

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: FC705 Broadway, LLC/705 Broadway Hotel, LLC - IDA Application Summary
DATE: June 5, 2019

Applicant: FC705 Broadway, LLC
Managing Members (% of Ownership): Melissa F. Zell (50%) and Michael P. Falcone (50%)
Project Location: 705 Broadway, Albany, NY

Project Description: The project involves the construction of a 132 room, limited service hotel at 705 Broadway in Albany. The hotel is an eight story building consisting of 84,534 SF. The hotel will include a guest fitness center and pool, small meeting areas as well as guest dining areas and outdoor seating areas.

Estimated Investment: \$30.4 Million (est)

Estimated Project Real Property Benefit Summary (10 Years):

	Status Quo Taxes (no project)	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$72,327	\$2,782,728	\$2,710,401

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$134,550	\$16,000,000	\$15,865,450

**Project Impact Assessed Value based on letter from the City of Albany Assessor dated 11-05-18*

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of \$957,498 based on an assessed value of **\$16,000,000** and an annual tax rate of 59.84.

Community Benefits: Please see the attached CAIDA Project Evaluation and Assistance Framework Staff Analysis for more detail on the Community Benefits metrics below.

- *Revitalization:* The project is located in a Targeted Geography within the City, notably Downtown and in a high vacancy census tract.
- *Job Creation:* The project is committing to the creation of 20 permanent and 100 construction jobs.
- *Investment:* The project is anticipating a project cost of more than \$30.4 million.

Economic Impact Analysis:

Economic Impact - Construction Phase			
	Direct	Indirect	Total
Jobs*	42	8	50
Earnings	\$ 3,292,968	\$ 455,089	\$ 3,748,058
Sales	\$ 8,922,452	\$ 1,330,304	\$ 10,252,755

Source: EMSI, Camoin 310

*The Applicant estimates 100 direct construction jobs, however we estimate 42 based on the \$8,922,452 of net new spending in the City.

Annual Economic Impact - Occupation Phase			
	Direct	Indirect	Total
Jobs	3	-	3
Earnings	\$ 105,000	\$ 35,639	\$ 140,639
Sales	\$ 399,521	\$ 95,432	\$ 494,952

Source: EMSI, Camoin 310

**excerpt from Camoin 310 Economic Impact Analysis Report dated May 2019*

Employment Impact:

- Projected Permanent: 25 FTE jobs
- Projected Retained: N/A
- Projected Construction: 100 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$10,000,000

Estimated Total Mortgage Amount: not to exceed \$22,000,000

Requested PILOT: See Attached

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$800,000
- Mortgage Recording Taxes: \$220,000
- Real Property Taxes: \$5,818,076
- Other: N/A

Baseline Requirements:

- Application: Complete
- Meets NYS/CAIDA Requirements: Yes
- Albany 2030 Alignment:
 - Increase job opportunities for all residents.
 - Encourage investment in urban land and buildings for employment and housing.

- Planning Approval Status: Full Planning Board approval
- Meets Project Use Definition: Yes
- Meets “But For” Requirement: Yes, affidavit signed.

Cost Benefit Analysis: See attached Exhibit A: Description of The Project Evaluation and Expected Public Benefits.

Estimated IDA Fee

- Fee amount: \$304,150

CAIDA 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.