

Town of Colonie Industrial Development Agency

Board Minutes
December 2, 2014 Meeting

Meeting called to order by Chairman Kearney at 6:40 pm.

Members in attendance:

John Kearney, Chairman
Eric Phillips

David DeLuca
Gary Rinaldi

Members absent

David Hernandez
Benjamin Syden

Sharon Bright Holub

Agency Counsel: Connie Cahill, from Hiscock & Barclay
Chief Executive Officer: Joseph LaCivita

Guests: Robert Tengeler, Town of Colonie Local Development Corporation Chairperson
Craig Blair, Town Comptroller
Christopher Kelsey, Town Accounting Supervisor

Presentation/Actions:

Harmony Prima Lofts, LLC and AI Storage, LLC Project –

Chairman Kearney introduced Jeff Davis as representative for the above project who asked for a meeting this evening so the Agency could potentially take action on the project at its regularly scheduled meeting on December 15, 2014. Mr. Davis made the following presentation.

Mr. Davis indicated that the application before the Agency was for sales/use and mortgage recording tax exemptions on this project which will be located at the former Albany International Site on Broadway in the Village of Menands. He also stated that the developer has had several meetings with representatives from the Town of Colonie, Village of Menands, and Menands Union Free School District regarding a potential PILOT agreement. This idea was later abandoned due to the adverse impact on the School District, and the project is working with the Village and School District on other options.

This project is the redevelopment of the former Albany International complex as stated above. It will include a 315,000 square feet of residential units. It is planned to be 135 to 140 higher end loft style apartments ranging from 1 to 3 bedrooms. Rents are anticipated to range from \$900 to \$3,300 per month. There will also be a 25,000 square foot self-storage facility and 6,000 square foot daycare/pre-school

From an exterior perspective it would remain very much like it looks today, with the front landscaping not being touched significantly. The site redevelopment will include an area for a dog park and several tennis courts.

A significant amount of the property is in within the Town of Colonie (9.6 acres) with only parking lots located within the City of Albany. The Village of Menands has approved all the necessary steps other than a zoning variance for a covered 116 space parking lot which is in the review stage. The City of Albany has also approved the necessary site plans.

Upon completion the three facilities combined are expected to create 31 new jobs. These will include property management staff (9), storage facility operators (4), and daycare/pre-school teachers (18). The salaries would range from \$24,000 to \$35,000.

The project is on a strict and aggressive time table because phase I must be complete by year-end 2015 to ensure the \$5 million in historic tax credits the project has been approved for. They are anticipating closing on the project by year end 2014 with construction beginning in January 2015.

Mr. Davis requested that the Agency schedule a public hearing on the project for the December 15, 2014 meeting and approve the requested sales and use tax exemption and mortgage recording tax exemption at the December 15 meeting. Mr. Davis thanked the Board members for their time and asked if anyone had questions.

Mr. DeLuca inquired as to the cost of the self-storage facility and the extent it is included in the application. Mr. Davis stated that it has a total approximate cost of \$500,000, of which \$260,000 has been completed with about \$215,000 still to be done. Only the portion to be completed is included in the application.

Mr. Davis reiterated that the total project is about \$29.5 million with about \$295,000 in mortgage recording tax exemption and \$908,000 in sales and use tax exemption.

Mr. Philips inquired as to what would happen to the project if the Agency was not to take action. Mr. Davis stated that it was a very tight budget but that the project would still most likely happen but that the budget would need to be modified significantly without the sales/use tax exemption.

Mr. Rinaldi inquired as to the target market for tenants. Mr. Davis indicated that it would be very similar to Harmony Mills in Cohoes. High-end working professionals and similar older professionals looking to down-size but stay in the area. Mr. Rinaldi asked if they thought there would be a significant impact on the School District and Mr. Davis indicated the School District had not raised any concerns.

It was also asked if there was an anticipation of being converted to condominiums. Mr. Davis was not aware of any such plans but Ms. Cahill and Mr. Blair indicated the Developer's representatives had stated in prior meetings there was intent to convert after about 7 years.

Chairman Kearney thanked Mr. Davis for his presentation, and Mr. Davis again thanked the Board for their time and excused himself from the meeting.

Chairman Kearney asked Ms. Cahill what the next step for the Agency to take on this project. Ms. Cahill indicated that if the Board was so inclined it would need to pass a resolution taking preliminary action to approve the scheduling of a public hearing for December 15, 2014.

Discussion between the members ensued as to the difference between this project and the Shelter Cove project approved by the Board in 2013. There were several significant differences identified including Shelter Cove's proximity to the landfill which made the site challenging from a development perspective, the inclusion in the Shelter Cove project of extended stay units and two commercial office buildings, the contribution of property by the developer of Shelter Cove that allowed the construction of an extension to the existing trail that connects to the Town park, which trail furthers the IDA's purposes and the construction by the developer of Shelter Cove of an extension to the sewer line that enhances the potential for development of near-by vacant property.

With respect to this project, the project does not provide significant economic development benefits to the Town and the Village. In addition, the project is well on its way to closing on its financing and will close without IDA sales and use tax and mortgage recording tax exemptions. Therefore it does not pass the "but for" test.

Chairman Kearney called for a resolution to call a public hearing on the project to be scheduled for December 15, 2014. No members moved the resolution.

Meeting adjourned at 7:30 pm.

Next meeting will be December 15, 2014 at 6:30 pm at 347 Old Niskayuna Road, Latham, NY 12110.