

**TO:** City of Albany Industrial Development Finance Committee  
**FROM:** City of Albany Industrial Development Agency Staff  
**RE:** Harmony Mills South, LLC - IDA Application Summary  
**DATE:** July 5, 2019

**Applicant:** Harmony Mills South, LLC  
**Managing Members (% of Ownership):** Mohawk Trust (50%) and HM Trust (50%)  
**Project Location:** 90 State Street, Albany, NY

**Project Description:** This Project proposes to convert the upper 11 stories of this 15-story structure into 154 residential dwelling units. This property is presently primarily used for office space, with commercial/ retail space at the street level floors. Post conversion, a portion of the office space as well as the existing commercial uses will remain. The residential units will be a mix of 22 two (2) bedroom, 88 one (1) bedroom and 44 studio units of between 450 and 1,295 square feet.

**Estimated Investment:** \$23,135,000 (est)

**Estimated Project Real Property Benefit Summary (20 Years):**

	Status Quo Taxes (no project)	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$8,377,753	\$11,500,880	\$3,123,127

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$6,750,000	\$14,850,000	\$8,100,000

*\*Project Impact Assessed Value based on letter from the City of Albany Assessor dated 06-12-2018*

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of \$1,127,183 based on an assessed value of \$14,850,000 and an annual tax rate of \$75.90.

**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 within the Downtown BID.
- *Job Creation:* The project is committing to the creation of one permanent FTE, the retention of four FTEs and the creation of 89 construction jobs.
- *Investment:* The project is anticipating a project cost of more than \$23.1 million, the applicant has also committed to the Community Commitments of regional labor, MWBE utilization, and City of Albany labor guarantees.

**Employment Impact:**

- Projected Permanent: One FTE job

- Projected Retained: Four FTEs
- Projected Construction: 89 jobs

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** \$11,567,500

**Estimated Total Mortgage Amount:** not to exceed \$17,351,200

**Requested PILOT:** See attached request

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$925,400
- Mortgage Recording Taxes: \$173,512
- Real Property Taxes: \$6,930,175
- 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
- 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: \$231,350

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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.