when it was beautiful and quiet, he said. The apartment complex deteriorated in the mid-1990s, dragging down the neighborhood, he said.

Mulholland said he knows of no other private developer who has invested so much money in a project of this type. "We took a great risk," he said.

Paul Johnson, a manager in community revitalization for Henrico County, said the rehab job was thorough. "We have seen a tremendous turnaround in terms of the property."

The old pool on the property, with green water in it, had been closed for years, Johnson said. It's been redone and reopened.

The Noelle is a low-income project, so it has limitations. A single tenant has to make \$28,860 or less to qualify to live there. A household of four could earn no more than \$41,220.

Under the new management, residents could be released from their leases or renew at higher rates. About two-thirds stayed.

Mulholland spent \$25,000 renovating each apartment, adding new appliances, fixtures, countertops, flooring and energy-efficient windows. He put in landscaping, security lighting, two basketball courts and a mini water park for children.

He built a \$600,000 community center and named it Dorothy's Place after his mother. It has a 24-hour fitness center, a computer lab for residents and a great room with a large-screen TV.

Mulholland's mother was the daughter of Polish immigrants who grew up above a candy store in Stamford, Conn. She was the first family member to go to college and receive a master's degree. She headed a major division at a large New York hospital and ran one of the nation's largest associations of social workers.

His late father, the son of Italian immigrants, was disabled from polio, yet worked as a carpenter and overcame his disability.

"Because you are poor, it doesn't mean you can't excel and lead a healthy lifestyle," Mulholland said. "People set their own limits."

Hard work, determination and persistence go a long way, he said.

Mulholland said he hopes The Noelle, featuring Dorothy's Place, will be a prototype for similar developments across the country.

Each would provide affordable residences with educational, health, employment and recreational opportunities.

The mission here: "To provide an environment in which every member of our community, from toddler to adult, can enrich and advance their lives by participating in Dorothy's Place programs. To create within our neighborhoods a sense of faith, hope and charity that will be shared with the greater Henrico and Richmond communities."



MULHOLLAND

Mulholland, who spent eight years carrying out state housing policies in New York, invests in run down apartment properties and turns them around. He uses tax credits and tax-exempt bonds designated for low-income housing to offset costs.

His company, The Mulholland Group, also owns apartment properties in Arizona, Florida and Tennessee.

In the Richmond area, it owns Glenwood Farms off Laburnum Avenue and the former Azalea Gardens off Windomere Avenue in Henrico. The latter was renovated and renamed The Shannon after his other teenage daughter.

The Noelle is the first of his complexes with an array of services.

"We're committed as a company to keeping it simple and getting our residents healthy, educated and better job opportunities," Mulholland said. "A healthy tenant hopefully will be a long-lasting tenant."

Jacqueline Polk, director of community affairs for The Noelle, said she sees positive changes.

"We're knocking on doors and giving ownership to residents," encouraging them to become involved in their new community, she said. "This is theirs and they need to take care of it."

Residents have seen management companies come and go, making promises they never kept.

This time is different, said Luke Johnson with management company S.L. Nuthall Realty Co. in Norfolk. "We're here and working hard to make changes."

A NEW APPROACH

The Noelle at Brook Hill has partnered with the following groups to provide opportunities for its residents.

Health care: Capital Area Health Network will provide medical and dental, mental health, nutrition and wellness programs.

Education: Virginia Union University will make on- and off-site programming available. Seniors at Henrico High School are mentors to elementary and middle school residents.

Employment: Richmond Career Advancement Center guides, recruits and place people into jobs.

Senior Programs: Senior Connections helps people maintain independence and provides home-delivered meals for those unable to prepare food. Elder-Friends is a volunteer social and advocacy program for seniors living on their own.

Athletics: Richmond Midnight Basketball provides organized recreation in safe, supervised environments. The Henrico Police Athletic League host a basketball camp sponsored in part by the Mulholland Group.

MULTI-HOUSING NEWS

INDUSTRY NEWS

Published: August 23, 2007

Low-Income Housing Complex Receives \$ 8M Makeover

By Kelly Sheehan, Online News Editor

Henrico, Va.--On Saturday, elected officials will help celebrate the opening of an affordable multifamily housing development in Henrico, Va. that recently underwent an \$8-million renovation, giving hundreds of its residents a reason to celebrate.

There are 292 units at the Noelle at Brook Hill. Monthly rents are only \$550 for a one bedroom, \$625 for a two-bedroom, and \$725 for a three bedroom. Each unit underwent about \$25,000 in renovations.



Noelle at Brook Hill was formerly called the Brook Ridge Apartments. The complex was built more than 35 years ago, and was in a dilapidated state before the rehabilitation. To address the community's crime problem, a host of social programs will be offered to residents.

Owner and developer Royce A. Mulholland, a life-long housing advocate who purchased the property in 2006, says the Noelle is his prototype for developments he intends to open in cities across the country. The signature feature of the Noelle at Brook Hill is Dorothy's Place (pictured), an enrichment center that provides residents with education, health, employment and recreation opportunities.

"Dorothy's Place is designed to give residents the opportunity to live their lives with dignity," says Mulholland, president of the Mulholland Group (TMG). "We offer an affordable, attractive place to live, and just as importantly, we offer essential programs such as a learning center, employment seminars and access to health care programs at substantial discounts."

TMG financed the project without direct rental subsidies by using a combination of tax credits and tax-exempt bonds. TMG hired local, minority-owned and female owned firms to do the majority of the renovation at the 23-acre property.

MULTI-HOUSING NEWS

INDUSTRY NEWS



Entry View Before



Entry View After



Pool Before



Pool After



Office Area Before



Office Area After



Backyards Before



Backyards After



One Bedroom Units Before



One Bedroom Units After



Walkways Before



Walkways After

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the City of Albany Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

This application by applicant respectfully states:

APPLICANT: Columbia 425 NS LLC

APPLICANT'S ADDRESS: 302 Washington Avenue Extension

CITY: Albany STATE: NY ZIP CODE: 12203

PHONE NO.: 862-9133 FAX NO.: 862-9443 E-MAIL: jnicolla@aol.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION:

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: Debra J. Lambek, Esq.

ATTORNEY'S ADDRESS: 302 Washington Avenue Extension

CITY: Albany STATE: NY ZIP CODE: 12203

PHONE NO.: 862-9133 FAX NO.: 862-9443 E-MAIL: dlambek@columbiadev.com

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT THIS FORM.

INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return eight (8) copies of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of One Thousand Five Hundred Dollars (\$1,500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. THIS APPLICATION WILL NOT BE

ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE
APPLICATION FEE.

FOR AGENCY USE ONLY

1. Project Number	
2. Date application Received by Agency	, 20
3. Date application referred to attorney for review	, 20
4. Date copy of application mailed to members	, 20
5. Date notice of Agency meeting on application posted	, 20
6. Date notice of Agency meeting on application mailed	, 20
7. Date of Agency meeting on application	, 20
8. Date Agency conditionally approved application	, 20
9. Date scheduled for public hearing	, 20
10. Date Environmental Assessment Form ("EAF") received	, 20
11. Date Agency completed environmental review	, 20
12. Date of final approval of application	, 20

SUMMARY OF PROJECT

Applicant: Columbia 425 NS LLC

Contact Person: Joseph R. Nicolla

Phone Number: (518) 862-9133

Occupant: Columbia 425 NS LLC, as landlord and St. Peter's Health
Partners Medical Associates, P.C., as tenant

Project Location: 413 and 425 New Scotland Avenue

Approximate Size of Project Site: .45 acres

Description of Project: Assignment of existing lease from Care for Life Foundation,
Inc. to St. Peter's Health Partners Medical Associates,
P.C. and change in use from senior day-care/medical
facility to administrative office facility.

Type of Project: ☐ Manufacturing ☐ Warehouse/Distribution
☒ Commercial ☐ Not-For-Profit
☐ Other-Specify

Employment Impact: Existing Jobs 0
New Jobs 50 jobs

Project Cost: \$ n/a

Type of Financing: ☐ Tax-Exempt ☐ Taxable ☒ Straight Lease

Amount of Bonds Requested: \$ n/a

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$ <u>n/a</u>
Mortgage Recording Taxes:	\$ <u>n/a</u>
Real Property Tax Exemptions:	\$ <u>n/a</u>
Other (please specify):	\$ <u>n/a</u>

I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER, THE "COMPANY").

A. Identity of Company:

1. Company Name: Columbia 425 NS LLC

Present Address: 302 Washington Avenue Extension, Albany, NY

Zip Code: 12203

Employer's ID No.: 27-3334850

2. If the Company differs from the Applicant, give details of relationship: n/a

3. Indicate type of business organization of Company:

a. _____ Corporation (If so, incorporated in what country?

What State? _____ Date Incorporated? _____ Type of Corporation? _____ Authorized to do business in New York? Yes ____; No ____).

b. ____ Partnership (if so, indicate type of partnership _____, Number of general partners ____, Number of limited partners ____).

c. ☒ Limited liability company, Date created? 8/26/2010.

d. _____ Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:
The members of the Company are members of many other development projects in and around the Capital District area, such as Columbia

B. Management of Company: Development Companies.

1. List all owners, officers, members, directors and partners (complete all columns for each person):

Joseph R. Nicolla

Richard A. Rosen

DRL Marital Trust u/t/a 1/11/2010

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS	
Joseph R. Nicolla 302 Washington Ave. Ext., Albany NY 12203	General Manager	Columbia Development	Companies
Richard A. Rosen 302 Washington Ave. Ext., Albany NY 12203	Member	Columbia Development	Companies

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes ____; No x.

3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ____; No x.

4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes ____; No x.
(If yes to any of the foregoing, furnish details in a separate attachment).

5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment.

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Yes ____; No x.
If yes, list exchanges where stock traded:

2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
see response to Section 1(B)(1) for membership information of the Company		

D. Company's Principal Bank(s) of account: SEFCU

II. DATA REGARDING PROPOSED PROJECT

A. Summary: (Please provide a brief narrative description of the Project.)

1. Assignment of Lease from Care for Life Foundation, Inc. to St. Peter's Health Partners Medical Associates, P.C.

2. Change in use of facility from senior day-care/medical facility to administrative office facility.

B. Location of Proposed Project:

1. Street Address 413 and 425 New Scotland Avenue
2. City of Albany
3. Town of
4. Village of
5. County of Albany

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: .45 acres

Is a map, survey or sketch of the project site attached? Yes ____; No x.

2. Are there existing buildings on project site? Yes x; No ____.

a. If yes, indicate number and approximate size (in square feet) of each existing building: one (1) 16,500 sq. ft. building

b. Are existing buildings in operation? Yes ____; No x.

If yes, describe present use of present buildings:

c. Are existing buildings abandoned? Yes ____; No x. About to be abandoned? Yes ____; No x. If yes, describe:

d. Attach photograph of present buildings.

3. Utilities serving project site:
Water-Municipal: municipal
Other (describe)
Sewer-Municipal: municipal
Other (describe)
Electric-Utility: National Grid
Other (describe)
Heat-Utility: National Grid
Other (describe)
4. Present legal owner of project site: Columbia 425 NS LLC
- a. If the Company owns project site, indicate date of purchase: August 29, 20 11; Purchase price: \$ 750,000 .
- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes ____; No _____. If yes, indicate date option signed with owner: _____, 20____; and the date the option expires: _____, 20____. not applicable
- c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes ____; No _____. If yes, describe: not applicable
5. a. Zoning District in which the project site is located: R-2A
- b. Are there any variances or special permits affecting the site? Yes x; No _____. If yes, list below and attach copies of all such variances or special permits: area and use variances

D. Buildings:

1. Does part of the project consist of a new building or buildings? Yes ____; No x. If yes, indicate number and size of new buildings:
2. Does part of the project consist of additions and/or renovations to the existing buildings? Yes ____; No x. If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:
3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded:
commercial/administrative purposes

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes____; No x. If yes, describe the Equipment:
2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes____; No____. If yes, please provided detail: not applicable
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed: not applicable

F. Project Use:

1. What are the principal products to be produced at the Project? not applicable
2. What are the principal activities to be conducted at the Project?
administration, finance, accounting, recruiting
3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes____; No x. If yes, please provide detail:
4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? ____%
not applicable

5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project: not applicable

- a. Will the Project be operated by a not-for-profit corporation? Yes____; No____. If yes, please explain:

n/a

- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes____; No____. If yes, please explain:

n/a

- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes____; No____. If yes, please explain:

n/a

- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonable accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes____; No____. If yes, please provide detail:

n/a

- e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes____; No____. If yes, please explain: _____

n/a

6. If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes____; No____. If yes, please explain:

n/a

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes ____; No X. If yes, please explain:

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes ____; No X. If yes, please provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project: n/a

a. Is the Project reasonably necessary to preserve the competitive position of the Company on such Project Occupant in its industry? Yes ____; No _____. If yes, please provide detail:

n/a

b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes ____; No _____. If yes, please provide detail:

n/a

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

Albany Zoning Board

Albany Planning Board

2. Describe the nature of the involvement of the federal, state or local agencies described above: change in use

H. Construction Status: not applicable

1. Has construction work on this project begun? Yes ____; No _____. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

n/a

2. Please indicate amount of funds expended on this project by the Company in the past three (3) years and the purposes of such expenditures:

n/a

I. Method of Construction After Agency Approval:

1. If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the project? Yes ____; No x.

2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes ____; No _____. n/a

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT. (PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes x; No _____. If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee name: St. Peter's Health Partners Medical Associates,
Present Address: 319 S. Manning Blvd. P.C.
City: Albany State: NY Zip: 12208
Employer's ID No.:
Sublessee is: x Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: contractual
Percentage of Project to be leased or subleased: 100%
Use of Project intended by Sublessee: administrative facility
Date of lease or sublease to Sublessee: n/a

Term of lease or sublease to Sublessee: 20 years

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes____; No x. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee. n/a

2. Sublessee name: n/a
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes____; No____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.
3. Sublessee name: n/a
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes____; No____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? 100%

IV. Employment Impact

A. Indicate below the number of people presently employed at the project site and the number that will be employed at the project site at end of the first and second years after the project has been completed (Do not include construction workers). Also indicate below the number of workers employed at the project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT					
	PROFESSIONAL MANAGERIAL	SKILLED	SEMI- SKILLED	UNSKILLED	TOTALS
Present Full Time	0	0	0	0	0
Present Part Time	0	0	0	0	0
Present Seasonal	0	0	0	0	0
First Year Full Time	5	15	10	0	30
First Year Part Time	0	0	0	0	0
First Year Seasonal	0	0	0	0	0
Second Year Full Time	15	25	10	0	50
Second Year Part Time	0	0	0	0	0
Second Year Seasonal	0	0	0	0	0

B. Please prepare a separate attachment describing in detail the types of employment at the project site. Such attachment should describe the activities or work performed for each type of employment.

V. Project Cost

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the project site and the construction of the proposed project including the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ n/a _____
Buildings	\$ _____
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ _____
Costs of Bond issue (legal, financial	

and printing)	\$ _____
Construction loan fees and interest	
(if applicable)	\$ _____
Other (specify)	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
 TOTAL PROJECT COST	 \$ <u>n/a</u>

B. Have any of the above expenditures already been made by applicant? n/a
 Yes ____; No _____. (If yes, indicate particular.)

V. BENEFITS EXPECTED FROM THE AGENCY

A. Financing not applicable

1. Is the applicant requesting that the Agency issue bonds to assist in financing the project? Yes ____; No _____. If yes, indicate: n/a
 - a. Amount of loan requested: _____ Dollars;
 - b. Maturity requested: _____ Years.
2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes ____; No _____. n/a
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes: n/a
 - a. retail food and beverage services: Yes ____; No ____
 - b. automobile sales or service: Yes ____; No ____
 - c. recreation or entertainment: Yes ____; No ____
 - d. golf course: Yes ____; No ____
 - e. country club: Yes ____; No ____
 - f. massage parlor: Yes ____; No ____
 - g. tennis club: Yes ____; No ____
 - h. skating facility (including roller
 - i. skating, skateboard and ice skating): Yes ____; No ____
 - j. racquet sports facility (including
 - handball and racquetball court): Yes ____; No ____
 - k. hot tub facility: Yes ____; No ____
 - l. suntan facility: Yes ____; No ____
 - m. racetrack: Yes ____; No ____
4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment. n/a

5. Is the Project located in the City's federally designated Enterprise Zone? Yes ____; No _____. n/a

6. Is the applicant requesting the Agency to issue federally tax-exempt Enterprise Zone bonds? Yes ____; No _____. n/a

B. Tax Benefits not applicable

1. Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency? Yes ____; No _____. n/a

2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes ____; No _____. If yes, what is the approximate amount of financing to be secured by mortgages? \$ _____. n/a

3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes ____; No _____. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ _____. n/a

4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

a.	N.Y.S. Sales and Compensating Use Taxes:	\$	n/a
b.	Mortgage Recording Taxes:	\$	n/a
c.	Real Property Tax Exemptions:	\$	n/a
d.	Other (please specify):	\$	
		\$	n/a

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's tax-exemption policy contained in its Rules and Regulations? Yes ____; No _____. If yes, please explain. n/a

6. Is the Project located in the City's state designated Empire Zone? Yes ____; No x.

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VI. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency as follows:

A. Job Listings. Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and with the administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.

B. First Consideration for Employment: In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

C. City Human Rights Law. The Applicant agrees to endeavor to comply with the provisions of Article XI, Division 2 of the City Code, entitled "The Omnibus Human Rights Law". The Applicant understands that it is not subject to the provisions of The Omnibus Human Rights Law.

D. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

F. Annual Employment Reports: The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

G. Absence of Conflicts of Interest: The applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

(Applicant) COLUMBIA 425 NS LLC

BY: _____

Joseph R. Nicolla, Authorized Person

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION
APPEARING ON PAGES 18 THROUGH 21 HEREOF BEFORE A NOTARY PUBLIC AND MUST
SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 22

VERIFICATION

(If Applicant is a Corporation)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____ deposes and says that he is the
(Name of chief executive of applicant)

_____ of _____,
(Title) (Company Name)

the corporation named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. Deponent further says that the reason this verification is made by the deponent and not by said company is because the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

(officer of applicant)

Sworn to before me this
_____ day of _____, 20__.

(Notary Public)

VERIFICATION

(If applicant is sole proprietor)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____, deposes and says
(Name of Individual)

that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application.

Sworn to before me this
 ____ day of _____, 20__.

(Notary Public)

VERIFICATION

(If applicant is ~~person~~ ^{partner} limited liability company)

STATE OF New York)
) SS.:
COUNTY OF Albany)

Joseph R. Nicolla, deposes and says

(Name of Individual)

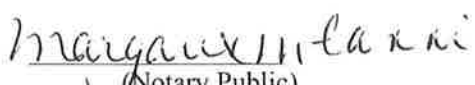
that he is one of the members of the firm of Columbia 425 NS LLC,
(Limited Liability Company)

the limited liability company named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said limited liability company.



Joseph R. Nicolla

Sworn to before me this
18th day of June, 2013


(Notary Public)
MARGARET M. LANNI
Notary Public, State of New York
Qualified in Schenectady County
No. 4930641
Commission Expires February 16, 2014

VERIFICATION

(If applicant is limited liability company)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____, deposes and says

(Name of Individual)

that he is one of the members of the firm of _____,

(Partnership Name)

the partnership named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said partnership.

Sworn to before me this
day of _____, 20__.

(Notary Public)

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 22 IS SIGNED BY THE APPLICANT.

HOLD HARMLESS AGREEMENT

Applicant hereby releases City of Albany Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issue of bonds requested therein are favorably acted upon by the Agency, and (ii) the Agency's financing of the Project described therein; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

(Applicant) COLUMBIA 425 NS LLC

BY: 

Joseph R. Nicolla, Authorized Person

Sworn to before me this
18th day of June, 2013


(Notary Public)

MARGARET M. LANNI
Notary Public, State of New York
Qualified in Schenectady County
No. 4930641
Commission Expires February 16, 2014

TO: Project Applicants
FROM: City of Albany Industrial Development Agency
RE: Cost/Benefit Analysis

In order for the City of Albany Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

Since we need this Questionnaire to be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"): Columbia 425 NS LLC
2. Brief Identification of the Project: 413 and 425 New Scotland Avenue
3. Estimated Amount of Project Benefits Sought: n/a
 - A. Amount of Bonds Sought: \$ _____
 - B. Value of Sales Tax Exemption Sought \$ _____
 - C. Value of Real Property Tax Exemption Sought \$ _____
 - D. Value of Mortgage Recording Tax Exemption Sought \$ _____

PROJECTED PROJECT INVESTMENT

- A. Land-Related Costs n/a
 1. Land acquisition \$ _____
 2. Site preparation \$ _____
 3. Landscaping \$ _____
 4. Utilities and infrastructure development \$ _____
 5. Access roads and parking development \$ _____
 6. Other land-related costs (describe) \$ _____
- B. Building-Related Costs n/a
 1. Acquisition of existing structures \$ _____
 2. Renovation of existing structures \$ _____
 3. New construction costs \$ _____
 4. Electrical systems \$ _____
 5. Heating, ventilation and air conditioning \$ _____
 6. Plumbing \$ _____
 7. Other building-related costs (describe) \$ _____

C.	Machinery and Equipment Costs	n/a
1.	Production and process equipment	\$ _____
2.	Packaging equipment	\$ _____
3.	Wharehousing equipment	\$ _____
4.	Installation costs for various equipment	\$ _____
5.	Other equipment-related costs (describe)	\$ _____
D.	Furniture and Fixture Costs	n/a
1.	Office furniture	\$ _____
2.	Office equipment	\$ _____
3.	Computers	\$ _____
4.	Other furniture-related costs (describe)	\$ _____
E.	Working Capital Costs	n/a
1.	Operation costs	\$ _____
2.	Production costs	\$ _____
3.	Raw materials	\$ _____
4.	Debt service	\$ _____
5.	Relocation costs	\$ _____
6.	Skills training	\$ _____
7.	Other working capital-related costs (describe)	\$ _____
F.	Professional Service Costs	n/a
1.	Architecture and engineering	\$ _____
2.	Accounting/legal	\$ _____
3.	Other service-related costs (describe)	\$ _____
G.	Other Costs	n/a
1.	_____	\$ _____
2.	_____	\$ _____
H.	Summary of Expenditures	n/a
1.	Total Land-Related Costs	\$ _____
2.	Total Building-Related Costs	\$ _____
3.	Total Machinery and Equipment Costs	\$ _____
4.	Total Furniture and Fixture Costs	\$ _____
5.	Total Working Capital Costs	\$ _____
6.	Total Professional Service Costs	\$ _____
7.	Total Other Costs	\$ _____

PROJECTED PROFIT

- I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization: It is anticipated there will not be any difference because the Agency benefits are passed directly to the Tenant.

YEAR	Without IDA benefits	With IDA benefits
1	\$ _____	\$ _____
2	\$ _____	\$ _____
3	\$ _____	\$ _____
4	\$ _____	\$ _____
5	\$ _____	\$ _____

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

- I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project: n/a

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year		\$ _____	\$ _____
Year 1		\$ _____	\$ _____
Year 2		\$ _____	\$ _____
Year 3		\$ _____	\$ _____
Year 4		\$ _____	\$ _____
Year 5		\$ _____	\$ _____

PROJECTED PERMANENT EMPLOYMENT IMPACT

- I. Please provide estimates of total number of existing permanent jobs to be preserved or retained as a result of the Project:

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	0	0	0	0
Year 1	5	15	10	0
Year 2	15	25	10	0
Year 3				
Year 4				
Year 5				

II. Please provide estimates of total new permanent jobs to be created at the Project:

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	0			
Year 1	5	15	10	
Year 2	15	25	10	
Year 3	0			
Year 4	0			
Year 5	0			

III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

IV. Provide the projected percentage of employment that would be filled by City of Albany residents:
20%

A. Provide a brief description of how the project expects to meet this percentage: *see below

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1st year following project completion) \$ 0

Additional Sales Tax Paid on Additional Purchases \$ 0

Estimated Additional Sales (1st full year following project completion) \$ 0

Estimated Additional Sales Tax to be collected on additional sales (1st full year following project completion) \$ 0

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"): not applicable, there is an existing PILOT.

*Job openings will be listed with the local job development authority which will provide a source of local employment for the Project.

not applicable. There is an existing PILOT.

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year			
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

- III. Please provide a brief description for the impact of other economic benefits expected to be produced as a result of the Project:

Local retail and service industries will benefit from the employees in the building.

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge, such responses are true, correct and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

Date Signed: June 13, 2008.

Name of Person Completing Project Questionnaire on behalf of the Company.

Name: Joseph R. Nicolla
Title: Authorized Person
Phone Number: 862-9133
Address: 302 Washington Ave. Ext.
Albany NY 12203

Signature: 

SCHEDULE A

CREATION OF NEW JOB SKILLS

Please list the projected new job skills for the new permanent jobs to be created at the Project as a result of the undertaking of the Project by the Company.

New Job Skills	Number of Positions Created	Wage Rate
Administrative	35	less than \$40,000
Management/Finance	15	over \$40,000

Should you need additional space, please attach a separate sheet.

**Columbia 425 NS LLC
302 Washington Avenue Extension
Albany, New York 12203**

May 13, 2013

Mr. Michael Yevoli
Chief Executive Officer
City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207

Re: 413 and 425 New Scotland Avenue

Dear Mr. Yevoli:

We received your correspondence inquiring into the use of the above property.
Please see attached the correspondence from St. Peter's Health Partners providing
you with the necessary information.

If you have any additional questions, please let me know. Thank you.

Columbia 425 NS LLC

By: 
Joseph R. Nicolla, Managing Member



ST PETER'S HEALTH PARTNERS

315 South Manning Boulevard
Albany, New York 12208
ph 518.525.1111

sphp.com

May 7, 2013

Mr. Joseph Nicolla
c/o Columbia 425 NS LLC
302 Washington Avenue Extension
Albany, NY 12203

Re: 413 and 425 New Scotland Avenue

Dear Mr. Nicolla:

I am VP Legal Services for St. Peter's Health Partners. Thank you for helping us in connection with the New Scotland Avenue property. I believe I can answer your questions regarding our plans for the property and intended date of occupancy.

As you are aware, Care For Life Foundation, Inc., the tenant under the Lease Agreement with Columbia 425 NS LLC, and Seton Health Systems, Inc., an intended subtenant, are part of the St. Peter's Health Partners (SPHP) not-for-profit health care system. While both Care For Life Foundation, Inc. and Seton Health Systems, Inc. intended to use the New Scotland Avenue property, at this time, St. Peter's Health Partners Medical Associates, P.C. (SPHPMA), another affiliate within SPHP system, has a more immediate need for the property.

SPHPMA is a New York professional service corporation organized as, operated as, and expected to be recognized as an entity exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. SPHPMA employs physicians and other health professional to provide health care services within the SPHP geographic service area. It is expected that SPHPMA will use the property for its administrative functions (including finance, information services and central billing operations) that support the health services provided by SPHPMA. Through either an assignment or sublease of the Lease Agreement, it is anticipated that SPHPMA will fulfill Care For Life Foundation, Inc.'s obligations under the Lease Agreement.

We understand the importance of maintaining the arrangements you received with the City of Albany Industrial Development Agency and Capital Resource Corporation related to the property tax abatement and hope that this transition will still fulfill that arrangement. SPHP is appreciative of the positive relationships we have built with the City of Albany and Columbia Development over the years and it is our intent to ensure this continues. If you are in need of additional information related to SPHPMA's occupancy, please let me know and we will provide that to you as soon as possible.

Sincerely,

Robert N. Swidler

cc: Michael Whalen, VP Facilities Management and Supply Chain, SPHP
Kelly Hoffman, Real Estate and Leasing, SPHP
Scott St. George, VP Operations, Acute Care Troy, SPHP
Paul Gordon, Chief Financial Officer, St. Peter's Health Partners Medical Associates, P.C.