

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: 191 North Pearl, LLC - IDA Application Summary
DATE: July 9, 2021

Applicant: 191 North Pearl, LLC

Managing Members (% of Ownership): Ron Stein (100%)

Project Location: 191 North Pearl Street, Albany, NY

Project Description: The Project proposes to construct a +/- 26,000 SF, 4-story market rate apartment complex containing approximately 18 residential units. The currently vacant .21 acre project site, will also include approx. 15 off-street covered parking spaces.

Estimated Project Real Property Benefit Summary (20 Years):

	Status Quo Taxes (no project) Non-Homestead Rate	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$76,682	\$666,331	\$589,649

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$61,800	\$1,818,000	\$1,756,200

**Project Impact Assessed Value based on letter from the City of Albany Assessor dated 5-28-21*

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of \$137,957 based on an assessed value of **\$1,818,000** and an annual tax rate of 7.58%.

Estimated Investment: \$3,253,735

Community Benefits: Please see the attached CAIDA Project Evaluation and Assistance Framework Staff Analysis for more detail on the Community Benefits metrics below.

- *Taregt Geography:* The proposed project is located within a high vacancy census tract; the proposed project is located downtown and the proposed project is within a neighborhood plan.
- *Identified Priority:* The proposed project is located on a vacant parcel of land; the proposed project further supports the downtown residential initiative; the proposed project is located on an identified catalyst site.
- *Job Creation:* The project is committing to the creation of one hundred and fifty (150) construction jobs.
- *Investment:* The project is anticipating a project cost of more than \$3.2 million.

- *Community Commitment:* The project is committing to utilizing Regional Labor.

Employment Impact Analysis:

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

Employment Impact:

- Projected Permanent: 0 jobs
- Projected Retained: 0 jobs
- Projected Construction: 150 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$2,750,000

Estimated Total Mortgage Amount: \$2,602,988

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 exceeding \$100,000.

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$220,000
- Mortgage Recording Taxes: \$26,030
- Real Property Taxes: \$1,589,466
- 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 3Q 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: \$32,537
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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.