

**TO:** City of Albany Industrial Development Finance Committee  
**FROM:** City of Albany Industrial Development Agency Staff  
**RE:** Morris Place, LLC - IDA Application Summary  
**DATE:** August 1, 2018

**Applicant:** Morris Place, LLC  
**Managing Members (% of Ownership):** Sameh Asaad (50%) and Gihan Asaad (50%).  
**Project Location:** 105 Morris Street

**Project Description:** This project involves the demolition of an existing apartment building and the construction of a five story apartment building, with indoor parking for approximately 16 cars at grade, with four floors of apartments above, containing a total of approximately 28 residential dwelling units, with seven units per floor, consisting of five one-bedroom, one two-bedroom and one studio apartment per floor. It is anticipated by the applicant that the community of tenants will include young professionals, graduate/ medical students and staff of Albany Medical Center, which is a short walking distance away. Based on a letter from the City of Albany Assessor (dated 06-05-2018), it is anticipated the assessed value of this property will increase from \$100,000 to \$2,450,000 and the project will produce an additional \$752,578 in revenue over the course of the PILOT.

**Estimated Project Real Property Benefit Summary (18 Years):**

|   | Status Quo Taxes<br>(no project) | Project Impact<br>(PILOT Payments) | Net Benefit      |
|---|----------------------------------|------------------------------------|------------------|
| <b>Revenue Gain to Taxing Jurisdictions</b> | <b>\$103,066</b>                 | <b>\$855,644</b>                   | <b>\$752,578</b> |

|                                | Current Value    | Anticipated Future<br>Value* | Net Increase       |
|--------------------------------|------------------|------------------------------|--------------------|
| <b>Property Value Increase</b> | <b>\$100,000</b> | <b>\$2,450,000</b>           | <b>\$2,350,000</b> |

*\*Project Impact Assessed Value based on letter from the City of Albany Assessor dated 06-05-2018*

**Estimated Investment:** \$5,382,700

**Community Benefits:** Please see the attached CAIDA Project Evaluation and Assistance Framework Staff Analysis for more detail on the Community Benefits metrics below.

- *Revitalization:* The project is located in a Targeted Geography within the City, notably a high vacancy census tract and a neighborhood plan area. It also supports Identified Priorities of redeveloping a currently tax exempt or vacant site, and is a project/site identified directly in a neighborhood plan. The project also supports an existing cluster as an Identified Growth Area.
- *Job Creation:* The project is committing to the creation of two permanent and 40 construction jobs.
- *Investment:* In addition to the project’s financial commitment to invest more than \$5 million, the applicant has also committed to the Community Commitments of regional and City of Albany labor guarantees

**Economic Impact Analysis:** See attached Economic Impact Analysis report

## Overall Economic Impact

Below are the total economic impacts associated with the project. We've also provided a brief definition of the effects measured, output, and value added.

### Temporary (Construction) Impact

| Impact Type            | Employment | Labor Income (\$) | Value Added (\$) | Output (\$) |
|------------------------|------------|-------------------|------------------|-------------|
| <b>Direct Effect</b>   | 24.01      | \$1,854,182       | \$2,456,274      | \$4,574,335 |
| <b>Indirect Effect</b> | 9.86       | \$615,607         | \$911,875        | \$1,518,086 |
| <b>Induced Effect</b>  | 8.70       | \$457,510         | \$820,729        | \$1,305,662 |
| <b>Total Effect</b>    | 42.57      | \$2,927,298       | \$4,188,877      | \$7,398,083 |

### Permanent (Operations) Impact

| Impact Type            | Employment | Labor Income (\$) | Value Added (\$) | Output (\$)    |
|------------------------|------------|-------------------|------------------|----------------|
| <b>Direct Effect</b>   | 4.97       | \$131,523         | \$663,124        | \$961,086      |
| <b>Indirect Effect</b> | 1.80       | \$95,876          | \$175,265        | \$283,185      |
| <b>Induced Effect</b>  | 0.84       | \$44,372          | \$79,615         | \$126,620      |
| <b>Total Effect</b>    | 7.62       | \$271,770.33      | \$918,003.93     | \$1,370,891.29 |

*\*excerpt from CDRPC Economic Impact Analysis Report dated 08-01-2018*

#### **Employment Impact:**

- Projected Permanent: 2 jobs
- Projected Retained: 0 jobs
- Projected Construction: 40 jobs

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$3,100,000

**Estimated Total Mortgage Amount:** not to exceed \$4,350,000

**Requested PILOT:** The proposal entails the Applicant entering into an 18 year PILOT agreement with the IDA consistent with CAIDA Project Evaluation and Assistance Framework

#### **Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$248,000
- Mortgage Recording Taxes: \$43,091
- Real Property Taxes: \$1,669,463
- Other: N/A

**Baseline Requirements:**

- Application: Complete
- Meets NYS/CAIDA Requirements: Yes
- Albany 2030 Alignment:
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and buildings for employment and housing.
- Planning Approval Status: BZA Variance granted
- Meets Project Use Definition: Yes
- Meets “But For” Requirement: Yes, affidavit signed.

**Cost Benefit Analysis:** See attached Exhibit A: Description of The Project Evaluation and Expected Public Benefits.

**Estimated IDA Fee**

- Fee amount: \$53,827

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**CAIDA Mission:**The purpose of the Industrial Development Agency is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreation facilities. The Agency aims to protect and promote the health of the inhabitants of the City of Albany by the conservation, protection and improvement of the natural and cultural or historic resources and environment and to control land, sewer, water, air, noise or general environmental pollution derived from the operation of industrial development.