

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: theRep, LLC - IDA Application Summary
DATE: November 2, 2018

Applicant: theRep, LLC
Managing Members (% of Ownership): Capital Repertory Company (100%).
Project Location: 251 North Pearl Street, Albany, NY

Project Description: Capital Repertory Company, by and through its for-profit subsidiary, theREP, LLC, will renovate a vacant structure at 251 North Pearl Street in Albany into a 300-seat theatre, equipped with a box office, café, 70-seat black box theatre, costume shop and administrative offices. Currently, the organization operates out of a distressed building at 111 North Pearl Street. When completed, this project will relocate those existing jobs to the new location as well as create 6 new jobs at the project location. Due to the requirements of historic tax credits (“HTCs”) which the Project may be eligible for, the entity owning the Project Site must be a for-profit entity. In the absence of such a requirement, the Project Site would otherwise be owned by Capital Repertory Company, which is a not-for-profit entity, and would be exempt from real property taxes under RPTL 420-a. Based on conversations with the City of Albany Assessor, it is anticipated the assessed value of this property will increase from \$273,200 to \$2,500,000.

Estimated Project Real Property Benefit Summary (Seven Years):

	Status Quo Taxes (no project) Homestead Rate	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$0	\$0	\$0

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$273,200	\$2,500,000	\$2,226,800

**Project Impact Assessed Value based on conversations with the City of Albany Assessor*

Estimated Investment: \$9,504,458 (est)

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 a high vacancy census tract.
- *Job Creation:* The project is committing to the creation of six permanent, 25 retained, and 69 construction jobs.

- *Investment:* The project is anticipating a project cost of more than \$9 million, the applicant has also committed to the Community Commitment of regional labor guarantee.

Employment Impact:

- Projected Permanent: 6 jobs
- Projected Retained: 25 jobs
- Projected Construction: 69 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$3,125,000

Estimated Total Mortgage Amount: not to exceed \$8,500,000

Requested PILOT: The proposal entails the Applicant entering into a seven year PILOT agreement .

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$250,000
- Mortgage Recording Taxes: \$85,000
- Real Property Taxes: \$894,663
- 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: Underway
- 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: \$95,044

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.