

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: TRPS2, LLC - IDA Application Summary
DATE: May 3, 2019

Applicant: TSRP2, LLC
Managing Members (% of Ownership): Ronald Stein (100%)
Project Location: 86 Dana Avenue, Albany, NY

Project Description: The project involves the revitalization of four vacant parcels on Dana Avenue. The proposed project includes the construction and installation of a 45,000 sq.ft. apartment building for market-rate, residential housing. The Applicant is proposing 36 one bedroom residential rental units.

Estimated Investment: \$5,583,500 (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	\$418,339	\$1,588,662	\$1,170,323

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$357,700	\$3,250,000	\$2,892,300

**Project Impact Assessed Value based on letter from the City of Albany Assessor dated 03-20-19*

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of \$232,454 based on an assessed value of **\$3,250,000** and an annual tax rate of 7.152%.

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.
- *Job Creation:* The project is committing to the creation of 1 permanent and 160 construction jobs.
- *Investment:* The project is anticipating a project cost of more than \$5.5 million, the applicant has also committed to the Community Commitments of regional labor and City of Albany labor guarantees.

Employment Impact:

- Projected Permanent: 1 FTE job
- Projected Retained: N/A
- Projected Construction: 160 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$2,405,463

Estimated Total Mortgage Amount: not to exceed \$4,483,500

Requested PILOT: See attached request

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$192,437
- Mortgage Recording Taxes: \$44,835
- Real Property Taxes: \$2,212,829
- 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: \$55,835

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.