

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: 427 Washington Avenue LLC - IDA Application Summary
DATE: October 4, 2019

Applicant: 427 Washington Avenue LLC
Managing Members (% of Ownership): Edward Maitino (100%)
Project Location: 423-27 Washington Ave, Albany, NY

Project Description: The project involves the construction of a 16,900 SF, 3½ story residential apartment building containing 16 units. The project will include four (4) one-BDRM, twelve (12) two-BDRM units & seven (7) off street parking spots. The structure will be built on two combined lots replacing a two family house and three (3) garages.

Estimated Investment: \$2,600,000 (est)

Estimated Project Real Property Benefit Summary: Over 20 Years

	Status Quo Taxes (no project)	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$162,958	\$706,983	\$544,025

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$137,100	\$1,460,000	\$1,322,900

*Project Impact Assessed Value based on letter from the City of Albany Assessor dated 09-04-19

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, in a high vacancy census tract and within an area included within a Neighborhood Plan.
- *Job Creation:* The project is committing to the creation of 85 construction jobs.
- *Investment:* The project is anticipating a project cost of \$2.6 million.

Employment Impact Analysis:

Temporary (Construction) Impact

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	85.30	\$1,011,394.81	\$1,305,071.54	\$2,437,105.61
Indirect Effect	5.40	\$321,633.11	\$483,042.95	\$810,189.94
Induced Effect	3.96	\$210,901.59	\$376,943.67	\$600,451.67
Total Effect	94.65	\$1,543,929.52	\$2,165,058.17	\$3,847,747.22

*Excerpt from IMPLAN Economic Impact Analysis 10.4.19

- Projected Permanent: 0 FTE job(s)
- Projected Retained: N/A
- Projected Construction: 85 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$1,250,000

Estimated Total Mortgage Amount: \$2,400,000

Requested PILOT: See attached request

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$160,000
- Mortgage Recording Taxes: \$70,000
- Real Property Taxes: \$999,437
- 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: \$26,000

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.