

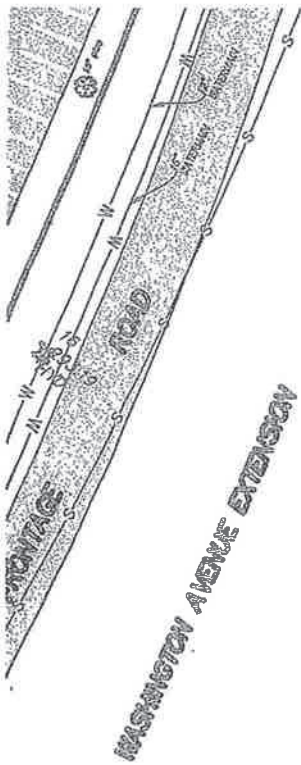
I, Edward Trant representing the Planning Board of the City of Albany, hereby certify that the foregoing is a true copy of a decision of the Planning Board made at a meeting thereof duly called and held on the day of June 21, 2012.

Date: 6/21/12

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.



APPROVED BY RESOLUTION OF THE PLANNING BOARD OF THE CITY OF ALBANY, NEW YORK

ON THE 21st DAY OF June, 2012
 SUBJECT TO ALL REQUIREMENTS AND CONDITIONS OF SAID RESOLUTION, ANY CHANGE, AMENDMENT, MODIFICATION OR REVISION OF THIS PLAN OR PLAN, AS APPROVED, SHALL VOID THIS APPROVAL
 SIGNED

FILED 21st DAY OF June, 2012

Edward R. Trant

 CITY CLERK

GENERAL SITE PLAN
 PROPOSED OFFICE BUILDINGS
 #176 & #178 WASHINGTON AVENUE EXTENSION
 ALBANY, NY

REVISIONS

120166-1.DWG

DATE: 6/18/12

CHK: DRH

BY: AS

SCALE: 1"=30'

FILE: 120166



CITY OF ALBANY
DEPARTMENT OF DEVELOPMENT & PLANNING

September 23, 2010

GERALD D. JENNINGS
Mayor

MICHAEL J. YEVOLI
Commissioner

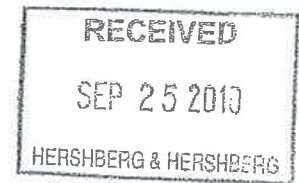
ECONOMIC DEVELOPMENT
21 Lodge Street
Albany, NY 12207
518.434.2532
(f) 518.434.9846
Development@cl.albany.ny.us

**NEIGHBORHOOD &
LONG-RANGE PLANNING**
21 Lodge Street
Albany, NY 12207
518.434.2532
(f) 518.434.9846
Albany2030@cl.albany.ny.us

LAND USE PLANNING
Board of Zoning Appeals, Planning Board,
Historic Resources Commission
200 Henry Johnson Boulevard
Albany, NY 12210
518.434.5240
(f) 518.434.5294
Planning@cl.albany.ny.us

**ALBANY COMMUNITY
DEVELOPMENT AGENCY**
200 Henry Johnson Boulevard
Albany, NY 12210
518.434.5265
(f) 518.434.5242

Hershberg and Hershberg
Attn: Daniel R. Hershberg, P.E., L.S.
18 Locust St.
Albany, NY 12203



Re: 184 Washington Ave. Ext. (P.B. Case# 6-10, 781)

Dear Dan:

Enclosed please find a copy of the Planning Board's Notification of Local Action regarding the application of Daughters of Sarah Senior Community seeking Site Plan Approval for the construction of two medical office buildings at 184 Washington Ave. Extension. On 9/16/10 the Planning Board issued a Negative Declaration of Environmental Significance for this project pursuant to SEQR. A copy of the decision is attached for your records.

Feel free to contact me at (518) 434-5250 if you have any questions regarding this matter.

Sincerely,

John Szczesny
Senior Planner

Enc.

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

Applicant: Daughters of Sarah Senior Community c/o Hershberg and Hershberg

Case File #: 6-10, 781

Location: 184 Washington Ave. Ext.

Request: Site Plan Approval

Date Received: 6/4/10

2010 SEP 21 AM 11:05
OFFICE OF THE CITY CLERK
ALBANY N.Y.

RECEIVED

Relevant Considerations:

Owner/Applicant: Daughters of Sarah Senior Community is the owner. First Columbia, LLC is the proposed developer. Engineering consultant is Hershberg and Hershberg.

Parcel size: 3.27 acres (142,460 square feet). The property is currently known as 184 Washington Ave. Ext. and is proposed to be subdivided to adjust lot lines.

Location: On the south side of Washington Ave. Ext., just east of Rapp Rd. The Daughters of Sarah Nursing Home is located immediately to the south.

Zoning: C-PB (Commercial Pine Bush).

Proposed project: The applicant is proposing to develop the site in order to construct two medical office buildings. Phase I is proposed to be developed as a one-story 13,125 s.f. medical office with 61 parking spaces. Phase II is proposed as a two-story 28,800 s.f. medical office building with 148 parking spaces. Two driveways are proposed to connect to the South Frontage Road.

Action Taken:

The Board issued a **Negative Declaration** for this **Unlisted Action** as per the provisions of SEQR, finding that there will be no significant adverse environmental impacts as per §617.7 of the SEQR regulations.

The vote was unanimous as follows:

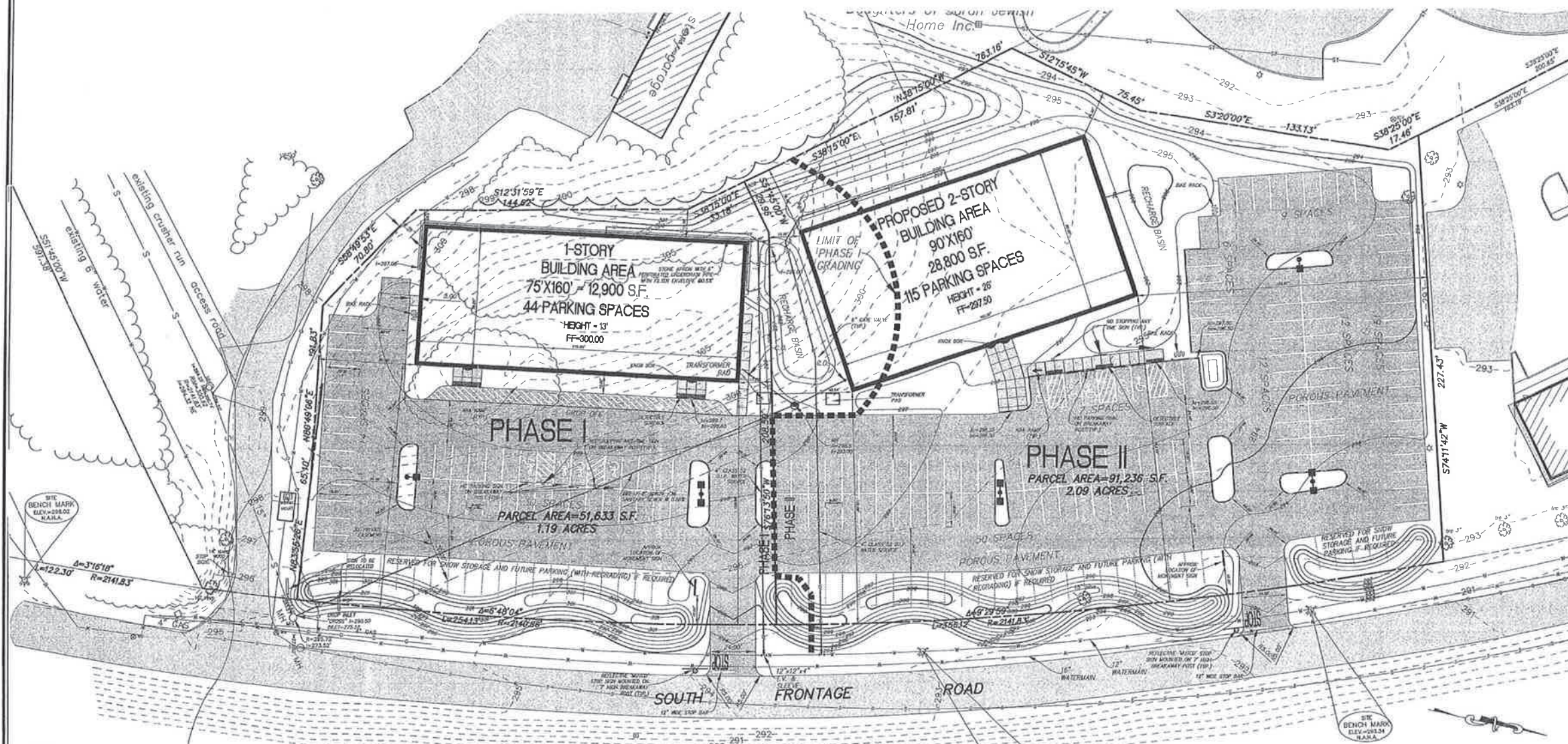
Vote:	For Approval:	5	Hancox:	Y	Trant: Y
	Against:		Pryor:	Y	Fox: Y
	Abstain:		Joyce:	Y	

I, Raymond F. Joyce, Jr. 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: _____

Date: 9/16/10

Signature: _____

Raymond F. Joyce Jr.



NOTE:
THE EXISTING SOUTH FRONTAGE ROAD PAVEMENT SHALL BE PROTECTED FROM CONSTRUCTION TRAFFIC. IN THE EVENT THAT THE PAVEMENT IS DAMAGED DURING CONSTRUCTION, THE CONTRACTOR SHALL BE RESPONSIBLE FOR ITS REPAIR TO THE FULL SATISFACTION OF THE CITY OF ALBANY.

ZONE: C-PB Commercial Pine Bush District
WASHINGTON AVENUE EXTENSION

PARKING ANALYSIS TABLE			
description	area	available	required
medical office phase I	13,125 s.f.	44	66
medical office phase II	28,800 s.f.	115	144
total spaces provided		159	
additional spaces banked for future use		51	
total spaces required			210
total spaces available		210	

SITE COVERAGE STATISTICS			
description	s.f.	acres	%
gross site area	142,869	3.280	100.00
impervious area	29,458	0.676	20.62
building coverage	27,300	0.627	19.11
sidewalk coverage	2,158	0.050	1.51
pervious area porous pavement	113,411	2.604	79.38

NOTE:
PERVIOUS PAVEMENT IS PERVIOUS. THEREFORE IT IS LISTED WITH PERVIOUS AREA

ZONING REQUIREMENTS TABLE	
ZONE	C-PB
MAXIMUM COVERAGE	BY SITE PLAN REVIEW
SETBACKS	FRONT BY SITE PLAN REVIEW SIDE BY SITE PLAN REVIEW REAR BY SITE PLAN REVIEW
HEIGHT	30' MAX.

SHEET LEGEND	
C-1	GENERAL SITE PLAN
C-2	SITE PLAN
C-3	LANDSCAPING PLAN
C-4	DETAILS
C-5	EXISTING CONDITIONS
C-6	LIGHTING PLAN
C-7	EROSION + SEDIMENT CONTROL PLAN

LEGEND

- U/I - EXISTING TELEPHONE
- - EXISTING CONTOURS
- W - EXISTING WATER MAIN
- H - EXISTING HYDRANT
- S - EXISTING SEWER MAIN
- MH - EXISTING MANHOLE
- W - EXISTING WATER MAIN
- - PROPOSED CONTOURS
- W - PROPOSED WATER MAIN
- H - PROPOSED HYDRANT & VALVE
- S - PROPOSED SEWER MAIN
- ST - PROPOSED STORM SEWER
- - PROPOSED STORM MANHOLE
- - PROPOSED CURB
- - PROPOSED SEGMENTED BLOCK WALL
- - PROPOSED SIDEWALK AND HANDICAPPED RAMP
- - DETECTABLE SURFACE
- STOP - HANDICAPPED PARKING
- STOP - STOP BAR
- STOP - PROPOSED PAVEMENT
- STOP - TRAFFIC FLOW MARKING
- - SETBACK DIMENSIONS
- - PROPERTY LINE
- STOP - STOP SIGN
- - EXISTING TREE
- - LIMIT OF CLEARING
- - EXIST. TREE LINE
- - FINISH GRADE SPOT ELEVATION
- - PROPOSED BUILDING
- - BUILDING MOUNTED LIGHTS
- - LIGHT POLE

150.02' DIST.
S37°59'58"W BEARING

STOP SIGN

EXISTING TREE

LIMIT OF CLEARING

EXIST. TREE LINE

FINISH GRADE SPOT ELEVATION

PROPOSED BUILDING

BUILDING MOUNTED LIGHTS

LIGHT POLE

APPROVED - RESOLUTION OF THE PLANNING BOARD OF THE CITY OF ALBANY, NEW YORK

AT THE 28th DAY OF October, 2010
SUBJECT TO ALL REQUIREMENTS AND CONDITIONS OF SAID RESOLUTION, ANY CHANGE, ERASURE, ADDITION OR REVISION OF THIS PLAN OR PLAN AS APPROVED, SHALL VOID THIS APPROVAL.

THIS 12th DAY OF December, 2010
Edward R. Front
(Signature)

FOR MUNICIPAL APPROVAL ONLY-NOT INTENDED FOR CONSTRUCTION



HERSHBERG & HERSHBERG
Consulting Engineers and Land Surveyors

18 Locust Street
Albany, New York 12203

ALTERATION OF THIS DOCUMENT EXCEPT BY A LICENSED PROFESSIONAL ENGINEER OR LAND SURVEYOR, IS ILLEGAL.



DATE	REVISIONS
8/12/10	REVISION
8/25/10	BEAM RAISED
10/20/10	BEAM RAISED
11/10/10	AREA REVISED
11/19/10	TRAFFIC ENG. NOTES
12/16/10	WATER DEPT. NOTES

SITE PLAN
#176 & #178 WASHINGTON AVENUE EXTENSION
ALBANY, NY

C-2

MEMO

TO: City of Albany Industrial Development Agency Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: Downtown Albany Revitalization, LLC

DATE: July 10, 2012

IDA staff reports that an application was submitted by Downtown Albany Revitalization, LLC on Monday seeking IDA assistance on One Stueben Place (the “Stueben Building”), 74-76 North Pearl Street (the “Kenmore Hotel”), and 16 Sheridan Avenue (the “Times Union Building”). At this time, staff has not fully reviewed or had the opportunity to perform an analysis on this project. However, staff is providing committee members with material for initial review with the intent that a discussion will take place at Wednesday’s Board meeting. Committee is not being asked to take any action at this time.



Residential Initiative IDA Application

Michael Yevoli
CEO
City of Albany IDA
21 Lodge Street
Albany, NY 12207

July 6, 2012

Re: Downtown Albany Revitalization, LLC - Conversion of Historic Properties to Cobblestone Apartments

Dear Mr. Yevoli,

As you know DAR is working very hard to get our three building apartment project off the ground. I am currently in discussion with a number of interested development and management partners whose first and last question is, "are the City and IDA behind the program, or will we be spinning our wheels?" Accordingly, I have prepared DAR's application for preliminary review and hopeful presentation to the IDA at the July meeting, so structured to acknowledge the future addition of an experienced multi-family development consultant/project manager before final approval is considered perhaps in August?

It is my hope the project is important enough to the City to allow DAR to supplement this application with any additional information you may require prior to the July IDA meeting with the thought that we can be placed on the agenda with the opportunity to fully reintroduce the project and the requested PILOT deviation patterned after a program approved for another project this past year.

Final design books are being printed as I write this. Hopefully we can all work together to get on the agenda and kick off what should be a marquee project the City will be proud of.

I look forward to talking to you Monday.

Sincerely,



Herb Ellis
Managing Partner, DAR, LLC

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: Downtown Albany Revitalization, LLC (a New York limited liability company)

APPLICANT'S ADDRESS: P.O. Box 648

CITY: Cohoes STATE: New York ZIP CODE: 12047

PHONE NO.: (518) 783-0038 FAX NO.: (518) 783-0510 E-MAIL: HerbE@aquaticgroup.com

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

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

NAME OF ATTORNEY: Timmon M. Favaro, Esq.

ATTORNEY'S ADDRESS: Cannon Heyman & Weiss, LLP, 726 Exchange St., Suite 516

CITY: Buffalo STATE: New York ZIP CODE: 14210

PHONE NO.: (716) 856-1700 FAX NO.: (716) 856-2311 E-MAIL: tfavaro@chwattys.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: Downtown Albany Revitalization, LLC

Contact Person: Herbert S. Ellis

Phone Number: (518) 783-0038

Occupant: N/A

Project Location: One Steuben Place (the "Steuben Building"), 74-76 North Pearl St. (the "Kenmore Hotel"), 16 Sheridan Avenue (the "Times Union Building"), Albany NY

Approximate Size of Project Site: 284,000 sq. ft.

Description of Project: See attached narrative (Attachment A)

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

Employment Impact: Existing Jobs – 43
New Jobs – 47 direct, 7 indirect

Project Cost: \$ 27,894,827

Type of Financing: ☐ Tax-Exempt ☐ Taxable ☒ Straight Lease
Lont-term lease hold int

Amount of Bonds Requested: \$ N/A

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$ 482,560
Mortgage Recording Taxes:	\$ 197,500
Real Property Tax Exemptions:	\$5,222,951
Other (please specify):	\$ N/A

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

A. Identity of Company:

1. Company Name: Downtown Albany Revitalization, LLC

Present Address: P.O. Box 648, Cohoes NY

Zip Code: 12047

Employer's ID No.: TBD

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

N/A

3. Indicate type of business organization of Company:

a. N/A Corporation (If so, incorporated in what country?
What State? N/A Date Incorporated? Type of Corporation? N/A Authorized to
do business in New York? Yes N/A; No N/A).

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

c. ☒ Limited liability company,
Date created? October 21, 2011.

d. N/A Sole proprietorship

4. Is the Company a subsidiary or direct or indirect affiliate of any other
organization(s)? No.

If so, indicate name of related organization(s) and relationship: N/A

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
Herbert S. Ellis 8 Pheasant Lane Menands, NY 12204	Member of Downtown Albany Revitalization MM, LLC, the managing member of the Company	N/A
Historic Tax Credit Investor Member (TBD)	Investor member for the purpose of syndication of tax credits	N/A
Co-Development Partner To-be-Named	N/A	N/A

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
------	---------	--------------------------

Downtown Albany Revitalization MM, LLC	C/o Herbert S. Ellis 8 Pheasant Lane Menands, NY 12204	40%
Historic Tax Credit Investor Member (TBD)	TBD	20%
Co-Development Partner To-be-Named	TBD	Up to 40%

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

KeyBank, N.A.

II. DATA REGARDING PROPOSED PROJECT

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

See attached narrative (Attachment B)

B. Location of Proposed Project:

1. Street Address: One Steuben Place (the Steuben Building)
74-76 North Pearl St. (the former Kenmore Hotel)
16 Sheridan Avenue (the former Times Union Building)
2. City of: Albany
3. Town of: N/A
4. Village of: N/A
5. County of: Albany

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: 284,000 sq. ft.
Is a map, survey or sketch of the project site attached? Yes X ; No _____. See Attachment C
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 Steuben Place (84,000 sq. ft. (est))
 74-76 North Pearl St. (90,000 sq. ft. (est))
 16 Sheridan Avenue (110,000 sq. ft. (est))
 - b. Are existing buildings in operation? Yes X ; No _____.
 If yes, describe present use of present buildings:

Presently the Project buildings are predominantly vacant and underutilized. There is a restaurant, the Pearl Street Pub whose lease is currently lapsed and is operating on a week to week basis, and a health club, the Steuben Athletic Club in operation in the Steuben Building by Steuben Place Partners.

c. Are existing buildings abandoned? Yes ____; No ☒. About to be abandoned? Yes ____; No ☒. If yes, describe: Absent development of the Project, the Project buildings will undoubtedly go into foreclosure and will remain vacant for an extended period of time.

d. Attach photograph of present buildings.

See attached Project Design Book (Attachment C)

3. Utilities serving project site:
Water-Municipal: Yes
Other (describe)
Sewer-Municipal: Yes
Other (describe)
Electric-Utility: National Grid
Other (describe)
Heat-Utility: National Grid
Other (describe)

4. Present legal owner of project site:

One Steuben Place is currently owned by Steuben Place Partners, LP; 74-76 North Pearl St. is currently owned by Historic Redevelopment Associates; 16 Sheridan Avenue is currently owned by Union Associates L.L.C. There is an agreement in place for DAR, LLC to lease all three buildings under a separate long-term master lease from building owners.

a. If the Company owns project site, indicate date of purchase:
N/A

Purchase price:
N/A

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:

Herbert Ellis is a principal of the existing ownership entities listed above and all members of the ownership entities have agreed to participate in the transaction described herein. Herbert Ellis or an affiliate will be the managing member of Downtown Albany Revitalization, LLC.

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

C-3. Central Business District

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

There is a zoning variance for the operation of the Pearl Street Pub. The variance is attached as Attachment F.

D. Buildings:

1. Does part of the project consist of a new building or buildings? Yes ____; No ☒. 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 _____. If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:

The Steuben Building, the Times Union Building and the Kenmore Hotel will each undergo substantial rehabilitation and renovation. The first-floor commercial areas in the Kenmore Hotel and 16 Sheridan building will be renovated and converted into retail and office spaces. The remainder of the available square footage in the three buildings will be used to develop market-rate residential apartments.

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

The Steuben Building will contain 26 market-rate apartments. The Steuben Athletic Club and a new expanded restaurant will continue to operate in the Steuben Building.

The Kenmore Hotel Building will contain 40 market-rate apartments. The street-level storefronts and the office space in the building, approximately 13,7000 square feet, will be developed for potential commercial tenants that will address the needs of the neighborhood such as a beauty salon, laundry/dry-cleaning business and/or convenience store. A number of established retailers have expressed interest in leasing available space in the Kenmore Hotel and 16 Sheridan Buildings as well.

The Times Union Building will contain 69 apartments including five penthouse apartments each with private terraces on the sixth floor. Approximately 8,650 square feet of commercial space will accommodate four store-front retailers and a Stewarts-like convenient store.

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:

The development plan for Project will include upgrades to many systems including, but not limited to, elevators, HVAC, security systems and electronic systems. Such systems will be either updated or added as needed.

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:

The elevators, HVAC systems, security systems and electric system upgrades will be principally used to provide services for the various commercial and residential tenants of the Project.

F. Project Use:

1. What are the principal products to be produced at the Project?

N/A

2. What are the principal activities to be conducted at the Project?

The principal activities to be conducted at the Project include: Rental of apartments; rental/operation of an athletic club; rental of a restaurant; and rental of office and retail space.

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:

The Project will contain commercial retail rental units that will provide services in addition to the services provided by the existing restaurant and athletic club. A number of established retailers have expressed interest in leasing available space in the Kenmore Hotel and 16 Sheridan Buildings and it is anticipated the Project will include businesses that will provide services that meet the demands of the tenants such as spa services, a tenant theater, a meeting and multi-functional room, a convenience store, etc.

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? +/- 7% (est)

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 N/A; No____. 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 N/A; No____. 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 N/A; No____. If yes, please provide detail:
- 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 N/A; No____. If yes, please explain: _____

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 N/A; No____. If yes, please explain:

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 N/A; No____. 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 N/A ; No____. 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? No If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

In order for the Project to utilize tax credit financing through the commercial rehabilitation tax credit, the National Park Service and the New York State Office of Parks, Recreation and Historic Preservation will be involved in the approval and certification process for the federal and state rehabilitation tax credits sought.

In order to effectuate the development of the Project it is anticipated that there will be a planning board and zoning review conducted for the Project site. A series of building permits for the various Project development phases will be required in addition to the ancillary permits required (including, as applicable, demolition, sidewalk barricade, street barricade, electrical, plumbing and elevator permits). An environmental survey will likely be needed in order to determine the necessity to remediate any asbestos and/or lead abatement found at the Project buildings. If necessary, such remediation would require the necessary related permits.

2. Describe the nature of the involvement of the federal, state or local agencies described above:

The National Park Service and the New York State Office of Parks, Recreation and Historic Preservation administer in the approval and certification process for the federal and state rehabilitation tax credits sought for the Project.

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:

\$3.4 million by principal Ellis to operate and maintain buildings and purchase first mortgage notes.

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 ____; No X.

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. Tenant name: Steuben Athletic Club (not on lease)
Present Address: One Steuben Place
City: Albany State: NY Zip: 12207
Employer's ID No.:
Tenant is: Partnership
Relationship to Company: Owned by Steuben Place Partners, LP
Percentage of Project to be occupied: 7.7%
Use of Project intended by Tenant: Athletic Club
Date of lease or sublease to Tenant: to be executed upon Project completion
Term of lease or sublease to Tenant: N/A
Will any portion of the space leased by this tenant be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes X; 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 tenant.
3. Lessee name: United States of America, General Services Administration
Present Address: 74 North Pearl Street
City: Albany State: NY Zip: 12207
Employer's ID No.:
Lessee is: Government Entity
Relationship to Company: N/A
Percentage of Project to be occupied: 4.2%
Use of Project intended by Lessee: Administrative office
Date of lease or sublease to Lessee: initial lease 6/18/98, subsequent renewals
Term of lease or sublease to Lessee: Rolling term: Lessee can opt out on 120 day notice
Will any portion of the space leased by this Lessee 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 tenant.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? 4.2%

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	4	9	0	0	13
Present Part Time	0	30	0	0	30
Present Seasonal	0	0	0	0	0
First Year Full Time	4	9	0	0	13
First Year Part Time	0	32	0	0	32
First Year Seasonal	0	0	0	0	0
Second Year Full Time	9	21	10	0	40
Second Year Part Time	0	45	5	0	50
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.

See attached narrative (Attachment F) for current and future employment information regarding this Section B.

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	\$0
Buildings	\$4,890,000
Machinery and equipment costs	\$1,926,586
Utilities, roads and appurtenant costs	\$0
Architects and engineering fees	\$450,000
Costs of Bond issue (legal, financial and printing)	N/A
Construction loan fees and interest (if applicable)	\$1,604,400
Other (specify)	
Soft costs	\$2,246,900
Developer fee	\$3,623,527
Hard costs	\$13,153,414
TOTAL PROJECT COST	\$27,894,827

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

Yes X; No _____. (If yes, indicate particular.)

Partial design fees, lease acquisition and maintenance and carrying costs 1-2 ½ years

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: N/A Dollars;
 - b. Maturity requested: N/A Years.
2. Is the interest on such bonds intended to be exempt from federal income taxation? N/A 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: 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 skating, skateboard and ice skating): Yes____; No____
 - i. racquet sports facility (including handball and racquetball court): Yes____; No____
 - j. hot tub facility: Yes____; No____
 - k. suntan facility: Yes____; No____
 - l. 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 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? \$15,500,000
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? \$6,032,000.
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:	\$482,560
b.	Mortgage Recording Taxes:	\$197,500
c.	Real Property Tax Exemptions:	\$5,222,951
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 ____; No X . If yes, please explain.
6. Is the Project located in the City's state designated Empire Zone? Yes____; No____. N/A

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:

Downtown Albany Revitalization, LLC

BY: 


Name: Herbert S. Ellis

Title:  Member

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

(If applicant is limited liability company)

Herbert S. Ellis, deposes and says that he is, or will be, one of the members of Downtown Albany Revitalization, LLC, a to-be-formed 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
6th day of July, 2012.

Ralph W. Bandel
(Notary Public)
RALPH W. BANDEL
Notary Public, State of New York
Qualified in Albany County
No. 02BA4899592
Commission Expires June 15, 2015

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.

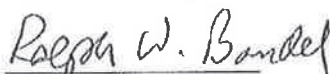
Downtown Albany Revitalization, LLC

By: 

Name: Herbert S. Ellis

Title: 

Sworn to before me this
6th day of July, 2012.


(Notary Public)

RALPH W. BANDEL
Notary Public, State of New York
Qualified in Albany County
No. 02BA4899592
Commission Expires June 15, 2015

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"):	Downtown Albany Revitalization, LLC (a New York limited liability Company)
2. Brief Identification of the Project:	Restoration and renovation to the Steuben, Kenmore Hotel and Times Union buildings.
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$N/A
B. Value of Sales Tax Exemption Sought	\$482,560
C. Value of Real Property Tax Exemption Sought	\$5,222,951
D. Value of Mortgage Recording Tax Exemption Sought	\$197,500

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Building and Garage Acquisition, Back Taxes, Lease Costs	\$5,690,000
2. Site preparation - demolition	\$350,000
3. Landscaping	\$0
4. Utilities and infrastructure development	\$0
5. Access roads and parking development	\$0
6. Other land-related costs (describe)	\$0
B. Building-Related Costs	
1. Acquisition of existing structures and predevelopment costs (including back taxes to financing closing)	\$0
2. Renovation of existing structures	\$9,098,113
3. New construction costs	\$0
4. Electrical systems	\$1,802,301
5. Heating, ventilation and air conditioning	\$1,963,293
6. Plumbing	\$1,963,293
7. Other building-related costs (describe)	

C.	Machinery and Equipment Costs	
1.	Production and process equipment	\$0
2.	Packaging equipment	\$0
3.	Warehousing equipment	\$0
4.	Installation costs for various equipment	\$0
5.	Other equipment-related costs (describe) HVAC	\$0
D.	Furniture and Fixture Costs	\$0
1.	Office furniture	\$0
2.	Office equipment	\$0
3.	Computers	\$0
4.	Other furniture-related costs (describe)	\$0
E.	Working Capital Costs	
1.	Operation costs	\$0
2.	Production costs	\$0
3.	Raw materials	\$0
4.	Debt service	\$0
5.	Relocation costs	\$0
6.	Skills training	\$0
7.	Other working capital-related costs (describe) – soft cost contingency/lease-up reserve	\$600,000
F.	Professional Service Costs	
1.	Architecture and engineering	\$450,000
2.	Accounting/legal	\$435,000
3.	Other service-related costs (describe)	\$1,919,300
The \$1,919,300 total is comprised of the following: \$154,900 for IDA administrative costs, \$30,000 for building permit fees, \$232,350 for financing commitment fees, \$30,000 for cost certification, \$15,000 for appraisal fees, \$60,000 for marketing and advertising, \$25,000 for costs associated with environmental work and \$1,372,050 for construction period interest.		
G.	Other Costs	
1.	Developer Fee (100% of which is deferred and this line item is being included to enhance the historic tax credit financing. May only be paid out as a percentage of cash flow after all expenses and debt service is paid and with approval of lender. Expected payout over fifteen to twenty years).	\$3,623,527
2.		\$27,894,827
H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$5,690,000
2.	Total Building-Related Costs	\$13,153,414
3.	Total Machinery and Equipment Costs	\$1,926,586
4.	Total Furniture and Fixture Costs	\$0
5.	Total Working Capital Costs	\$600,000
6.	Total Professional Service Costs	\$4,108,527
7.	Total Other Costs	\$3,019,275
	TOTAL COSTS	\$27,894,827

Summary of Sources

1. Loan; 25 year term, 6% interest, 6 year balloon payment mortgage	\$15,500,000
2. Financing from Historic Tax Credit Equity	\$3,890,732
3. Deferred Developer Fee	\$3,623,527
4. Owner plug equity	\$4,880,568
TOTAL	\$27,894,827

PROJECTED PROFIT

- I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization: (Note the figures included under "With IDA benefits" are figured with the assumption of rental of commercial space at \$1.40 per sq. ft. and upon lease-up with a 6.5% vacancy rate)

YEAR	Without IDA benefits	With IDA benefits
1	\$0	\$287,332
2	\$0	\$300,394
3	\$0	\$313,470
4	\$0	\$326,554
5	\$0	\$339,637

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:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	0	0	\$0
Year 1	168	\$3,283,040	\$210,329
Year 2	168	\$3,283,040	\$210,329
Year 3	0	\$0	\$0
Year 4	0	\$0	\$0
Year 5	0	\$0	\$0

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	4	39	N/A	N/A
Year 1	4	39	N/A	N/A
Year 2	4	39	N/A	N/A
Year 3	4	39	N/A	N/A
Year 4	4	39	N/A	N/A
Year 5	4	39	N/A	N/A

II. Please provide estimates of total new permanent jobs to be created at the Project:

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	0	0	0	0
Year 1	0	2	0	0
Year 2	5	25	15	0
Year 3	1 (est.)	5 (est.)	10 (est.)	0
Year 4	1 (est.)	5 (est.)	10 (est.)	0
Year 5	1 (est.)	5 (est.)	10 (est.)	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: 80% (est.)

A. Provide a brief description of how the project expects to meet this percentage: A preference will be given to potential employees of the Company that are City of Albany residents. It is estimated that a number of the jobs created by the development of the Project will be filled with tenants of the Project as well.

PROJECTED OPERATING IMPACT

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

Additional Purchases (1 st year following project completion)	\$117,400
Additional Sales Tax Paid on Additional Purchases	\$9,392
Estimated Additional Sales (1 st year following project completion)	\$260,000
Estimated Additional Sales Tax to be collected on additional sales (1 st year following project completion)	\$20,800

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

The simplest way to analyze the impact of IDA/City action on the requested combination PILOT and building re-assessment would seem to be:

- 1 Accept the premise that the three buildings in question will not be re-rented as State offices nor is there a private commercial demand for the space such that buildings will in all likelihood go into a lengthy foreclosure and bankruptcy resulting in many years of no benefit to the City no downtown's quality of life or real estate tax income.
- 2 Consider the recent special purpose appraisals of Hafner Valuations which has professionally established the true market value of these buildings. Vacant or with non-paying tenants such as the Steuben Athletic Club and empty retail storefronts. (Attachment F)

- 3 Utilize the PILOT structure recently approved by the City and IDA for a similar apartment project, The Monroe, currently in construction with 44 new apartments on Sheridan Avenue.
- 4 Apply the Downtown Albany Revitalization apartment project numbers, 135 apartments to the per apartment assessment for the Monroe 44 apartments to arrive at 32 year PILOT request including 2 years of construction.

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Year -1	\$150,150	\$75,075	-\$75,075
Year 0	\$150,150	\$75,075	-\$75,075
Year 1	\$150,150	\$65,549	-\$84,601
Year 2	\$151,652	\$66,204	-\$85,448
Year 3	\$153,168	\$66,867	-\$86,301
Year 4	\$154,700	\$67,535	-\$87,165
Year 5	\$156,247	\$68,211	-\$88,036
Year 6	\$157,809	\$68,893	-\$88,916
Year 7	\$159,387	\$69,582	-\$89,805
Year 8	\$160,981	\$70,277	-\$90,704
Year 9	\$162,591	\$129,444	-\$33,147
Year 10	\$164,217	\$230,114	\$65,897
Year 11	\$165,859	\$230,114	\$64,255
Year 12	\$167,518	\$230,114	\$62,596
Year 13	\$169,193	\$230,114	\$60,921
Year 14	\$170,885	\$230,114	\$59,229
Year 15	\$172,594	\$230,114	\$57,520
Year 16	\$174,319	\$230,114	\$55,795
Year 17	\$176,063	\$230,114	\$54,051
Year 18	\$177,823	\$230,114	\$52,291
Year 19	\$179,602	\$230,114	\$50,512
Year 20	\$181,398	\$230,114	\$48,716
Year 21	\$183,212	\$472,411	\$289,199
Year 22	\$185,044	\$477,135	\$292,091
Year 23	\$186,894	\$481,906	\$295,012
Year 24	\$188,763	\$486,725	\$297,962
Year 25	\$190,651	\$491,592	\$300,941
Year 26	\$192,557	\$496,509	\$303,952
Year 27	\$194,483	\$501,474	\$307,046
Year 28	\$196,428	\$506,488	\$310,060
Year 29	\$198,392	\$511,553	\$313,161
Year 30	\$200,376	\$516,669	\$316,293
Total	\$5,523,251	\$8,296,424	\$2,773,227

Note: For the purposes of simplicity, consider all three buildings as a single entity as all three buildings will be Master leased to Downtown Albany Revitalization, LLC under similar terms. If legally required, the lease could be separated as reflected by the attached Hafner Valuation Restricted-Use Appraisal. Specifically this reflects:

- 1 50% abatement during the first two years of construction and lease-up of taxes based on the Hafner Valuation Restricted-Use Appraisal Reports.
- 2 Request taxes in years 1-8 be based on the per apartment tax rate of the Monroe project \$486/apartment escalated by 1% each year.
- 3 Request taxes in year 9 be based on the per apartment tax rate of the Monroe project of \$959/apartment.
- 4 Request taxes in years 10-20 be based on the fixed per apartment tax rate of the Monroe project of \$1,705/apartment.
- 5 Request taxes in years 21-30 be based on the per apartment tax rate of the Monroe project of \$3,499/apartment escalated by 1% each year.

Total taxes estimated to be paid over the full term of the PILOT as described above amount to \$8,296,424 in addition, if the project moves forward taxes in arrears of \$500,000 +/- would be paid from proceeds of the project financing prior to the start of construction.

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

Accept the fact that the economic benefit as well as the quality of life benefit to Albany's Downtown Business District is almost as much a subjective evaluation as it is objective relative to the effect of 260 +/- new full time residents in market-rate, upscale apartment facilities.

Consider that the stabilization of the Capital Repertory Theater in the Cap Rep Garage, one of two garages affiliated with this project is an important element in the cultural influence of downtown Albany and resolution of its current problem tenancy would be resolved with forward progress of the apartment project. Accordingly, consideration of this PILOT agreement is requested.

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: July 6, 2012.

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

Name: Herbert S. Ellis

Title: Mgr. Member

Phone Number: (518) 783-0038

Address: P.O. Box 648, Cohoes NY 12047

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.

[illegible]

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

Attachment A

Description of Project

The Project represents an opportunity for the preservation, redevelopment and revitalization of three key buildings in the central business district. The plan encompasses the restoration and redevelopment of the historic, former Kenmore Hotel Building, the historic Steuben Building and the Times Union Building (the former location of ORPS) all under a common plan of financing. All three buildings are located in the central business district and currently all three buildings are vacant and/or underutilized.

This Project plan will convert the bulk of the vacant square footage in the three buildings into mixed-use commercial space of which 135 apartments will be created. The apartments will be marketed towards young professionals and the rents will be targeted at market-rate or above rates. Construction standards and finishes will be uniform among the units in all three buildings. There will be amenities, included in the monthly rent, available to residential tenants of the Project including parking, membership to the in-house athletic club and spa, 20% discount on food and beverage at the restaurant located in the Steuben Building, access to a private movie theater in the Kenmore Buildings and indoor parking.

The conditions of the bank financing will be such that construction on the Times Union Building will not commence until the Steuben and Kenmore Hotel Buildings have achieved commitments for 80% of the residential units to be leased. Depending on the results of the Steuben and Kenmore Hotel Building residential unit lease-up, there is flexibility to reconfigure the composition and number of apartments in the Times Union Building in order to best serve the local housing market.

The influx of an estimated 260 residents to the central business district will provide residual economic benefits to the city as a whole and in the area in proximity of the buildings in particular. The Project will provide significant, flagship leadership to the rebirth of Albany's central business district by providing a desirable residential option to all capital district residents. In addition, the critical mass created by the size and scope of the Project will provide and convey to the residents the sense of a safe and secure residential option in the capital district.

In addition to the apartments, the introduction of new, renovated retail and office spaces in all three buildings will further revitalize the central business district by drawing additional non-residents into the Project area in addition to the new resident population. The Project will include improvements to the recently re-opened Steuben Athletic Club, whose continued viability is dependent on this Project. The Steuben Athletic Club will undergo significant renovation and the existing squash facilities will be upgraded to create the predominant squash facility in the capital region. A restaurant will operate in the Steuben Building and a spa will reside in the Kenmore Building. In the Times Union Building the sixth floor will feature five penthouse apartments with private terraces, while the ground level will house four storefronts in over 8,600 square feet of commercial space.

The mixed-use nature of the Project will serve as a catalyst for the rebirth of the central business district.

Attachment B
II.A. (Description of Project)

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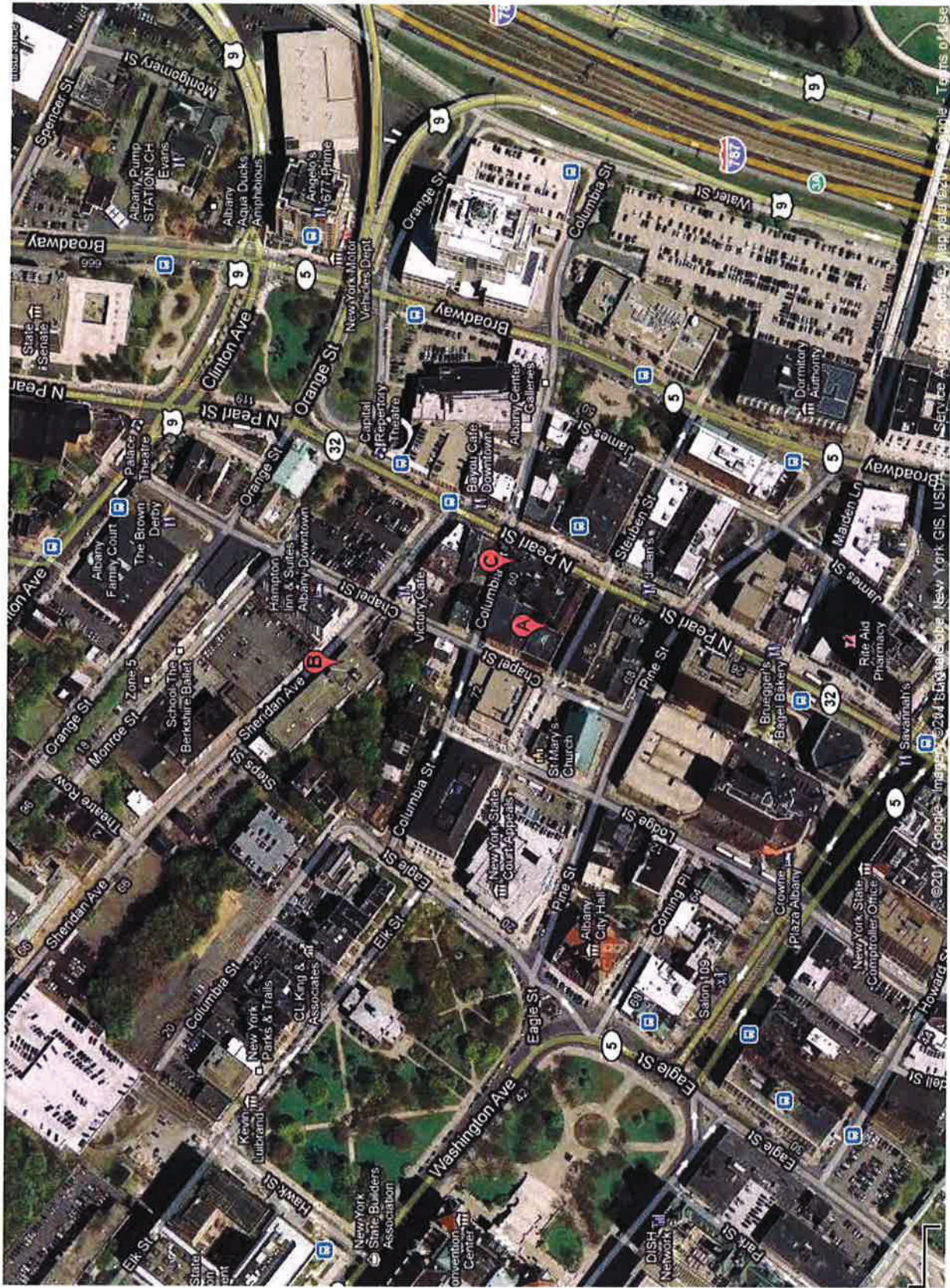
The mixed-use nature of the Project will serve as a catalyst for the rebirth of the central business district.

Attachment C
II.A.

Map of Downtown: Steuben, Kenmore and 16 Sheridan

Pictures of Steuben, Kenmore and 16 Sheridan

Additional Project Design Books available upon request

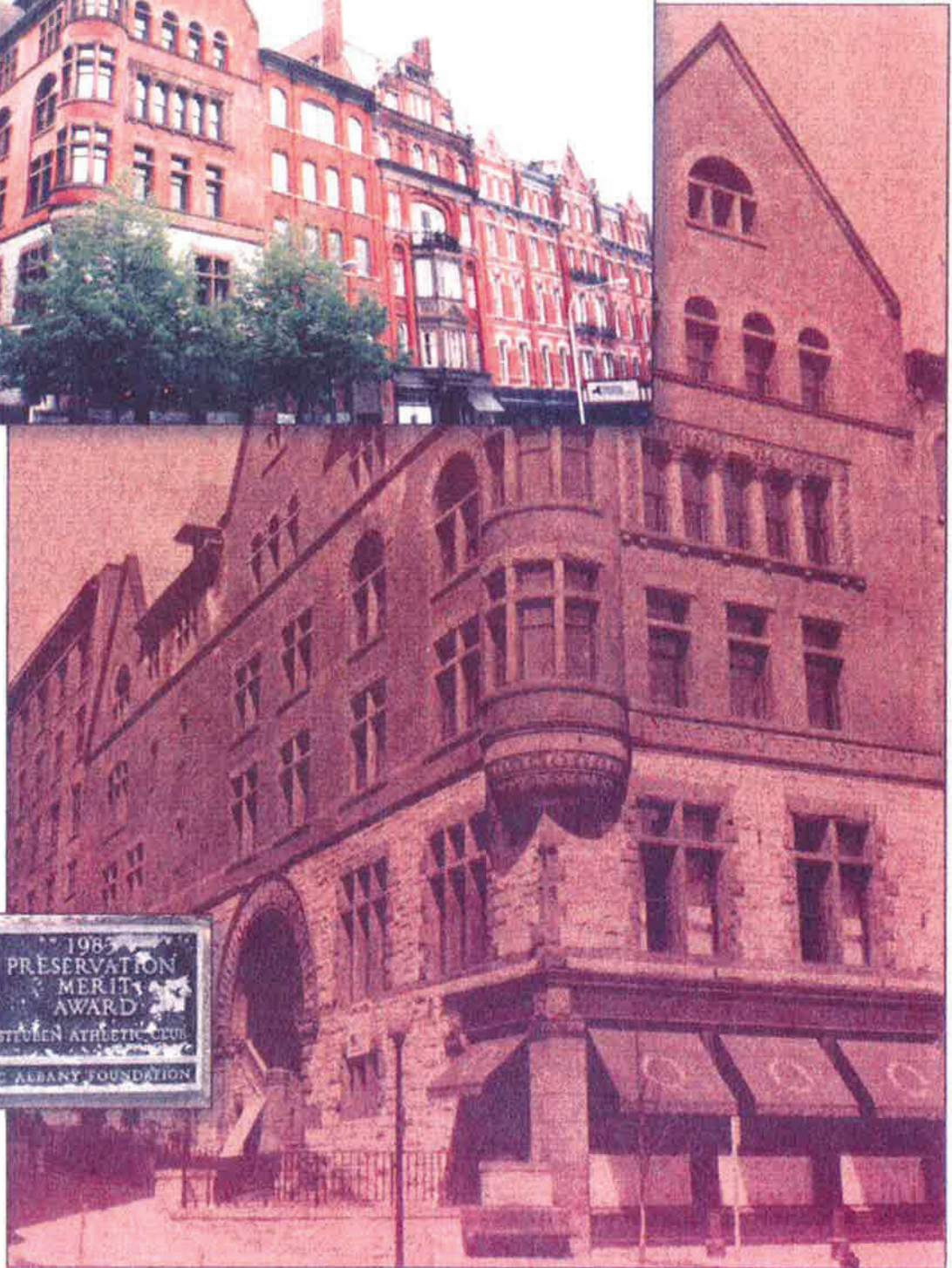


A – One Steuben Place

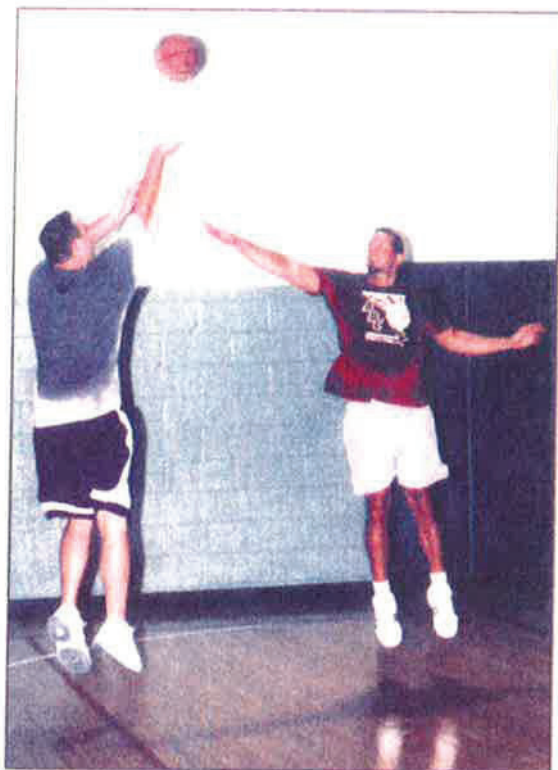
B – 16 Sheridan Avenue

C – Kenmore (74 North Pearl Street)

Steuben Building



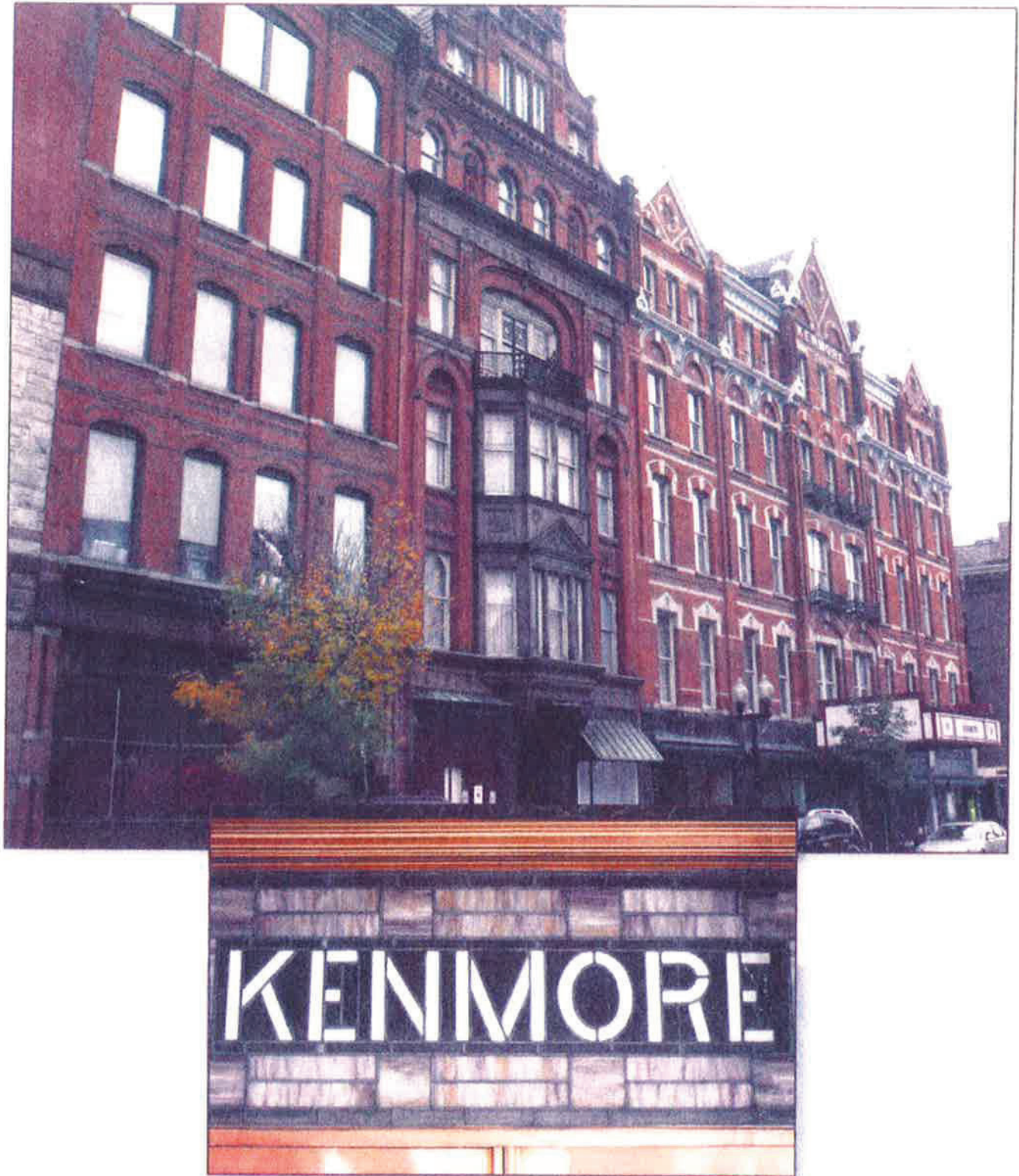
Steuben Building



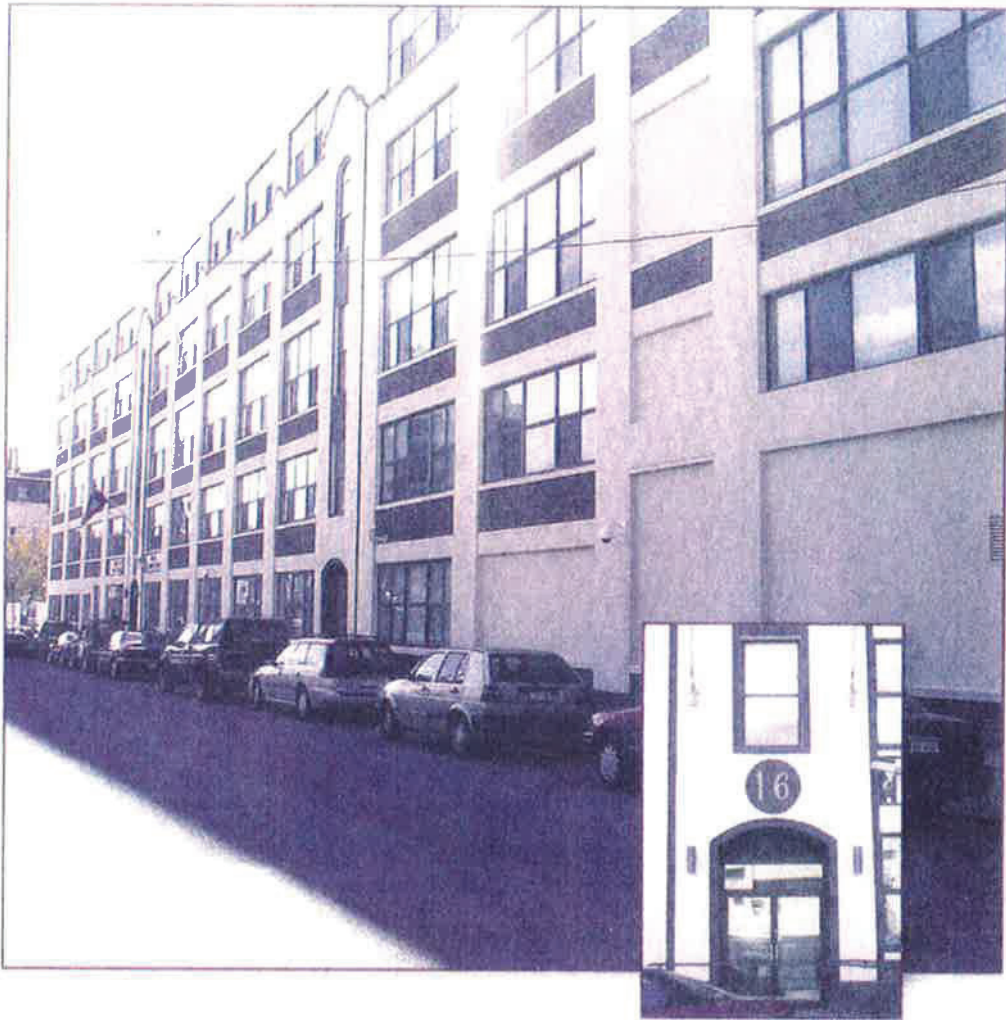
Kenmore Building



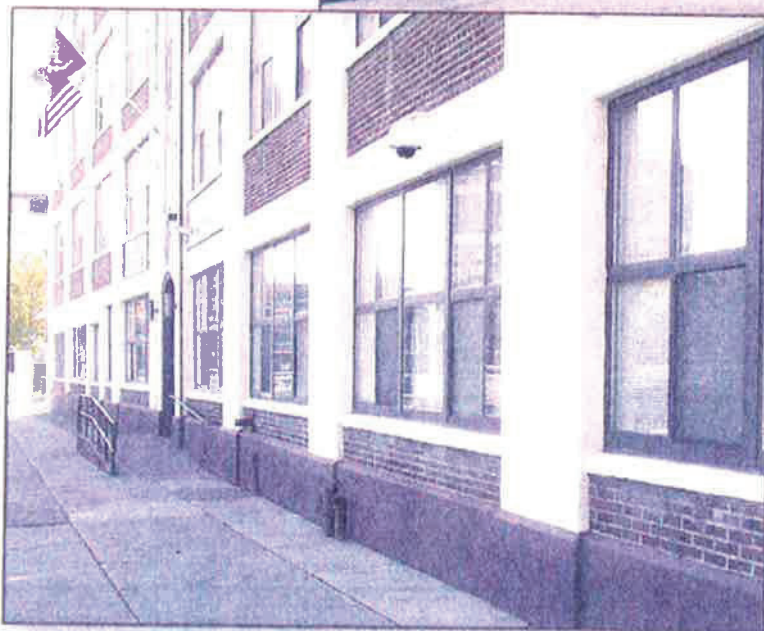
Kenmore Building



16 Sheridan Avenue



16 Sheridan Avenue



Attachment D
III.A.1

(a) Details

The Steuben Athletic Club provides services to the public at large and will provide services to the tenants of the Project.

(b) Questions II(F)(4) through (6) with respect to such Lessee.

II(F)(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% (est.)

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 N/A; No____. 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 X ; No____. If yes, please explain:

The Steuben Athletic Club currently draws in members of the public into the area of the Project and will provide additional service to the tenants of the Project.

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 N/A; No____. 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 N/A; No____. If yes, please provide detail:

- 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 census tract number 36001001100 which has 36.92% of the tract population under the poverty line based upon the most recent census data.

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:

The completed Project will create many jobs due to the increase in capacity and increased volume for the restaurant and athletic club, jobs generated in connection with the rental of the apartments, and jobs created for the office and retail spaces to be leased upon Project completion.

Attachment E

IV.A and B. (Employment Impact)

Currently at the Project site the Steuben Athletic Club currently employs 4 people, including 1 full-time management employee and 3 skilled, full-time employees.

It is anticipated that upon approval of this application and after the planned Project development is completed, the Project will employ many citizens from the City of Albany and the greater capital region.

In particular, the renovated storefronts of the Kenmore Building and the Times Union Building will contain businesses that will employ many citizens. The number of potential employees that will work in these storefronts will be contingent on the types of businesses that will occupy the storefronts upon Project completion. In addition to the businesses that will occupy the storefronts in the Steuben Building, there will be additional jobs created upon the leasing of the renovated office areas located in the Steuben Building. Similar to the storefronts, the number of potential employees that will work in the offices will be contingent on the types of businesses that will occupy the office space upon Project completion. Based on the IMPLAN software program data, there will be an additional 47 employee positions created for the Project businesses that will occupy the storefronts, office areas and for building operations and management. Of the new employee positions created it is anticipated that there will be 5 full-time, professional/managerial positions, 14 full-time, skilled positions, 10 full-time, semi-skilled positions, 13 part-time, skilled positions and 5 part-time semi-skilled positions created once the Project is operational. Additionally, the IMPLAN data suggests that 7 jobs will be created indirectly in the greater central business district as a result of the operational Project.

The Steuben Athletic Club, once fully staffed and operational, will employ an additional 6 people, including 1 additional full-time, skilled personal trainer and 5 part-time, skilled employees.

Upon Project completion, Downtown Albany Revitalization, LLC will employ a superintendant, an additional, part-time superintendant, leasing and building maintenance staff to support the Project and the 135 residential apartments in particular for a total of 7 additional employees.

It is anticipated that there will be additional jobs created in proximity of the Project due to new businesses that will open that will cater to the number of people that will reside and work in the Project area. The new residents and employees will create a market for such businesses and the residual effect of adding such businesses will bring more jobs into the central business district.

Note: the IMPLAN analysis system used to provide the employment projections for the Project is a generally accepted modeling software program used by various governmental and private entities to efficiently model the economic impacts and projected job creation figures resulting from a particular development initiative.

Attachment F
Zoning Variance

**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: 1 Steuben Pl.

IN THE MATTER OF: A review of a Special Use Permit to allow for the establishment of a nightclub.

APPLICANT: John DeJohn

ADDRESS: 5 Aysha Lynne Ct., Latham, NY 12110

CASE NUMBER: 2-09, 1671

DATE OF REVIEW: 12/22/10

WARD: 3

N.A.: N/A

DATE OF ORIGINAL DECISION: 4/15/09

DATE OF DECISION: 1/26/11

DECISION: Approved w/Conditions

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

RECEIVED
2011 FEB -4 PM 12:46
OFFICE OF THE CITY CLERK
ALBANY, N.Y.

The request is Approved, by the following vote:

For: 6	Apostol: Y	O'Connor: Y	Viele: Y
Against: 0	Cronin: Y	Ray: Y	
Abstain: 0	Moran: Y	Tucker-Ross: N/A	

Site Description

The site in question is located on northwest corner of South Pearl Street and Steuben Place in a C-3 Central Business zoning district, the Downtown Albany Business Improvement District and the Downtown Albany Historic District. The property is improved with a 4.5-story, 60,576 square foot commercial retail / office building.

Relevant Considerations

Details of the original case file are as follows:

The applicant is proposing to reopen 1 Steuben Place as a restaurant, pub and nighttime entertainment destination, fitting the zoning classification of "NIGHTCLUB" and requiring a Special Use Permit in this C-3 Central Business district. The proposed nightclub is described as a Manhattan-style pub and bistro that will be home to a new entertainment complex featuring live entertainment, dancing and social networking events. The establishment further aspires to be, "the new home for many of Albany's charitable and social organizations."

The establishment will operate from 11AM to 4AM daily. The applicant anticipates between 50 and 300 patrons per day being served by approximately 30 full- and part-time employees. Maximum occupancy for the establishment is approximately 350 persons. The establishment will have one main entrance as well as three (3) secondary entrances and will occupy the first two (2) floors of the building.

In its determination the Board stated:

The proposed use is a permitted Special Use within the C-3 zoning district. The proposed use will be amongst a number of like uses located within this particular area of the downtown C-3 district.

Concern was raised about the proliferation of such nightclub operations in this particular area, but the applicant put forth a convincing argument that the proposed establishment would seek to fulfill a specific niche market that was not present at a majority of adjacent establishments. In addition, the Board took into account the size, layout and previous use of the space and felt that the proposed use was one of the more compatible and appropriate uses permissible at this location. The Board does not foresee any undue adverse impacts upon adjacent properties resulting from the proposed establishment, but in respect to such concerns has conditioned a one-year review on this approval, at which time any such concerns will be reheard and revisited. The facility will be adequately served by essential public facilities and services.

Findings

The Board finds that the use is operating in consistency with the approved Special Use Permit. However, the Board will continue to review the use on a periodic basis, with a subsequent review to take place one year from this date of approval.

The Board finds that the special use is in accordance with the following standards set forth in §375-27(B)(1):

- a. Is as a permitted special use in the appropriate zoning district, as determined by the administrator.
- b. Will conform to the standards and conditions specified in §375 for that use.
- c. Will not have an undue adverse affect upon adjacent property, the character of the neighborhood and surrounding areas, traffic conditions, parking, utility facilities or other matters affecting the public health, safety, welfare or convenience.
- d. Operations in connection with the proposed use will not be more objectionable to nearby properties by reason of noise, fumes, vibration, illumination, etc., than the operations of any permitted use not requiring a special use permit.
- e. Will be served adequately by essential public facilities and services such as highways, streets, parking spaces, police and fire protection, drainage structures, refuse disposal, water and sewer and schools; or that the persons or agencies responsible for the establishment of the proposed use will provide adequately for such additional services as the board deems appropriate.
- f. Complies with all additional requirements imposed on it by the provisions of §375.
- g. Will be in harmony with the applicable zoning district and will not adversely affect the neighborhood and the surrounding areas.

CONDITIONS

- The applicant shall return to the Board for evaluation and review one year from the date of this approval.
- There applicant agrees that there shall be no admittance of persons under the age of 21 after 11PM, daily.
- The applicant shall not make any material change to the appearance of elements of the property visible from a public street or alley, including the provision of signage, without obtaining a Certificate of Appropriateness from the Historic Resources Commission.

The Board hereby issues a negative declaration under SEQRA for this unlisted action, as the proposed construction will not result in any significant adverse environmental impacts.

I, G. Michael Apostol, representing the Board of Zoning Appeals of the City of Albany, hereby certify that the foregoing is a true copy of a decision of the Board made at a meeting thereof duly called and held on January 26, 2011.

Signed: _____



Date: 1/26/11

► Important Note: Unless otherwise specified by the Board, this decision shall expire and become null and void if the applicant fails to obtain any necessary zoning, building, or other permits or comply with the conditions of such decision within six (6) months of the date of signature.

MEMO

TO: City of Albany Industrial Development Agency Finance Committee

FROM: City of Albany Industrial Development Agency Staff

RE: Sixty State Place, LLC

DATE: July 10, 2012

Staff would like to update the Committee on the recent changes announced by the Applicant to the project. The changes – Bull and Buddha’s exit and the banquet facility’s entrance – were made public via an article run last week in The Business Review. In response to the article, staff asked the Applicant to provide a written response. The response from Applicant counsel is attached.

From the The Business Review

:http://www.bizjournals.com/albany/morning_call/2012/06/new-plans-for-old-key-bank.html

New plans for old KeyBank

The Business Review by Michael DeMasi, Reporter

Date: Wednesday, June 27, 2012, 5:50am EDT



[Michael DeMasi](#)

Reporter- *The Business Review*

[Email](#) | [Facebook](#) | [Twitter](#) | [LinkedIn](#)

Bull and Buddha, an Asian-themed restaurant in Poughkeepsie, no longer plans to open a second location inside the former KeyBank in downtown Albany, New York.

[Jeff Gordon](#), a principal of The Gordon Cos., which owns the historic former bank at 60 State St., said Bull and Buddha's owner halted the expansion plans to continue pursuing a law career.

"The good news is we came up with an alternative plan, one that's even better," Gordon said.

Renovations will begin soon to convert the bank's ornate interior into a banquet facility that can accommodate 270 people for a sit-down meal or up to 500 for a cocktail party.

Gordon envisions wedding receptions, bar mitzvahs, fund-raisers, and corporate galas, among other events at the new venue, to be called 60 State Place.

It could open by the end of this year.

Unlike many banquet halls that restrict the food/beverage services to one or a handful of caterers, those booking 60 State Place can contract with any caterer, Gordon said.

"We've talked to several caterers in the area," he said. "They're all very excited and receptive. Each brings something different to the table."

Parking will be provided in a 100-space lot behind the building that Gordon Cos. owns. There is also off-street parking controlled by downtown caterers that would also be available, he said.

Renovating the interior for the banquet hall is a bigger expense than what the owners would have faced had the building been leased to Bull and Buddha.

Gordon did not have an estimated total cost because he said interior design is not finished yet.

Meanwhile, work continues on converting a building behind the bank that faces Norton Street into 14 apartments. The renovations were slowed because there is more asbestos than expected.

Gordon expects the apartments to be ready for occupancy in 10 to 12 months.

The Gordon Bros. bought the former KeyBank branch in December 2010 for \$500,000, according to public records.

DeMasi covers real estate, construction, retail and hospitality.

July 9, 2012

HARRIS BEACH ^{PLC}
ATTORNEYS AT LAW

677 BROADWAY, SUITE 1101
ALBANY, NY 12207
(518) 427-9700

JOHN S. HARRIS

DIRECT: (518) 701-2748
FAX: (518) 427-0235
JHARRIS@HARRISBEACH.COM

Bradley Chevalier
Economic Development Specialist
Capitalize Albany Corporation
21 Lodge Street
Albany, NY 12207

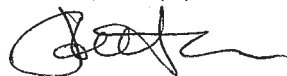
Re: 60 State Place LLC – 60 State Project

Dear Brad,

In response to your email regarding an update on the 60 State project (the "Project"). As you know, the original commercial tenant decided to terminate their lease. As we discussed, the owners of the Project have experienced a strong demand from the local catering community to use the Project as a catering hall rather than another restaurant. The owners intend to enter into a lease on the same terms and conditions as the previous commercial tenant with a newly created LLC that will build out the commercial space in the Project in much the same way as the original commercial tenant intended. As such the Project costs are not expected to change and the Project economics for 60 State Place LLC do not change either based on the same cash flow projections from the new tenant. The expected viability of the Project is actually somewhat improved given there is a mitigation in the risk given the broad diversity of the catering community and the expected demand for the space once it becomes available. The amount of jobs to be retained and created resulting from this change in Project focus is more difficult to estimate, however, the Project will definitely create the same construction jobs, and will likely create and retain a similar – if not greater – amount of jobs in the local catering community based on the initial discussion the Project owner has had with potential users of the facility that anticipate adding staff to deal with the greater demand for their services.

If you have any other questions please do not hesitate to ask.

Very truly yours,



John S. Harris

JSH:HB