

TO: City of Albany Industrial Development Agency Board

FROM: City of Albany Industrial Development Agency Staff

RE: Sixty State Place, LLC- IDA Application Summary

DATE: August 8, 2011

Applicant: Sixty State Place, LLC

Managing Members (% of Ownership): Jeffrey Gordon (50%) and David Gordon (50%)

Project Location: 60 State Street

Project Description: This building, a former bank and associated office space, has been vacant for over a year. The applicant proposes rehabilitating the four story, 21,000 sq.ft. commercial building into a mixed-use structure. The building will house 12 market rate apartments on floors 2-4 and 9,700 sq.ft. of restaurant space on the first floor. The project requires the removal and replacement of many of the existing partition walls, plumbing, electrical wiring, HVAC, etc. on floors 2-4.

Estimated Project Cost: \$6,500,000

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$2,000,000-\$2,500,000

Total Mortgage Amount: \$2,300,000

Current Assessment: \$200,000

Estimated Improved Assessment: \$3,000,000

Requested PILOT: A 20 year PILOT with 100% abatement on the increased assessment value for the first 12 years. Then the abatement on the increased assessment value decreases for the following 8 years at 5% per year. At which time full assessment will be paid in Year 21 and every year thereafter.

Estimated Value of Total PILOT Payments:

- Total PILOT Payments: \$589,958 (over 20 year PILOT period)

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$160,000-\$200,000
- Mortgage Recording Taxes: \$28,750
- Real Property Taxes: \$2,776,367 (over 20 year PILOT period)
- Other: N/A

Employment Impact:

- Projected Permanent: (85 +/-) new jobs via restaurant staff
- Projected Construction: (30-40) jobs

Other Economic Impacts:

- Decreases the overall commercial vacancy rate downtown
- Adds to the supply of downtown residential to help meet the demand for such living options (as stated in Zimmerman/Volk Associates downtown residential market study)
- Increases consumer base to support downtown businesses
- Offers another option to downtown dining
- Increases local sales tax revenues

Strategic Initiatives:

- Revitalization and Diversification of Downtown - adaptive reuse of underutilized or vacant buildings
 - Eligible for the 485a Real Property Tax Abatement Program
 - Part of Main Street Grant sponsored by Capitalize Albany Corporation

Planning Board Actions:

- Issued a Negative Declaration for this Type 1 Action as per the provisions of SEQR on 7/21/11
- Approved the site plan on 7/21/11

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.