

**TO:** City of Albany Industrial Development Agency Board

**FROM:** City of Albany Industrial Development Agency Staff

**RE:** Scannell Properties #145, LLC - IDA Application Final Summary

**DATE:** September 14, 2012

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**Applicant:** Scannell Properties #145, LLC

**Managing Members (% of Ownership):** Robert J. Scannell, as trustee under the Revocable Trust of Robert J. Scannell dated September 9, 2002 (87.625%), Saveau, LLC (5%)

**Project Location:** 55 Commerce Avenue

**Project Description:** This building, formerly the Crowley Dairy facility, has been vacant for over five years. The applicant proposes demolishing the existing structure and constructing a new 125,000 sq.ft. distribution facility and related parking. It is intended that the building be expandable in the future to 155,000 sq.ft. to handle anticipated growth. The building will be leased to American Tire Distributors, Inc. pursuant to a 10 year, triple net lease with two five-year renewal options. Since 1935, American Tire Distributors, Inc. has supported the nation's tire dealers, service repair shops, and automotive performance shops by supplying them with the products, tools, and programs they need. The company is privately held and headquartered in Huntersville, North Carolina.

**Estimated Project Cost:** \$7,750,000 (estimated amount spent to date \$10,000)

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

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

**Estimated Total Mortgage Amount:** \$6,800,000

**Current Assessment:** \$1,527,100 (will be reduced to approximately \$617,700 upon demolition of existing building per discussion with Commissioner of Assessment & Taxation)

**Estimated Improved Assessment:** \$5,000,000 (per discussion with Commissioner of Assessment & Taxation)

**Requested PILOT:** Agency standard PILOT which equates to 50% abatement on the increased assessment value in Year 1. At which time the abatement on the increased assessment value decreases at 10% per year for the following 4 years. Full assessment will be paid in Year 6 and every year thereafter.

**Estimated Value of Total PILOT Payments:**

- Total PILOT Payments: \$877,577 (over 5 year PILOT period)

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$240,000
- Mortgage Recording Taxes: \$85,000
- Real Property Taxes: \$304,756 (over 5 year PILOT period)
- Other: N/A

**Employment Impact:**

- Projected Permanent: (25) new jobs
- Projected Construction: (40) jobs

**Strategic Initiatives:**

- Albany 2030
  - Target blighting influences.
  - Increase access to jobs.
  - Increase job opportunities for all residents.
  - Support the retention, expansion and recruitment of new businesses that pledge to hire local residents.
  - Encourage investment in urban land and buildings for employment and housing.

**Planning Board Actions:**

- Currently seeking necessary approvals. Expected approvals in late July or early August.

**Estimated IDA Fee**

- Fee amount: 77,500

**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.