

Report of Public Hearing
City of Albany Industrial Development Agency
Proposed 1211 Western Ave Property Associates, LLC Project
August 11, 2020
12:00 o'clock p.m.
Held telephonically via Zoom

M. OPALKA:	And we are now live on YouTube.
T. METZGER:	Thank you, Mark. Good afternoon. My name is Tracy Metzger and I am the Chair of the City of Albany Industrial Development Agency in connection with the Project that is the subject of this public hearing. I hear myself echoing. Hold on one minute, please. Today, we are holding this public hearing to allow citizens to make a statement for the record relating to the involvement of the Agency with a Project for the benefit of 1211 Western Avenue Property Associates, LLC, a New York State limited liability corporation. I will now ask Tom Conoscenti, who will serve as the Public Hearing Officer for the IDA today, to make certain preliminary remarks with respect to the Project and then start the public hearing. Tom? Thank you.
T. CONOSCENTI:	Thank you, Tracy, and good afternoon. Due to the novel coronavirus pandemic, the public hearing today is being conducted via the Zoom video and teleconference platform in accordance with Executive Order 202.10 and 202.15 issued by Governor Cuomo. The proposed Project includes the acquisition, construction and installation of the Project Facility at 1211 Western Avenue and the granting of certain financial assistance in connection with the construction of a 6-story, approximately 190,968 square foot mixed-use multi-family and commercial retail complex containing approximately 136 residential apartment units and approximately 1,840 square feet of commercial retail space on the ground floor. The project will also contain an internal parking garage for approximately 150 vehicles. An existing 30,000 square foot vacant commercial office structure on site will be demolished. The financial assistance sought includes exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes, and mortgage recording taxes. Copies of the notice of this Public Hearing are available on our website at www.albanyida.com and available upon request. I would like to note for the record that per the notice, which provides for written comments to be submitted to the Agency, we have received nine written comments prior to the Hearing, which have been shared with the IDA board and will be entered into the formal record. If time allows, we will also read the comments into the record today. I will now refer – Now, unless there is any objection, I am going to suggest waiving the full reading of the notice of this Public Hearing, and instead request that the full text of the notice be inserted into the record. I will also note that general information on the Agency's general authority and public purpose are contained in a separate statement and will be entered into the record. Before we start the Public Hearing, I would first like to introduce the project applicant and ask them to make a brief presentation with respect to the proposed Project. Is there a representative from the Project that is going to speak today?
J. CORBO:	Yes, this is John Corbo from DMG Investments. Thank you very much for the introduction. We're looking to do a multi-family property over on 1211 Western Avenue.

J. AMENGUAL	Hello? Hello? Hey John, I'm sorry
J. CORBO	Yes, Jeff.
J. AMENGUAL	Sorry, we had technical difficulties. This is Jeff Amengual. I'm the Chief Operating Officer for DMG Investments. We thank the Board for allowing us to speak at this meeting, and we thank Tom for going through the highlights of the project. Obviously, it's a major investment for us in Albany. It's our second investment in Albany. In addition to the number of units that we have, it should also be pointed out that we're allocating seven units for affordable housing, and we believe that the retail space that's gonna be provided will be a great advancement for the community. The facility also has amenity space including a gym and a lounge area, both open air and indoor lounge space, and we think that this is going to be a beautiful addition to the community at large.
T. CONOSCENTI:	Thank you. At this time, I will now move to open this Public Hearing. The time now is 12:11 p.m. By way of operating rules, members of the public who pre-registered on the website will be called on in order of their registration. If you did not pre-register, but would like to make a public comment today, please hit *9 on your phone which will alert us of your interest by virtually raising your hand, and we will add you to the list of speakers. If you did not pre-register, we will call you up to speak by reading the last four digits of your phone number. If at any time, you have technical questions or issues, please call 518-434-2532, extension 14 - I'll repeat that again, 518-434-2532, extension 14. – during this Public Hearing, and we will assist you. We ask that everyone mute your phone and turn off your video camera unless you have been called on to speak. Once you have been recognized to speak, please clearly state your name, address and affiliation for the record prior to making a public comment. In order to accommodate all speakers today, each speaker will have five minutes for public comment. We will notify you when there is one minute remaining. A record of this Public Hearing will be prepared and reviewed by the members of the Agency in connection with consideration of the Proposed Project. A copy of the record of this Public Hearing will be presented to the Mayor of the City of Albany and members of the Agency. Again, the purpose of this Public Hearing is not to field questions, but to solicit public comment on the Proposed Project. We ask that all members of the Board, speakers, and members of the public observe proper decorum today. Any statement made during the Public Hearing shall not involve personal, impertinent, or slanderous attacks on individuals. Moreover, the use of profane, inflammatory, threatening, vulgar, or disparaging language on racial or ethnic slurs will not be tolerated. Any individual who disregards this guidance or conducts themselves in an inappropriate manner while addressing the Board will be removed and forfeit their opportunity to address the Board today. Again, I'd like to note for the record that we have received 9 comments per the public notice. Again, if time allows, we will attempt to read those into the record today. They will be added to the record. I will now refer to the list of pre-registered speakers to identify those who wish to comment on either on the nature and location of the Project Facility or the proposed Financial Assistance being contemplated. And the first speaker I have is Vincent Rigosu. Hi, Vincent. I see you on Zoom.
V. RIGOSU:	Thank you. Can you hear me now?

T. CONOSCENTI:	I can.
V. RIGOSU:	Ok, thank you. I guess being up in age, this new technology is just really [inaudible] is not for me. But thank you for giving me the opportunity to talk on the IDA, which is the Western Avenue property. So, again, my file – words on file for you people – because I’m not gonna go through the entire thing. I think probably when this is all said and done, some of the categories that I address will be also addressed by other people. I don’t believe that we should give this company, DMG, finance at this particular time. I think that the IDA has to look over the Application and look at the many errors that are on the, excuse me, on that Application. One of them is on page three, which says that the annual salary starts at \$43,965, higher than the \$145,000 for the four employees that they state they were gonna hire. And if you do the math, it comes out to be \$36,250, and not the \$43,965 that they said. They also said that they were building this building, which, the gentleman just said housing, but this is a upscale housing-slash-dormitory. This is a distressed area. Well, the IDA Application sites the area as highly distressed. The consideration of that category, which is the results for a large census tract, cannot be applied to a residential and light commercial area within which the most adjacent residential property generate tax revenue in excess of what this proposal will generate. And the financial capacity and worthlessness – DMG has been evaluated by Wall Street analysts and found to be highly tremendous position, even to the mass debt level that they have. In simple terms, they hold a low investment rating as a result of having total assets and equity positions being well below the current debt level. In brief, if required to liquidate today, they would be underwater. And so, and there’s other things, and, again, I’m not gonna indicate it, but I will indicate the last thing on the file that they had to fill out, and it says false or misleading information: the applicant understands that submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or any part of any tax exemptions claimed by reasons, and with that, I wanna thank you and I appreciate this. Thank you very much for giving me the opportunity to talk on 1211 Western Avenue.
T. METZGER:	Thank you. Tom?
T. CONOSCENTI:	I muted myself. Thank you for your comments, and our next speaker is Thomas O’Connor. Tom?
T. METZGER:	He’s muted as well. Excuse me, you’re on mute. We cannot hear you.
T. CONOSCENTI:	Tom, we’re just gonna go to the next speaker and then we’ll come back to you if that’s ok. The next speaker is Tim Karl.
T. METZGER:	Maybe we should all unmute.
T. CARL:	Can you hear me?
T. CONOSCENTI:	Yes.
T. METZGER:	Yes.
T. KARL:	Ok, good. How are you doing? I’m Tim Karl. I’m a property owner in the City of Albany. I have property over on North Allen Street, a three-family property, and I’m in support of this Project because I feel it’ll bring in revenue to the City, which is much needed. As a homeowner and taxpayer, I think we need development. This encourages development, so I’m in support of the Project.
T. METZGER:	Thank you.

T. CONOSCENTI:	Thank you for your comment. We're gonna go back to Thomas O'Connor. Ok, I can't hear you. It's not working, I apologize. Just so you know, you're not muted on our end.
T. METZGER:	Tom, can we come back?
T. CONOSCENTI:	So, at this time, I wanna remind folks in line that if you do wish to participate today, please – and you dialed in, just please hit *9 on your phone. That will virtually raise your hand and we will take note of that and we will add you to the speaker list. I'm gonna give everyone a minute in case there's someone that wishes to speak.
T. O'CONNOR:	Can you hear me now?
T. CONOSCENTI:	Yes, there's an echo.
T. O'CONNOR:	Yeah-
T. CONOSCENTI:	I can't hear you now.
T. O'CONNOR:	Is that better?
T. CONOSCENTI:	There's still an echo. I apologize.
T. O'CONNOR:	Ok-
T. METZGER:	Tom, did he send a letter in?
T. CONOSCENTI:	Yes. Tom, we do have a letter.
T. METZGER:	Shall we read his letter?
T. CONOSCENTI:	Can't hear you.
M. OPALKA:	Tom, you might just want to call in and stop the video feed. You might be getting the feedback from your computer speakers.
T. CONOSCENTI:	Tom, if it's ok with you, I do have a letter from you. Would you like me to read the letter into the record today? Ok, that's a yes? Ok, Tom, we'll come back to you. We do have another speaker that raised their hand, so I'm gonna call on the phone number with the last four digits of 4693. Again, just before you speak, please state your name, address and affiliation for the record. Thank you.
T. METZGER:	We can't hear you.
T. CONOSCENTI:	4693. Hi there. The person with the phone number of 518-469-4693, you're welcome to come to the virtual podium.
T. O'CONNOR:	Tom, can you hear me now?
T. CONOSCENTI:	Yes, hello.
T. O'CONNOR:	Perfect. Must've been the other device. Can you all hear me?
T. METZGER:	Yes.
T. O'CONNOR:	Alright. So, I'm Tom O'Connor. I'm the Vice President for the Capital Region Chamber. Thank you very much for the opportunity to present the Chamber's position. As you know, the Capital Region Chamber is the largest Chamber in the region. We have over 2,900 members that employ 150,000 throughout the region. So, today I want to express the Chamber's full support of both the Dakota Project as well as DMG Investment's request for financial assistance that is before the IDA. We believe that this Project will take a currently vacant commercial building and transform it into a vibrant mixed-use, multi-family with retail. I think that is important to the community to have that. Also, it will allow the DMG to go forward with this Project, which, again, is important to the community. I think what our region really thrives on is diversity and making sure that we have diversity, in both the retail that we encourage as well as the housing stock that we provide to our community members. I think it makes the region more attractive to have that. On a personal note, I lived in that neighborhood, went to School 27 when it

	<p>was School 27, and I can remember when you were looking to walk to retail, you either had Stewart's, [Nantista's], or you had to walk to Stuyvesant Plaza. And this neighborhood has transformed, and I think what developers have done is they have brought things that the community actually needs. And I think this Project is a reflection of that. So I would say, from a personal perspective, having lived and worked in that neighborhood, I see the benefit to the entire community. Yes, there will be some neighbors that don't want it, but there are also members in our community that do. And I think for future members of this community, it will be attractive. So, with that, thank you. Again, I would, as the Vice President of the Chamber, support this and we would respectfully request your approval of DMG's request. Thank you.</p>
T. CONOSCENTI:	<p>Thank you for your comments. Ok, I'm gonna call on the person with the last four digits of 4693 to speak. I'm gonna unmute your phone as well. While we're waiting, if anyone here would like to speak, please again hit *9 on your phone and you'll be added to the queue. I'll try one more time. The person with the phone number 518-469-4693, I know you had raised your hand. If you'd like to speak, you're welcome to do so at this time. Is there anybody else that wishes to speak today? What I'm gonna do is I'm just gonna unmute everyone and if you do wish to speak, just please let us know. Ok, I have attempted to unmute everyone, sorry, I've asked everybody to unmute. Is there anybody that wishes to speak today? Just gonna give it one more chance. If you are dialed in, please hit *9 on your phone which will alert us of your interest in speaking, or just let us know that you wish to speak. Ok. I'm gonna move onto some of the written comments. Again, notice of this Public Hearing indicated that written comments could be addressed to the Agency. The Agency prior to this Public Hearing received nine written comments which will be added to the formal record. So, at this time, if time allows by the Board, we would like to read into the record written comments that have been received. Sarah, is it ok if I read some of the comments into the record today?</p>
S. REGINELLI:	<p>Please.</p>
T. CONOSCENTI:	<p>Thank you. Ok, so the first written comment that we have is from Amy Donnelly, and she writes: "I am writing today regarding the proposed 1211 Western Avenue Project and its request for financial assistance through the Albany IDA. Please read my comments at the Public Hearing set for Wednesday, August 12th. The mission statement of the Albany IDA is stated as to assist in the enhancement and diversity of the economy of the City of Albany by acting in support of projects in the City that create and/or retain jobs and/or promote private sector investment utilizing the statutory powers of the Agency as set forth under the provisions of the laws of the State of New York. The job creation numbers for this Project is negligible. Under your guidelines of four to a hundred new job positions, the remaining outcome upon Project completion will barely create six new positions, the majority of which will be at minimum economic – minimum wage level. To reach only for the very minimum level of job creation fails to substantiate it for a true economic benefit to our community. Although this Project has a perceived local advantage, in reality, it is placed in an already saturated market of residential, high-density new construction, which also- creating no significant increase in jobs once construction phases are complete. The result is sameness and repetition without gained tax advantage to our City. How, specifically would this Project foster economic diversity on any level? It is</p>

	<p>also my understanding that residential developments are precluded from PILOT programs. Although there will be a minimal amount of square footage dedicated to commercial use, 90 percent of tax relief will be financed on residential usage with absolutely no economic gain to Albany citizens. Financial incentives gained, however, by the developer, will far outweigh public benefit if this Project is approved and will undermine the said intent of your Agency's mission. Therefore, I am requesting that you deny financial assistance to 1211 Western Avenue Property Associates, LLC. Thank you, Amy Donnelly." Ok. The next letter I have is from Janet Dwyer Stutzman, and it states: "Dear IDA members, I am writing to urge you to delay the approval of the tax abatement requested by the developers of 1211 Western Avenue until you can satisfy those concerned residents of the City of Albany who have serious doubts as to the veracity of the claims, statements and plans of the developers. Once again, residents find themselves asking for due diligence from their elected officials to protect their financial investments, to protect the tax base that they have supplied for decades, and to protect their quality of life and environment. It cannot seem possible that you have a full understanding of the negative impact your approval over these oversized tax abatements has on the City of Albany and its residents. It is unclear that such large abatements actually benefit our city. It seems quite evident, considering the state of our city's budget, that they do not. There's too little effort put into truly independent evaluation of these proposals before approval, with a disingenuous lack of challenge to contractor protestations of need and casual glorification of jobs supplied and rentals fulfilled. There is a further undermining of the tax base benefit by the lack of independent evaluation upon completion where contractors blatantly do not meet mandatory requirements of the tax abatement agreement. To me, if the contractor needs such a large personal loan from the taxpayers of Albany, then the Project is not a good fit for its selected location. It is of paramount importance to Albany's residents that our elected and appointed representatives carefully vet the need for such a large tax break and prove beyond a shadow of a doubt of the long term value of such a gift in order to maintain the best part of city living, a balance between commercial and private interests that promotes the health of both entities. To do this, you need to give equal credence to both party's concerns. Sincerely, Janet Dwyer Stutzman." Ok. At this time, I'm gonna ask again, if there is anyone who wishes to speak, please hit *9 to virtually raise your hand. I believe you also hit *6 to unmute yourself on the phone. So, once again, I'm gonna try and ask the person with the last four digits 4693 if they wish to speak. I know you had raised your hand previously. Ok. Chair, if it's ok, I have several more letters I can read. Again, these will all be submitted as part of the formal record.</p>
T. METZGER:	I think you should continue. Thank you.
T. CONOSCENTI:	<p>Thank you. The next letter is from Juliet Turner, and she writes: "I am writing to urge the IDA to deny all involvement with the above project, which is on the agenda for your meeting today. The project does not add any economic value to the neighborhood. The current building on the site had twenty-five engineers earning high salaries. The developer on the project is creating two minimum wage jobs and one mid-level management job resulting in a loss of employment in the city. Any jobs created in the actual construction of the building would end as soon as it is completed. There are no benefits to the community, the area does not lack housing. The type of</p>

	<p>high density building that is proposed is more likely to have problems getting tenants in the near future as people seek detached housing in the pandemic. If the developer were granted its requested eighteen years of tax relief, this would have the potential for a negative effect on the city's budget. How would that be made up? Juliet Turner." We have a letter from a George Robinson of 10 Tryon Street, and he writes: "Dear Committee Members, I would like these comments to be included in your deliberations on August 12th, 2020, in relation to the application for tax relief from 1211 Western Avenue Property Associates, LLC. As a long-time resident of the Albany neighborhood in which the subject property resides, and an Emeritus Professor at UAlbany, I have followed this project from its early phases. It began as a private high-security, luxury dormitory aimed at UAlbany students, and part of the original pitch was to parents who wanted their undergraduate offspring living at a safe distance from undesirable elements, i.e., culturally diverse neighbors. It has since morphed in its stated goals and ownership, but the overall plan seems to have changed little, including the massive tax breaks envisioned. The current IDA application is problematic in multiple ways. Those include (1) abundant evidence of conflict of interest in the purportedly independent third party evaluation; (2) multiple errors and misrepresentations in the application; (3) poor financial condition of the developer; (4) an unresolved lien against the developer for unpaid fees. I would add to this the risk that the project will fail outright, given projected future college enrollments, together with the coming economic recession. The City of Albany is already hard-pressed for revenues, and approval of the application would represent an unwise bailout of a questionable enterprise. Other, more stable and beneficial uses for the property might deserve consideration down the road, but the application in question should be rejected, and you have strong legal grounds to do so. Sincerely, George Robinson, 10 Tryon Street."</p>
T. METZGER:	Tom, since we're approaching 12:45, I suggest maybe reading one more letter and then we'll obviously have the rest of the letters put into the deliberations.
T. CONOSCENTI:	<p>Thank you. So, the next letter I have is from Common Council member Thomas Hoey, and he writes: "Dear Finance Committee, Please distribute to members of the Committee. I am writing to you to reject the application for 1211 Western Avenue. It is not right that the current developer is trying to cover half the costs of the project with tax breaks. On top of the many safety issues with this project, especially fire hazard, this is an ill-conceived project with only one way in and out of the building, which is Western Avenue. Western Avenue is a main thoroughfare and the traffic congestion during construction will be tremendous. There is a pending lawsuit with this project and a requirement to bury all the utility lines, not just National Grid's lines. The amount of jobs that this project will generate is minimal and we should not be providing corporate welfare especially to an overseas corporation. Please – I'm sorry, be assured we will watch this process closely and if necessary, will do a full investigation. Thank you, Tom Hoey."</p>
T. METZGER:	Thanks, Tom.
T. CONOSCENTI:	<p>Thank you. Ok, one last time, if there is anyone that wishes to speak today, please let us know either by speaking up or by hitting *9 on your phone and then you'll be- you'll virtually raise your hand. I'm just gonna give that one more go. I do have 4693, so I'm gonna ask you to unmute. You can unmute</p>

	by hitting *6 on your phone. So the person with the number 518-469-4693, you have the floor and just be sure to hit *6 to unmute yourself. Ok. Please just state for the record your name, address, and affiliation. So, the person with extension 4693, I don't know if you've been speaking, but we cannot hear you. I'm just gonna write the phone number down and give them a call after this meeting and we will ask them to submit a written testimony. Ok. Is there anyone else? Last call, anyone else that wishes to speak today? So if there are no further comments, I will now close the Public Hearing. The time now is 12:44.
T. METZGER:	Thank you.
T. CONOSCENTI:	Thank you.
T. METZGER:	We're gonna leave this and then reconnect with the Zoom login for the Finance Committee.

SCHEDULE A
NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE
RELATING THERETO

Notice is hereby given that a public hearing (the "Public Hearing") pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the "Act") will be held by the City of Albany Industrial Development Agency (the "Agency") on the 12th day of August, 2020 at 12:00 o'clock p.m., noon, local time, in connection the 1211 Western Ave Property Associates LLC, as described below. As a result of the (1) ban on large meetings or gatherings pursuant to Executive Order 202.1 issued on March 12, 2020, as supplemented, (2) ban on non-essential gatherings of individuals of any size for any reason pursuant to Executive Order 202.10 issued on March 23, 2020, as supplemented and (3) suspension of the Open Meetings Law relating to public hearings pursuant to Executive Order 202.15 issued on April 9, 2020, as supplemented, each as issued by Governor Cuomo in response to the novel Coronavirus (COVID-19) pandemic, the Public Hearing will be held remotely utilizing the Zoom video and teleconference platform rather than in person. Members of the public may participate in the Public Hearing by viewing, listening to and/or commenting on the proposed Project (as defined below) and the benefits to be granted to 1211 Western Ave Property Associates LLC, a Delaware State limited liability company (the "Company"). Detailed instructions for participating in the remote meeting are provided at the end of this notice and are available in the Public Hearings section of Agency website at <http://www.albanyida.com>.

The Company submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 0.92 acre parcel of land located at 1211 Western Avenue (tax map number 64.22-1-10) in the City of Albany, Albany County, New York (the "Land"), together with an approximately 30,000 square foot building located thereon (the "Existing Facility"), (2) demolition of the Existing Facility and the construction on the Land of an approximately 190,968 square foot building (the "Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (the "Equipment") (the Land, the Existing Facility, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company and operated as an approximately 136 unit residential apartment building, with approximately 1842 square feet of commercial/retail space, with a parking garage to accommodate approximately 150 parking spaces and any other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

The Agency is considering whether (A) to undertake the Project, and (B) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Agency with respect to the Project in the office of the County Clerk of Albany County, New York or elsewhere, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, construction, renovation and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Agency therewith, exemption from real

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property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the Agency determines to proceed with the Project, the Project Facility will be acquired, constructed, reconstructed and installed by the Agency and will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to a project agreement (the "Agreement") requiring that the Company or its designee make certain payments to the Agency.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") regarding the potential environmental impact of the Project.

The Agency will at said time and place hear all persons with views on either the location and nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection on the Agency's website. Given the COVID-19 related state of emergency, if a member of the public who wishes to inspect these documents is unable to access them on the website, arrangements for inspection may be made by contacting the Agency representative below. A transcript or summary report of the hearing will be made available to the members of the Agency.

Minutes of the Public Hearing will transcribed and posted on the Agency's website (www.albanyida.com). Additional information can be obtained from, and **written comments are encouraged** and may be addressed to: Sarah Reginelli, Chief Executive Officer, City of Albany Industrial Development Agency, City of Albany, Albany, New York 12207; Telephone: 518-434-2532 and electronically at info@albanyida.com.

Instructions for Participating in the Remote Public Hearing with Zoom

Members of the public who wish to participate in the Public Hearing will need either a computer, tablet or smartphone with the Zoom application installed or a telephone. For more information on installing Zoom, please visit <http://www.zoom.com> or <https://support.zoom.us/hc/en-us>.

For members of the public who wish to speak at the Public Hearing, the Agency recommends pre-registering by 5:00PM on August 11, 2020 at:

<https://tinyurl.com/1211western>

Members of the public who pre-register will be called on to speak in the order of their registration. Following the testimony of all participating pre-registered speakers, members of the public who wish to speak but did not pre-register, will have the opportunity to speak. Further instructions will be provided at the hearing for members of the public who wish to speak but did not pre-register.

For members of the public who wish to participate in the Public Hearing via telephone, they should use the dial instructions below:

Phone Number: (646) 876-9923
Meeting ID: 858 8346 7794

Dated: July 28, 2020.

CITY OF ALBANY INDUSTRIAL DEVELOPMENT
AGENCY

BY: s/Sarah Reginelli
Chief Executive Officer

SCHEDULE B

LETTERS RECEIVED FROM
MEMBERS OF THE PUBLIC

Stephen Burke
11 Clarendon Road
Albany, NY 111203
518-469-4693

IDA 1211 Public Hearing
8_12_2020

Statement in Opposition to the Albany City IDA offering any tax abatement via a PILOT or any other means to 1211 Western Ave. Property Associates, LLC (the “Applicant” or “DMG”):

- *Comments based on the content of DMG's (in its IDA Application as filed on July 18, 2019)*
- *The considerations presented below are considered to be those having the highest negative impacts or are perceived to be the most significant departures from the spirit and intent of the NY IDA Statue and fundamental policy and public interest objectives it is meant to foster.*
- *The consideration of the IDA Board and staff are genuinely appreciated.*
- *I am available to explain these or other related comments at the convenience of the Board.*
- *Thank you for your attention.*

KEY ISSUES:

1. **Job Creation:**
A) Approximately 25 engineering jobs (Sage Engineering - technical pay scale) were removed from the 1211 parcel. The proposal replaces only 4 jobs. Hence a huge loss in employment vs. the historic use of the parcel. Annual payroll is projected to be \$145,000 - an average of \$36.25K per year. Wholly inconsistent with the IDA Statue objectives for employment and economic stimulus.
2. **W-ZHA, LLC: 3rd Party Project Review and Evaluation:**
Hired by the developer to access the *“reasonableness of Developer's assumptions regarding development costs, future operations, and proposed financing as well as reasonableness of the PILOT request.”* This is clearly not an arm's length independent report. W-ZHA is based in Annapolis, MD near GSX. W-ZHA worked closely with GSX during the planning phases. In addition, W-ZHA has consulted directly with the City of Albany under at least two City sponsored studies:
 - i) Economic and Fiscal Impact Analysis: the *“Downtown Action Plan”*- a review of the use of tax abatement to leverage redevelopment and determine if such abatement would result in a net gain or loss to the City's budget”; and
 - ii) Regulatory Impact Study: *“Tax Abatement Analysis and Policy (Albany, NY)”* which prepared a set of financial models for various land uses. The policies

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suggest by W-ZHA were ultimately accepted by the City.

HENCE: **The 3rd Party Evaluation is not an independent study and is fraught with conflicts of interest.** The residents of Albany (and certainly the IDA Board) cannot rely on the background of any study that is purported to be independent, but in fact was generated by close associates of the project developers who are believed to have provided consulting services to the project. In addition, they were directly involved in advancing policy recommendations that are directly tied to contentious issues and outcomes associated with the 1211 development.

3. Rate of Return: Is **not stated!** Developer reports that it is not easy to calculate at this time. It is simply **unfathomable** that an experienced developer (including one experienced at a similar development in close proximity) would pursue **a development of over \$35MM and not know what the rate of return is**, much less attempt to finance this development without knowing this in detail. Key information is not being shared with the IDA, the City or the public. Unacceptable given the magnitude of the tax relief sought.

4.

4. Impact on Future Revenues:

Sales Tax = \$1,000,000

Mortgage Recording Tax = \$320,000

Property Taxes = \$12,845,169

TOTAL: \$14,165,169 (or 36.6% of the project cost)

City budget impacts are apparent. The cost of an unwanted project will be borne by the residents.

5. Financial Capacity/Worthiness: DMG has been evaluated by Wall Street analysts and found to be in a highly tenuous position given its massive debt levels. They hold a low investment rating (as a result of having total assets and equity positions being well below their current debt levels). If required to liquidate today, they would be "underwater". The parent company of the Applicant has been classified as high risk by professional analysts.

6. DMG States IDA Support is Essential: Given their lack of financial worthiness, issuance of any IDA benefits is certainly **high risk**. The project is not economical on its own merits (as admitted by the developer) who states in its application that the project will not be pursued if the requested benefits are not issued by the IDA. ((Their statement is highly dubious.)) Nonetheless, this request involves a massive subsidy in the form of 18 years of tax abatement. This is not in any way consistent with the IDA requirements for job creation or economic stimulus - as those benefits are completely absent.

7. Distressed Area: The IDA application cites the area as "Highly Distressed". The consideration of that category (which is result for a large census tract) cannot be applied to the surrounding residential/light commercial area within which the adjacent residential properties generate annual tax revenues in excess of what this proposal will generate.

8. No "Plant Destruction": The application also cites that no physical Plant will be destroyed. That is false. The existing 1211 structure has been stripped internally, and is planned for complete demolition.

9. Relocation: The application falsely claims that there will be no relocation that will be

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detrimental to the City. In fact, if constructed, the 1211 residences will divert SUNY students from recently rehabilitated housing units on Western Avenue. It will direct dormitory revenues away from the University - producing negative impacts on its students, faculty and programs.

10. Financial Summary:

a) A very limited financial summary has been presented by DMG. (No detailed proforma or full cost benefit study is in the application or known to be part of the public record). It does not include any of the **costs that the City must bear** above and beyond the massive tax abatement impacts.

b) The City will carry the burden of emergency service calls (police, fire and EMS). At three similar apartment developments on upper Washington Ave. it is reasonable (given historic records) to believe that 100 or more calls will occur in each calendar year. These call are conservatively estimated to cost \$1,000 each (plus often imperil our first responders). That is a cost to the City of \$100,000 leaving very little to no tax income to the City (especially in the early years of the project).

c) The developer's application itself shows that the **cash flow** in the first 4 years is only marginally negative (if it occurs at all) at a 4 year total amount of \$462,310. **That is without any IDA benefits.** That amount (which is 3.25% of the requested total abatement subsidy) can be absorbed by the developer. More astonishingly, it is only 4.6% of the stated contingency reserve the developer has included in their financial estimates. **The financial statement does not justify the high level of tax abatement being requested.**

d) Under "**Additional Community Benefits**", the developer lists no benefits that do not already exist in the neighborhood (i.e., small grocery stores, convenience stores, and restaurants). These amenities are within 500 to 1,000 feet of the 1211 location. **There are no resident benefits identified.**

e) **Tax Assessment:** The request calls for an assessment of \$19,500,000 for the full PILOT period. That is not subject to any escalation or other increases (unlike all the adjacent properties). The \$19.5MM is 55% of the full original estimated cost of \$35.7MM. That rate is dramatically favorable when compared to adjacent properties that are taxed at a much higher assessment vs. market value (of ~80%).

PLEASE REJECT THIS APPLICATION AS:

- It is inconsistent with IDA stator intent and goals; and
- It represents a massive tax loss to the City vs. a viable self-supporting development on this parcel; and
- The cost of this subsidy will be the immediate burden of the tax stressed residents of the City, thereby further reducing the viability of reasonable development proposals at any location in the City.
- The 4 permanent jobs will cost the City \$3,541,292 each in lost tax revenues over the life of the PILOT.

On Aug 11, 2020, at 7:21 PM, Peter Constantakes <pconstantakes@gmail.com> wrote:

Dear IDA members,

We wish to voice our opposition to any tax breaks for the proposed building at 1211 Western Avenue. We cannot support the IDA (i.e., the City of Albany) providing long-term tax reductions for a project that will not produce a significant number of good paying jobs, beyond the construction jobs that will vanish once the building's structure is complete. Such tax breaks would go to wealthy, out-of-state investors/developers, yet produce few benefits to existing residents in the City.

(note: even though tenants may support the City economy, there is no guarantee they will shop within the City, as the site of the building provides equal and likely easier access to Guilderland establishments than those located Albany.)

But our main contention with the tax break is the current fiscal situation facing our City (and other municipalities) due to the economic impacts of Covid-19. As Mayor Sheehan stated in a press release:

May 4, 2020:

Albany Mayor Kathy Sheehan Outlines Revenue Shortfall Due to COVID-19 Pandemic

Mayor Kathy Sheehan announced today a projected revenue shortfall of \$17 million to \$20 million as a result of the COVID-19 pandemic. If the federal government refuses to provide direct emergency aid to state and local governments, painful budget cuts will be required to close the shortfall...

It is clear that if fiscal assistance is not provided, cities like Albany will have very limited fiscal options - basically, raise taxes or cut personnel and government services, or both. Of course, this would have a major impact on Albany residents, both homeowners and renters. As the mayor said, it could be "painful."

Yet, in light of the prospect of jobs and service cuts, and rising taxes on many long-term residents (including some who have also been deeply affected economically and personally by COVID-19), the IDA has been asked to consider providing a significant tax break to a rich developer with no roots in the City. I can only imagine how Mayor Sheehan, or Governor Cuomo for that matter, would react if President Trump proposed major tax breaks for wealthy developers during this difficult time - at the expense of middle-class taxpayers. Yet, how is this different?

I urge the IDA members to look at the big picture, which is now more important than ever. Reducing taxes reduces revenues. Yet, in this case, the reduced taxes will not be available to most Albany taxpayers - only a wealthy developer who will not even be creating new jobs to the City.

The IDA is not a high-profile entity, and many Albany residents may not even be aware of what the Agency does, much less the specific actions it approves. However, now, more than ever, your decision will have significant fiscal consequences. I urge you to recognize the severity of our current situation and when you consider action, please note who will benefit from an IDA tax break - and just as importantly, who will bear the cost.

In these very tough times, Albany taxpayer should not be forced to subsidize the elite 1 percent when so many people are struggling to get by.

I am writing today regarding the proposed 1211 Western Ave Project and its request for financial assistance through the Albany IDA. Please read my comments at the public hearing set for Wednesday, August 12th.

The mission statement of the Albany IDA is stated as: to...“Assist in the enhancement and diversity of the economy of the City of Albany (the “City”) by acting in support of projects in the City that create and/or retain jobs and/or promote private sector investment utilizing the statutory powers of the Agency as set forth under the provisions of the laws of the State of New York” The job creation numbers for this project is negligible. Under your guidelines of 4-100 new job positions, the remaining outcome upon project completion will barely create 6 new positions. The majority of which will be at a minimum wage level. To reach only for the very minimum level of job creation fails to substantiated for a true economic benefit to our community. Although this project has a perceived local advantage, in reality it is placed in an already saturated market of residential high-density new construction which has also creating no significant increase in jobs once construction phases are complete. The result is sameness and repetition without gained tax advantage to our City. How specifically would this project foster economic diversity, on any level?

It is also my understanding that residential developments are precluded from PILOT programs. Although there will be a minimal amount of square footage dedicated to commercial use, ninety percent of tax relief will be financed on residential usage with absolutely no economic gain to Albany Citizens. Financial incentives gained however, by the developer, will far outweigh public benefit if this project is approved and will undermine the said intent of your agency’s mission. Therefore, I am requesting that you deny financial assistance to 1211 Western Ave Property Associates LLC.

Thank you,
Amy Donnelly

Amytrinity111@yahoo.com

To: Sarah Reginelli, Chief Executive Officer, City of Albany Industrial
Development Agency

As a longtime homeowner, resident and taxpayer in the City of Albany who will live under the ominous shadow of 1211 Western Avenue, I want to share with you and the IDA Board one of my most recent concerns about this project.

My concern is this building will have over 260 people, likely students, packed into 136 rooms in a structure squeezed onto less than an acre of land. For example, there are slated to be 65 2 bedroom "micro" apartments of just over 600 sq.ft. each. The building is six stories tall but served by only two elevators.

With today's consciousness of the deadly and costly threat posed by the Coronavirus, which the IDA itself thankfully acknowledges, this is a project that leaps and growls at Albany from the depths of yesterday's thinking when urban density was chic and cost effective and social distancing unheard of. Cities and developers in many places are rethinking what multiple dwellings and congregate spaces need to look like to be safe and sellable.

The simple sad facts about this building bear directly on IDA concerns when the facility will likely pose a COVID-19 "hot-spot" threat and generate public health costs or worse. Likely it will be shunned by many people even minimally aware of the risk and thus become underutilized and fail to bring any financial boon touted by developers.

It should get a top to bottom new risk assessment for finances and public health risks and definitely given no precious public assistance in the name of due diligence.

In short I think this project will become a costly loser for everyone.

Thank you.

Respectfully submitted
Nancy Harrigan
Clarendon Road



CITY OF ALBANY
COMMON COUNCIL
CITY HALL – ROOM 206
ALBANY, NEW YORK 12207

Thomas Hoey
Common Council Member 15th Ward
19 Vine Street
Albany, New York 12203
(518) 378-1474
July 7, 2020
Re: 1211 Western Avenue

Dear Finance Committee, *(Darius Shahinfar – Chair, Jaheen Hoke, Tracy Metzger, Lee Eck, Dominic Calsolaro)*

Please distribute to members of the Committee.

I am writing to you to reject the application for 1211 Western Avenue. It is not right that the current developer is trying to cover half the cost of the project with tax breaks. On top of the many safety issues with this project especially fire hazard, this is an ill-conceived project with only one way in and out of the building, which is Western Ave. Western Avenue is a main Thorofare and the traffic congestion during construction will be tremendous. There is a pending lawsuit with this project and a requirement to bury all the Utility lines not just National Grid's lines.

The amount of jobs that this project will generate is minimal and we should not be providing corporate welfare especially to an overseas corporation. Be assured we will watch this process closely and if necessary, will do a full investigation.

Thank You,
Tom Hoey



July 16, 2020

Ms. Sarah Reginelli
Chief Executive Officer
City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207

RE: Request for IDA Assistance for 1211 Western Avenue Project ("The Dakota")

Dear Ms. Reginelli:

On behalf of the Capital Region Chamber, I write to inform you that the Chamber strongly supports DMG Investments, LLC's request for IDA assistance for the above reference project, informally known as "The Dakota".

As you are aware, the Capital Region Chamber represents over 2,900 businesses and organizations from throughout the region that employ more than 160,000 area residents. Our Chamber's membership is diverse. We represent for-profits and not-for-profits; large corporations and small family-owned businesses. Our primary focus is to ensure that the Capital Region has a thriving economy and vibrant quality of life. To that end, we fully support the Dakota Project.

The Dakota Project consists of the demolition of an existing office building and the construction of a six-story mixed-use, multi-family dwelling complex which will provide 136 residential apartment units, roughly 1,842 square feet of commercial space, as well as a parking garage consisting of 150 spaces. Furthermore, the Dakota's design is compliant with the city's Affordable Housing regulations.

The Chamber believes that DMG Investment's request for exemptions from Sales Tax, Mortgage Tax and Real Property Tax is perfectly reasonable and is the only way to ensure that this project remains viable. The Dakota Project would transform a currently vacant building into a vibrant and diverse property with positive economic impact for the Capital Region. This project will create a property with an assessed value of \$19,500,000 and will create new employment opportunities. Our region simply must not pass up on this incredible opportunity.

By creating a balance mix between commercial and residential units, the Dakota Project will provide the diversity that the Capital Region both values and demands. The Capital Region Chamber strongly supports this project and I therefore respectfully request that the City of Albany Industrial Development Agency swiftly approves DMG Investments, LLC's request for assistance.

Thank you for your consideration of the Capital Region Chamber's perspective.

Sincerely,

Thomas J. O'Connor
Vice President, Government Relations

UNITED TO DRIVE ECONOMIC PROSPERITY WITH
ONE VOICE, ONE MISSION, ONE REGION.

capitalregionchamber.com | 518.431.1400

5 Computer Drive South
Albany, NY 12205

58 Clifton Country Road, Suite 102
Clifton Park, NY 12065

1473 Erie Boulevard
Schenectady, NY 12305

Members of the Finance Committee of the IDA

Finance Committee

Darius Shahinfar - Chair
Jaheen Hoke
Tracy Metzger
Lee Eck
Dominic Calsolaro

My concerns are about giving finance to 1211 Western Ave.

I would like to read this at the Zoom meeting which is being held **12th day of August, 2020 at 12:00 o'clock p.m., noon, local time, in connection the 1211 Western Ave Property Associates LLC, as described below.**

I understand that on file is a word file which was sent early this month by me. But this file is more pressing. Thank You.

The IDA can make no grants or payments to applicant. The IDA is authorized to provide tax abatements (which are the subject of DMG's application). In the application the tax abatements are referred to as the "benefit" or the "tax exemption request".

Tax relief is being sought for 18 years.

The applicant is "1211 Western Ave, Property Associates, LLC"

ERRORS AND MISREPRESENTATIONS

(Contained in the IDA Application as filed on July 18, 2019)

DMA States IDA Support is Essential: Given their lack of financial worthiness, issuance of any IDA benefits is certainly **high risk**. The project is not economical on it's own merits (as admitted by the developer) who states in its application that the project will not be pursued if the requested benefits are not issued by the IDA. ((Their statement is highly dubious.)) Nonetheless, this request involves a massive subsidy in the form of 18 years of tax abatement. This is unacceptable and is not in any way consistent with the IDA requirements for job creation and economic stimulus.

Job Stimulus: This development is on a direct course to **reduce employment** in the City. Simply stated, it reduces employment from 25 professional positions (which worked at Sage Engineering) to 4 low paying positions. A loss of 20 positions and the removal of a scarce and prime property for the development of meaningful and needed enterprise actually represents an impediment to stimulating economic development in the City.

Job Valuation: Page 3: The average annual salary is stated here to be \$43,965 - (higher than the \$145K for 4 employees or \$36,250) In the application the annual salary should be \$36,250 not \$43,965. They just can do math.

Distressed Area: The IDA application cites the area as "Highly Distressed". The consideration of that category (which is result for a large census tract) cannot be applied to a residential and light commercial area within which the most adjacent residential properties generate annual tax revenues in excess of what this proposal will generate.

Financial Capacity/Worthiness: DMG has been evaluated by Wall Street analysts and found to be in a highly tenuous position given its massive debt levels. In simple terms, they hold a low investment rating as a result of having total assets and equity positions being well below their current debt levels. In brief, if required to liquidate today, they would be "underwater".

Relocation: The application falsely claims that there will be no relocation that will be detrimental to the City. In fact, if constructed, the 1211 residences will divert SUNY students from recently rehabilitated housing units on Western Avenue and direct dormitory revenues away from the University - producing negative impacts on its students, faculty and programs.

O. False or Misleading Information. The applicant understands that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.

Dear Committee Members,

I would like these comments to be included in your deliberations on 12 August, 2020, in relation to the application for tax relief from 1211 Western Ave, Property Associates, LLC.

As a long-time resident of the Albany neighborhood in which the subject property resides, and an Emeritus Professor at UAlbany, I have followed this project from its early phases. It began as a private high-security, "luxury" dormitory aimed at UAlbany students, and part of the original pitch was to parents who wanted their undergraduate offspring living at a safe distance from undesirable elements, i.e., culturally diverse neighbors. It has since morphed in its stated goals and ownership, but the overall plan seems to have changed little, including the massive tax breaks envisioned. The current IDA application is problematic in multiple ways. Those include (1) Abundant evidence of conflict of interest in the purportedly independent Third Party Evaluation; (2) Multiple errors and misrepresentations in the application; (3) Poor financial condition of the developer; (4) An unresolved lien against the developer for unpaid fees. I would add to this the risk that the project will fail outright, given projected future college enrollments, together with the coming economic recession. The city of Albany is already hard-pressed for revenues, and approval of the application would represent an unwise bailout of a questionable enterprise. Other, more stable and beneficial uses for the property might deserve consideration down the road, but the application in question should be rejected, and you have strong legal grounds to do so.

Sincerely,
George Robinson
10 Tryon Street

226 Euclid Avenue
Albany, NY 12208
August 11, 2020

Dear IDA Members:

I am writing to urge you to delay approval of the tax abatement requested by the developers of 1211 Western Avenue until you can satisfy those concerned residents of the city of Albany who have serious doubts as to the veracity of the claims, statements and plans of the developers. Once again residents find themselves asking for due diligence from their elected officials to protect their financial investments, to protect the tax base that they have supplied for decades and to protect their quality of life and environment. It cannot seem possible that you have a full understanding of the negative impact your approval of these over-sized tax abatements has on the city of Albany and its residents. It is unclear that such large abatements actually benefit our city. It seems quite evident, considering the state of our city's budget, that they do not. There is too little effort put into truly independent evaluation of these proposals before approval, with a disingenuous lack of challenge to contractor protestations of need and casual glorification of jobs supplied and rentals fulfilled. There is a further undermining of tax base benefit by the lack of independent evaluation upon completion, when contractors blatantly do not meet mandatory requirements of the tax abatement agreement. To me, if the contractor needs such a large personal loan from the tax-payers of Albany, then the project is not a good fit for its selected location.

It is of paramount importance to Albany's residents that our elected and appointed representatives carefully vet the need for such a large tax break and to prove beyond a shadow of a doubt the long-term value of such a gift in order to maintain the best part of city living, a balance between commercial and private interests that promotes the health of both entities. To do this you need to give equal credence to both party's concerns.

Sincerely,
Janet Dwyer Stutzman

I am writing to urge the IDA to deny all involvement with the above project, which is on the agenda for your meeting today.

The project does not add any economic value to the neighborhood.

The current building on the site had 25 engineers earning high salaries. The developer on the project is creating 2 minimum wage jobs and one mid-level management job, resulting in a loss of employment in the city. Any jobs created in the actual construction of the building would end as soon as it is completed.

There are no benefits to the community--the area does not lack housing. The type of high density building that is proposed is more likely to have problems getting tenants in the near future as people seek detached housing in the pandemic.

If the developer were granted its requested 18 years of tax relief, this would have the potential for a negative effect on the City's budget. How would that be made up?

Juliet Turner