

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: 1415 Washington Property, LLC - IDA Application Summary
DATE: March 5, 2021

Applicant: 1415 Washington Property, LLC

Managing Members (% of Ownership): Evan Podob (24.5%) Michael Pullman (24.5%) and Adam Pullman (51%)

Project Location: 1415 Washington Avenue, Albany, NY

Project Description: The Project proposes to construct a +/- 414,850 SF, 5-story residential student housing dormitory complex containing approximately 240 residential units totaling approx. 560 beds. The 2.85 acre project site, which currently has 95 room hotel that will be demolished, will also include approx. 207 off-street parking spaces.

Estimated Project Real Property Benefit Summary (15 Years):

	Status Quo Taxes (no project) Non-Homestead Rate	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$6,282,630	\$10,568,029	\$4,285,399

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$7,000,000	\$17,500,000	\$10,500,000

**Project Impact Assessed Value based on letter from the City of Albany Assessor dated 10-19-20*

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of \$1,222,725 based on an assessed value of \$17,500,000 and an annual tax rate of \$69.87.

Estimated Investment: \$79,945,770

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 distressed census tract.
- *Identified Growth Area:* The proposed project supports the creation, retention or expansion of facilities or the creation and/or retention of permanent private sector jobs in an existing City of Albany industry cluster.
- *Job Creation:* The project is committing to the creation of eight (8) full-time equivalent and three hundred (300) construction jobs.

- *Investment:* The project is anticipating a project cost of more than \$79 million.
- *Community Commitment:* The project is committing to utilizing City of Albany Labor, MWBE participation, Apprenticeship Program and EEO Workforce Utilization.

Employment Impact Analysis:

Temporary (Construction 2021-2023) Impact

Impact Type	Average Annual Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	156.55	\$42,254,741.95	\$48,080,253.42	\$56,915,176.19
Indirect Effect	19.37	\$2,559,051.86	\$4,233,919.29	\$7,075,408.83
Induced Effect	66.32	\$7,566,789.73	\$13,739,971.70	\$21,859,729.91
Total Effect	242.24	\$52,380,583.55	\$66,054,144.41	\$85,850,314.93

Permanent (Operations 2023) Impact

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	8.56	\$87,037.06	\$182,775.64	\$412,737.43
Indirect Effect	1.13	\$66,587.83	\$126,788.09	\$225,555.92
Induced Effect	0.48	\$27,114.18	\$49,225.61	\$78,317.10
Total Effect	10.17	\$180,739.08	\$358,789.35	\$716,610.45

**IMPLAN Economic Impact Analysis conducted by the Capital District Regional Planning Commission as at 2-5-2021.*

Employment Impact:

- Projected Permanent: 8 jobs
- Projected Retained: 0 jobs – there are currently 11 jobs on-site which are expected to expire
- Projected Construction: 300 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$7,800,000

Estimated Total Mortgage Amount: \$20,514,800

Requested PILOT: The proposal entails the Applicant entering into a PILOT agreements with the IDA consistent with CAIDA Project Evaluation and Assistance Framework abatement percentages for projects with an estimated improved assessed value per unit between \$70,000 - \$79,999.

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$2,544,000
- Mortgage Recording Taxes: \$520,000
- Real Property Taxes: \$5,143,547

- Other: N/A

Baseline Requirements:

- Application: Complete
- Meets NYS/CAIDA Requirements: Yes
- Albany 2030 Alignment:
 - Encourage investment in urban land and buildings for employment and housing.
- Planning Approval Status: Expected February 2021
- 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: \$799,457

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.