

City of Albany Industrial Development Agency

21 Lodge Street
Albany, New York 12207
Telephone: (518) 434-2532

Elizabeth Staubach, Chair
Lee Eck, Vice Chair
Darius Shahinfar, Treasurer
Anthony Gaddy, Secretary
Joseph Better
John Maxwell
Christopher Betts

Ashley Mohl, Chief Executive Officer
Andrew Corcione, Chief Operating Officer
Andrew Biggane, Chief Financial Officer
Christopher Canada, Special Counsel
Robert Magee, Agency Counsel

To: Darius Shahinfar
Lee Eck
Anthony Gaddy
Christopher Betts

Joseph Better
Elizabeth Staubach
John Maxwell

CC: Ashley Mohl
Robert Magee
Christopher Canada
Maria Lynch
Andrew Corcione

Andrew Biggane
Kaylie Hogan-Schnittker
Cassidy Roberts
Olivia Sewak

Date: November 7th, 2025

IDA FINANCE COMMITTEE MEETING

A meeting of the Finance Committee of the City of Albany Industrial Development Agency will be held on **Wednesday, November 12th, 2025, at 12:15 pm** at 21 Lodge Street Albany, NY 12207.

AGENDA

Roll Call, Reading & Approval of the Minutes of the Finance Committee Meeting of September 10th, 2025

Report of Chief Financial Officer

A. None

Unfinished Business

A. None

New Business

- A. Harmony Mills South, LLC
 - i. Discuss & Possible Recommendation for Amendments to the Basic Documents
- B. 488 Broadway Arcade, LLC
 - i. Discussion & Possible Recommendation for Amendments to the Basic Documents

Other Business

- A. Agency Update
- B. Compliance Update

Adjournment

City of Albany Industrial Development Agency

21 Lodge Street
Albany, NY 12207
Telephone: (518) 434-2532

Elizabeth Staubach, Chair
Lee Eck, Vice Chair
Darius Shahinfar, Treasurer
Anthony Gaddy, Secretary
Joseph Better
Christopher Betts
John Maxwell

Ashley Mohl, Chief Executive Officer
Andrew Corcione, Chief Operating Officer
Andrew Biggane, Chief Financial Officer
Robert Magee, Agency Counsel
Christopher C. Canada, Special Counsel

MINUTES OF IDA FINANCE COMMITTEE MEETING

Wednesday, September 10, 2025

Attending: Darius Shahinfar, Anthony Gaddy, John Maxwell, and Elizabeth Staubach

Absent: Lee Eck

Also Present: Andrew Biggane, Mike Bohne, Andrew Corcione, Maria Lynch, Ashley Mohl, Cassidy Roberts, Olivia Sewak, Kaylie Hogan-Schnittker and Nadine Zeigler, Esq.

Public Present: Sean Maguire, John Larounis, Asher Toporovsky, Phyllis Hathaway and Frances Spreer-Albert

Finance Committee Chair Darius Shahinfar called the Finance Committee Meeting of the IDA to order at 12:47 p.m. at 21 Lodge St., Albany, NY.

Roll Call, Reading and Approval of Minutes of August 13, 2025, Finance Committee Meeting

A roll call of the Committee members present was held. Chair Darius Shahinfar reported that all members were present with the exception of Lee Eck. Since the minutes of the previous meeting had been distributed to the Committee in advance for review, Mr. Shahinfar asked for a motion to dispense with their reading and approve the minutes of the Finance Committee meeting of August 13, 2025. A motion was made by Elizabeth Staubach and seconded by John Maxwell to accept the minutes as presented. The motion was passed with all present members voting aye.

Report of Chief Financial Officer

None.

Unfinished Business

South End Second Ave, LLC (Mosaic South)

Following a Public Hearing, during which no public comments were received, staff led a discussion regarding the *South End Second Ave, LLC* project with the committee, and the applicant's request for Approving Resolutions. The project involves the redevelopment of a 64 vacant and underutilized parcels across Broad Street, Clinton Street, South Pearl Street, Teunis Street, Second Avenue, and Third Avenue into 166 units of affordable housing for households earning a qualifying percent of the Area Median Income. The development will also include approximately 160,000 SF of residential space, 1,600 SF of commercial space, and 26,000 SF of common area. The applicant is pursuing 4% Low-Income Housing Tax Credits through New York State Homes and Community Renewal and has requested to enter into a 30-year PILOT agreement with the IDA. The request includes a proposed deviation in the shelter rent payment to account for the increased costs and complexities associated with a project of this scale and its scattered-site nature. As such, a third-party consultant was engaged to evaluate the appropriateness of the PILOT request. The consultant concluded that the assumptions contained within the

application, together with the abatements sought, fall within reasonable parameters. Staff added that the project has been evaluated outside the Project Evaluation & Assistance Framework and data shown is for comparative purposes only. Staff and the Committee discussed the cost/benefit analysis of the project.

Representatives for the Applicant were present to discuss the project and answer questions from the Committee.

Chair Shahinfar called for a motion for a positive recommendation to the full Board for the Approving Resolutions for the *South End Second Ave, LLC* project. Anthony Gaddy made a motion, which was seconded by John Maxwell. A vote being taken, the motion passed with all present members voting aye.

Project representatives Sean Maguire, John Larounis, and Asher Toporovsky exited the meeting at 12:53 p.m.

New Business

IDA Draft Budget for 2026

The Agency's CFO reviewed the IDA Draft Budget for 2026 in detail. The agency is budgeting a deficit of \$64,560. Revenues for the agency are budgeted to be \$1,078,921. The majority of this revenue is expected to be in the form of fee revenue, which is budgeted to be approximately \$1,003,921. Expenses for the agency are budgeted to be \$1,143,481. The ending cash balance of the IDA on 12/31/2026 is projected to be \$4,380,000, which represents a reserve of approximately 4.0 years at the current projected level of operating expenses. The Committee discussed the draft budget and its implications. Staff noted that, per Agency policy, the draft 2026 budget will be posted at City Hall and delivered to both the Mayor and Common Council President at least 10 days prior to the approval of the 2026 Budget at the October Board Meeting.

Chair Shahinfar called for a motion to move the budget forward for review by the full Board. The motion was made by Elizabeth Staubach and was seconded by John Maxwell. A vote being taken, the motion passed with all members voting aye.

Other Business

Agency Update

Staff noted that a Memorandum of Understanding between the Agency and 1211 Western Avenue Property Associates, LLC has been fully executed by both parties.

Compliance Update

The Agency's CFO provided the Annual Review of Agency Insurance Policy which outlined the coverage currently in place noting that both the type and level of the coverages were recommended and deemed appropriate by the Agency's carrier. No action was requested of the Committee at this time.

There being no further business, Chair Darius Shahinfar called for a motion to adjourn the meeting. A motion was made by John Maxwell and seconded by Anthony Gaddy. A vote being taken, the motion passed unanimously, and the meeting was adjourned at 1:00 p.m.

Respectfully submitted,

Anthony Gaddy, Secretary

Harmony Mills South LLC
220-46 73rd Avenue
Bayside, NY 11364
917-453-3384

November 7, 2025

VIA ELECTRONIC MAIL

Elizabeth Staubach, Chair
City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207

RE: Harmony Mills South LLC - IDA Project No. 01012003 (the "Project")

Dear Ms. Staubach:

Good afternoon. Please accept this letter as my client, Harmony Mills South LLC's, request for the following additional assistance from the City of Albany Industrial Development Agency (the "IDA") in connection with continuing improvements to this property as well as in connection with a refinance to a permanent loan for the Project.

As you may recall at the time of the initial application to the IDA for assistance, the Company anticipated investing \$23,135,000.00 into this Project, the adaptive re-use of a 15 story former mixed use office building located at 90 State Street, with the actual investment made as of completion being \$32,198,137.00. We credit the strong support of the IDA, including the financial assistance provided to date, as an extremely significant factor in the success of this transformational project for the City.

With respect to additional investment in the Project, we anticipate additional improvements of approximately \$7,400,000.00, which are described in more detail below, with the additional assistance sought from the IDA summarized as follows:

- 1) Mortgage Recording Tax Exemption. We seek additional Mortgage Recording Tax Exemption to cover approximately \$8,100,000.00 in new money for the refinance which we understand would be approximately \$81,000.00 in additional Mortgage Recording Tax Exemption.
- 2) Consent to Assignment of IDA Benefits. Our new lender, Morgan Stanley Bank -- which is issuing the permanent financing loan -- is required that the fee owner, Harmony Mills South LLC, transfer its ownership of 90 State Street a new entity called Harmony Mills South Delaware LLC ("HMSD"). HMSD will be wholly owned by Harmony Mills South LLC, so the beneficial ownership of 90 State Street will remain unchanged. In connection with this transfer of ownership to HMSD, we also request the IDA's consent to the assignment of all IDA benefits provided to the Project, including without limitation, the PILOT, be assigned to HMSD.

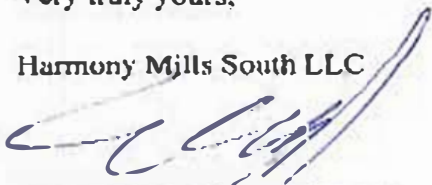
- 3) **Extension of Existing Sales Exemption.** In the original IDA Application, the Project was granted a Sales Tax Exemption of \$925,400.00. To date, the Project has used \$692,553.09, which leaves an unused Sales Tax Exemption in amount of \$232,866.91. We request an extension of this existing, unused Sales Tax Exemption of \$232,866.91, which is not new assistance from the IDA, for a period of two years, until 12/31/27.
- 4) **Additional Improvements to the Project.** With respect to additional improvements to the Project, the Company proposes to develop an amenities package for the Project with improvements to the main floor at State Street level including the Ball Room, as well as build out of a retail coffee shop and leasing agent office. On the South Pearl Street level, retail space will be developed. On Floor 2 a state-of-the-art gym will be built out and equipped. Additional funds are also being invested in repairs and improvements to the parapet which has been in disrepair, as well as additional window upgrades, HVAC and necessary mechanical improvements. With all of the foregoing areas having been substantially unimproved since the conversion of this property to apartments. We estimate the total sum invested to be approximately \$7,400,000.00.

We appreciate the IDA's consideration of this request for additional assistance for the Project and believe in light of the substantial additional investment being made we respectfully request this be granted. We believe this increase in investment is the best evidence of our commitment to this Project and to the City of Albany in general.

Thank you for your courtesy and consideration of this request.

Very truly yours,

Harmony Mills South LLC



Uri Kaufman, Manager

cc: Nadene Zeigler, Esq.
Nadine Feiden Shadlock, Esq.

MEMO

TO: City of Albany Industrial Development Agency Board of Directors
FROM: City of Albany Industrial Development Agency Staff
RE: 488 Broadway Arcade, LLC
DATE: November 7th, 2025

Request:

488 Broadway Arcade, LLC is seeking an amendment to the PILOT Agreement to eliminate the greater of 11.5% of Gross Revenue or the amount determined pursuant to the PILOT Schedule (the “Greater of Requirement”), and the Company would continue to make payments based on the PILOT Schedule for the remainder of the term of assistance.

Background:

488 Broadway Arcade, LLC received approval for sales tax, mortgage recording tax, and real property tax exemptions in 2014. Pursuant to Exhibit B, Section III(A) of the PILOT Agreement, beginning on January 1, 2026 (Year 13), the Company will make payments in lieu of taxes in an amount equal to the greater of (1) the amount determined pursuant to the PILOT Schedule, or (2) 11.5% of the Gross Revenue of the Project Facility for the fiscal year ending no later than 120 days prior to the January 1 payment date.

Staff received a request to amend the PILOT Agreement that cited a steep decline in cash flow should the 11.5% of gross revenue be assumed as the PILOT payment. Additionally, the project will see 2 of its commercial tenants vacate the property in 2026, which will amount to the loss of approx. 50% of commercial rental revenue. Furthermore, the Greater of Requirement will provide a hurdle to sustaining the lender’s required 1.25x Debt Service Coverage Requirement, potentially constraining the approval of a refinancing which is anticipated to occur in 2026.

Recommendation:

For the reasons outlined below, Staff recommends that the Board approve the Company’s request for revision of the PILOT Agreement:

- Staff has reviewed the Company’s cash flow projections and has concluded that the imposition of the 11.5% Gross Revenue scenario would render the project financially infeasible.
- According to the PILOT Schedule outlined in Exhibit B, Section II(A)(2)(b) of the PILOT Agreement, the Project is anticipated to make \$2,458,440 in PILOT payments over the term of assistance, resulting in a net gain to the taxing jurisdictions of \$1,031,367.

GOLDMAN ATTORNEYS PLLC

Attorneys and Counselors at Law

255 WASHINGTON AVENUE EXTENSION, SUITE 108
ALBANY, NEW YORK 12205

TELEPHONE: (518) 431-0941
FAX: (518) 694-4821

Paul J. Goldman
pgoldman@goldmanpllc.com

October 27, 2025

Chair Elizabeth Staubach
Capitalize Albany Corporation
21 Lodge Street
Albany, New York 12207

Re: 488 Broadway, City of Albany, Albany County, New York (the "Project")

Dear Chair Staubach:

Please be advised that this firm represents 488 Broadway Arcade, LLC (the "Company"). I write on behalf of the Company to request an amendment to the PILOT Agreement by and between the Company and City of Albany Industrial Development Agency ("CAIDA") for the above referenced Project. Specifically, the Company is requesting that CAIDA eliminate the imposition of PILOT Payments pursuant to Exhibit "B" III which is the Alternative Determination that would impose PILOT Payments based on the greater of 11.5% of Gross Revenue (the "Greater of Requirement").

When considering the cash flow statement for the Project for 2024 as well as a projection of cash flow for the Project for 2026, which assumes the loss of ½ of the commercial space rent, it is evident that implementing the Greater of Requirement would create significant financial hardship for the Project. Specifically, the Company has received notice that certain tenants will not be renewing their leases regardless of the amount of any Landlord concessions. The result of that problem is that one-half of the commercial tenant income will not be in place. As you are aware, the market for the first-floor retail space in the downtown market is not robust, and there are a substantial number of vacant storefronts in the downtown market so the Company will be stuck with a brokerage commission and fit-up expenses to accommodate any new use of the vacant space which is not immediately forthcoming.

Additionally, if the Greater of Requirement was implemented, the Project would not be able to satisfy the 1.25% of Debt Service Covenant Requirement ("DSCR") and so the Company's existing mortgage will have to be right sized. That additional expense will constrain any approval of the Property because the Greater of Requirement is a direct reduction of the net operating income on a dollar-for-dollar basis.

Respectfully, the principal purpose of the Greater of Requirement was to allow the taxing jurisdictions to participate in the contemplated property appreciation in downtown Albany. Unfortunately, downtown Albany has not experienced that appreciation in terms of rent growth and demand. As a result, the enforcement of the Greater of Requirement will hurt existing

GOLDMAN ATTORNEYS PLLC

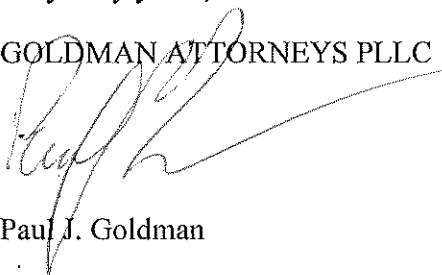
Attorney and Counselors at Law

downtown Albany mixed use projects that are experiencing limited rent growth and tepid commercial interest.

Kindly review this request and advise as to the next steps. Thank you in advance for your prompt attention to this request. Should you have any questions or comments, please do not hesitate to call. I am,

Very truly yours,

GOLDMAN ATTORNEYS PLLC



Paul J. Goldman

PJG/am

cc. Mr. David Sarraf