

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: The Swinburne Building, LLC - IDA Application Summary
DATE: October 5, 2018

Applicant: The Swinburne Building, LLC

Managing Members (% of Ownership): The Swinburne Building Associates, LLC (50%) and The Swinburne Building Housing Development Fund Company, Inc. (pending formation) (50%).

Project Location: 526 Central Avenue

Project Description: The Project is a newly constructed mixed-use building. The building will be approximately 108,400 square feet five story building. The Project will provide 21,400 sq. ft. of leasable commercial space on the first two stories of the building and will also contain 74 affordable housing units. Based on a letter from the City of Albany Assessor (dated 07-24-2018), it is anticipated the assessed value of this property will increase from \$1,300,800 to \$7,236,500 and the project will produce an additional \$5,595,890 in revenue to the taxing jurisdictions over the course of the PILOT. Equinox will use commercial space within the development for back office operations and Whitney Young will operate a primary care facility within the project.

Estimated Project Real Property Benefit Summary (30 Years):

	Status Quo Taxes (no project)	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$0	\$5,595,890	\$5,595,890

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$1,300,000	\$7,236,500	\$4,886,500

*Project Impact Assessed Value based on letter from the City of Albany Assessor dated 07-24-18

Estimated Investment: \$25,160,000 (est)

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 distressed census tract and within the Central Avenue BID. It also supports Identified Priorities of redeveloping a currently tax exempt or vacant site and is a project/site identified directly in the City's USDO.
- *Job Creation:* The project is committing to the creation of 47 permanent and 65 construction jobs.
- *Investment:* The project is anticipating a project cost of more than \$25 million.

Economic Impact Analysis: See attached Economic Impact Analysis report

Temporary (Construction) Impact

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	96.26	\$7,383,759	\$9,720,359	\$17,683,381
Indirect Effect	34.71	\$2,197,298	\$3,269,674	\$5,453,286
Induced Effect	33.59	\$1,765,858	\$3,167,717	\$5,039,529
Total Effect	164.56	\$11,346,914	\$16,157,749	\$28,176,197

Permanent (Operations) Impact

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	29.00	\$1,299,951	\$1,613,207	\$3,300,546
Indirect Effect	5.35	\$320,108	\$565,294	\$906,828
Induced Effect	5.54	\$294,842	\$528,881	\$840,031
Total Effect	39.89	\$1,914,901	\$2,707,382	\$5,047,405

**excerpt from CDRPC Economic Impact Analysis Report dated 09-04-2018*

Employment Impact:

- Projected Permanent: 47 jobs
- Projected Retained: 35 jobs
- Projected Construction: 65 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$8,150,500

Estimated Total Mortgage Amount: not to exceed \$12,270,000

Requested PILOT: The proposal entails the Applicant entering into an 30 year PILOT agreement (affordable housing) and a ten year PILOT agreement (commercial) with the IDA consistent with CAIDA Project Evaluation and Assistance Framework.

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$652,000
- Mortgage Recording Taxes: \$122,700
- Real Property Taxes: \$8,816,269
- 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: Full Planning Board approval pending
- 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: \$251,600

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.