

Albany Place Development LLC

c/o Promenade Senior Living
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May 12, 2017

William N. Young, Jr., Chairperson
Town of Guilderland Industrial Development Agency
Guilderland Town Hall
P.O. Box 339
Guilderland, NY 12084

Re: PILOT Application – Albany Place Development LLC

Dear Mr. Young,

Enclosed please find the additional requested materials related to the application to the Town of Guilderland Industrial Development Agency.

As is indicated in the submitted materials, the proposed project will create significant employment opportunities for the community, both for the construction of the project and permanent, full-time staffing of the facility. The facility will be a 200-bed, licensed assisted living facility providing housing and services to elderly residents in the Town and surrounding community. The facility will also retain at least 40% units available for income restricted residents who qualify medically for admission to the facility. Please see the attached cost/benefit analysis questionnaire for further detail.

It is because of this commitment that Promenade is applying for a PILOT agreement. There is precedent in the Town of Guilderland granting such PILOTs for income restricted senior housing facilities. The OMNI, which is assessed at a value of \$3,914,000, pays taxes based upon a taxable value of \$560,000, approximately **13 percent of the assessed value**. Like the proposed Project, the OMNI facility has income restriction on some units and provides much needed residential housing to the senior citizens of the community at reduced rents. The Promenade assisted living facility as well will be income restricted and available to lower income seniors who need not only housing but services as well. The certainty with respect to the ongoing fixed expenses of the facility will enable the project to obtain financing. The proposed PILOT agreement would make this much-needed project economically viable.

Earlier this week, I had a very productive meeting with the Assessor, Karen Van Wagenen. We all agreed that the Assessor would not be able to value the property until it was completed. However, she noted that the cohort of comparable facilities may include Serafini Village, the Omni, the Atria, and/or (the tax-exempt) Ohov Sholom Senior Apartments in Albany. The Atria facility is a completely private-pay assisted living facility, with no income restrictions for admission, and is currently assessed at \$3,579,545. At the lower end of the range, Serafini Village, a senior residence with no services, is assessed at a value of \$2,421,818.

With the betterment of the community as our primary objective, both for the residents of the facility and those who will be employed by the facility, we are requesting this PILOT agreement, which would set the Payments in Lieu of Taxes at **\$125,904.43 for 30 years** (equal to the **current assessment level of \$3,200,000**). It is our belief that when the income restrictions are factored into the equation, along with the greater expenses incurred for the operation of the facility, and the comparable facilities, the indicated market value will be consistent with the current taxable value.

I look forward to discussing this matter with you.

Thank you for your attention to this matter.

Very truly yours,
Albany Place Development LLC

A handwritten signature in blue ink, appearing to read "Steven M. Laufer". The signature is stylized with several overlapping loops and a long horizontal stroke at the end.

Steven M. Laufer, Member

TO: Project Applicants
 FROM: Town of Guilderland Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for the Town of Guilderland Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

This Questionnaire must be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	ALBANY PLACE DEVELOPMENT LLC
2. Brief Identification of the Project:	@ 200 BED ASSISTED LIVING SENIOR RESIDENCE
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ <u>30,000,000</u>
B. Value of Sales Tax Exemption Sought	\$ <u>400,000</u>
C. Value of Real Property Tax Exemption Sought	\$ <u>T.B.D.</u>
D. Value of Mortgage Recording Tax Exemption Sought	\$ <u>270,000</u>
4. Likelihood of accomplishing the Project in a timely fashion:	HIGHLY LIKELY -

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ <u>1,852,500</u>
2. Site preparation	\$ <u>250,000</u>
3. Landscaping	\$ <u>300,000</u>
4. Utilities and infrastructure development	\$ _____
5. Access roads and parking development	\$ _____
6. Other land-related costs (describe)	\$ _____
B. Building-Related Costs	
1. Acquisition of existing structures	\$ <u>8,645,000</u>
2. Renovation of existing structures	\$ <u>4,800,000</u>
3. New construction costs	\$ _____
4. Electrical systems	\$ <u>800,000</u>
5. Heating, ventilation and air conditioning	\$ <u>700,000</u>
6. Plumbing	\$ <u>700,000</u>
7. Other building-related costs (describe)	\$ _____

C.	Machinery and Equipment Costs	
1.	Production and process equipment	\$ _____
2.	Packaging equipment	\$ _____
3.	Warehousing equipment	\$ _____
4.	Installation costs for various equipment	\$ _____
5.	Other equipment-related costs (describe)	\$ _____
D.	Furniture and Fixture Costs	
1.	Office furniture	\$ 1,235,000
2.	Office equipment	\$ 617,500
3.	Computers	\$ _____
4.	Other furniture-related costs (describe)	\$ 1,000,000
E.	Working Capital Costs	
1.	Operation costs	\$ 1,531,230
2.	Production costs	\$ _____
3.	Raw materials	\$ _____
4.	Debt service	\$ 1,714,729
5.	Relocation costs	\$ _____
6.	Skills training	\$ _____
7.	Other working capital-related costs (describe)	\$ 3,500,000
F.	Professional Service Costs	
1.	Architecture and engineering	\$ 482,000
2.	Accounting/legal	\$ 500,000
3.	Other service-related costs (describe)	\$ 662,000
G.	Other Costs	
1.	<u>CONTINGENCY</u>	\$ 2,182,391
2.	_____	\$ _____
H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$ 2,402,500
2.	Total Building-Related Costs	\$ 15,645,000
3.	Total Machinery and Equipment Costs	\$ N/A
4.	Total Furniture and Fixture Costs	\$ 2,852,500
5.	Total Working Capital Costs	\$ 5,373,609
6.	Total Professional Service Costs	\$ 1,544,000
7.	Total Other Costs	\$ 2,182,391

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

- I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	0	\$ 0	\$
Year 1	50	\$ 4,160,000	\$ 400,000
Year 2		\$	\$
Year 3		\$	\$
Year 4		\$	\$
Year 5		\$	\$

PROJECTED PERMANENT EMPLOYMENT IMPACT

- I. Estimates of the total number of existing permanent jobs to be preserved or retained as a result of the Project are described in the tables in Section IV of the Application.

14 FTE

- II. Estimates of the total new permanent jobs to be created by the Project are described in the tables in Section IV of the Application.

70-88

- III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

- IV. Provide the projected percentage of employment that would be filled by Town of Guilderland residents: 50%

A. Provide a brief description of how the project expects to meet this percentage:

Employees typically live in close proximity to facility

PROJECTED OPERATING IMPACT

- I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$ _____
Additional Sales Tax Paid on Additional Purchases	\$ _____
Estimated Additional Sales (1 st full year following project completion)	\$ _____
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ _____

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"):

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year	\$125,904.43		
Year 1 - Year 30	TBD	\$125,904.43	
Year 2			
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

III. Please provide a detailed description for the impact of other economic benefits and all anticipated community benefits expected to be produced as a result of the Project (attach additional pages as needed for a complete and detailed response):

PLEASE SEE ATTACHED

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge; such responses are true, correct, and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

I affirm under penalty of perjury that all statements made on this application are true, accurate, and complete to the best of my knowledge.

Date Signed: <u> MAY </u> <u> 11 </u> , 20 <u> 17 </u>	Name of Person Completing Project Questionnaire on behalf of the Company. Name: <u> STEVEN LAUFER </u> Title: <u> MEMBER </u> Phone Number: <u> 845-351-0000 </u> Address: <u> 38 Hospital Road tuxedo, NY 10987 </u> Signature: 
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MEMORANDUM

TO: TOWN OF GUILDERLAND IDA
FROM: ALBANY PLACE DEVELOPMENT LLC/SENIOR LIVING PROJECT
SUBJECT: COST/BENEFIT ANALYSIS
DATE: May 11, 2017

This Memo is being submitted to supplement the Subject application previously submitted to the IDA in connection with the Project, as well the Cost/Benefit Questionnaire attached.

Albany Place Development LLC (the "Applicant") is in contract to purchase the property located at 1228 Western Avenue Guilderland, NY 12203 (the "Property"). The Applicant proposes to renovate an existing building located at the Property (the "Project"). The Project consists of the Applicant adaptively reusing the improvements located at the Property by using the hotel and restaurant as a licensed assisted living facility. The facility will serve the needs of the local senior population, and will contain approximately 170 units and be licensed for 200 beds. Importantly, at least 40% of the units will be set aside for seniors with limited incomes.

The Project will have numerous benefits to the Village and the County, some of which are as follows:

- The Property, as currently used, is an older hotel, and declining in performance, relative to the newer hotels in the area. If the Project were not to move forward, the existing hotel would fall further into disrepair.
- New employment opportunities in the area. The Project will generate an estimated 50 construction jobs with approximately \$4MM in taxable wages. These jobs will be bid by local firms, and led by a local construction management firm.
- Upon completion and stabilization, it is estimated that the Project will create approximately 82-100 full time jobs, These job salaries will include numerous management positions as well as entry level positions.
- Typically, facility staff resides in the local area and therefore, our expectation is that Guilderland residents will comprise a significant portion of the staff.
- As a full service operating assisted living facility, there will be significant growth in economic activity surrounding the facility including multi-million dollar purchases of food, supplies, medications, and other products.
- The licensed assisted living facility will have a capacity of 200 seniors. Typically, 80% of a facilities' residents, or their families, have resided, within a 10 mile radius. The Project will be servicing the Guilderland community and allow Guilderland seniors to remain in their community.

- As the only licensed Assisted Living Program in Albany County, this will be the only facility that can accept seniors with limited incomes, thereby enabling residents who no longer have the financial resources, to remain in the facility, without the need for accessing a skilled nursing level of care.
- The Project will contain a Special Needs Assisted Living Residence (“SNALR”) certification. SNALR residences provide twenty-four hour supervision for individuals with cognitive disabilities in a secure setting so that these individuals can avoid being placed in a nursing home facility.
- The Project does not seek a reduction in taxes from current levels. It only seeks certainty as to the future real estate taxes.
- The Project fulfills the IDA’s vision for revitalization and economic growth.