**TO:** City of Albany Industrial Development Finance Committee

**FROM:** City of Albany Industrial Development Agency Staff

**RE:** Holland Ave OZ, LLC - IDA Application Summary

**DATE:** September 10, 2021

**Applicant:** Holland Ave OZ, LLC

**Managing Members (% of Ownership):** Simon Milde (28%), Tobias Milde (20%), Benjamin Milde (19%), Bill Hoblock (5%) and James Flood (28%)

**Project Location:** 25 Holland Avenue, Albany, NY

**Project Description:** The project involves the construction of a +/- 67,132 SF market rate apartment complex containing 60 residential rental units with +/- 59 parking spaces on a +/- 1.2 acre site. Photos of the Project have been included in this package.

**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** | **$730,838** | **$4,026,889** | **$3,296,051** |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Current Value** | **Anticipated Future Value\*** | **Net Increase** |
| **Property Value Increase** | **$589,000** | **$6,650,000** | **$6,061,000** |

*\*Project Impact Assessed Value based on letter from the City of Albany Assessor dated 8-5-21*

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of $504,629 based on an assessed value of **$6,650,000** and and annual tax rate of $75.88.

**Estimated Investment:** $12,107,638

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

* *Target Geography***:** The proposed project is located within a high vacancy census tract; the project is located within the boundaries of a neighborhood plan.
* *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 proposed project is committing to the creation of one hundred and fifteen (115) construction jobs.
* *Investment:* The proposed project is anticipating a project cost of more than $12.1 million.
* *Community Committment:*  The proposed project is committing to utilizing Regional Labor; the project is committing to utilizing City of Albany Labor; the project is committing to MWBE/DBE participation.

**Employment Impact Analysis:**



*\*IMPLAN Economic Impact Analysis conducted by the Capital District Regional Planning Commission as at 9-09-2021. Of note: IMPLAN represents average annual construction jobs over the duration of construction.*

**Employment Impact:**

* Projected Permanent: 2 jobs
* Projected Retained: 0 jobs
* Projected Construction: 115 jobs

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** $4,564,755

**Estimated Total Mortgage Amount:** $9,080,728

**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: $365,181
* Mortgage Recording Taxes: $90,808
* Real Property Taxes: $4,224,511
* 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: Approval extended through December 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: $121,076

**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.