

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: Centre Square, LLC - IDA Application Summary
DATE: October 4, 2024

Applicant: Centre Square, LLC

Managing Members (% of Voting Interest): Richard Guido (100%)

Project Location: 1233-1235 Broadway, Albany, NY 12204

Project Description: The project involves the acquisition of two currently tax-exempt land parcels at 1233 & 1235 Broadway and the construction of twelve (12) market-rate residential units. The newly constructed building will total +/- 10,200 square feet.

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	\$54,233	\$531,326	\$477,093

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$42,000	\$1,100,000	\$1,010,750

*Project Impact Assessed Value based on letter from the City of Albany Assessor dated 7-12-24

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of \$86,866 based on an assessed value of **\$1,100,000** and an annual tax rate of \$78.97.

Estimated Investment: \$1,986,000 (est.)

Community Benefits: For comparative purposes, 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 within a distressed census tract; the project is also located in a high vacancy census tract.
- *Identified Priority:* The project supports multiple initiatives within the Albany 2030 Plan; the project also includes the redevelopment of a tax exempt/vacant property.
- *Job Creation:* The project is anticipated to create approximately 50 construction jobs.
- *Investment:* The project is anticipating a project cost exceeding \$1.9 million.

Employment Impact Analysis:

Impact Type	Average Annual Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	10.65	995,403	1,317,842	1,585,142
Indirect Effect	0.97	71,705	127,979	208,749
Induced Effect	2.74	178,443	324,242	509,469
Total Effect	14.35	1,245,551	1,770,063	2,303,360

**IMPLAN Economic Impact Analysis conducted by the Capital District Regional Planning Commission as at 8-27-2024.*

Employment Impact:

- Projected Permanent: 0 jobs
- Projected Retained: 0 jobs
- Projected Construction: 50 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: 1,523,000

Estimated Total Mortgage Amount: 1,686,000

Requested PILOT: The proposal entails the Applicant entering into a 20-year PILOT agreement with the IDA, which aligns with CAIDA policy per the Project Evaluation and Assistance Framework, but will deviate from the Agency’s Uniform Tax Exemption Policy.

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$121,840
- Mortgage Recording Taxes: \$16,860
- Real Property Taxes: \$889,049
- Other: N/A

Baseline Requirements:

- Application: Complete
- Meets NYS/CAIDA Requirements: Yes
- Albany 2030 Alignment:
 - Reuse of vacant and abandoned properties
 - Encourage investment in urban land and buildings for employment and housing.
 - Remove blighting influences
 - Maintain and improve sidewalk connections
 - Improve balance between rentals and owner-occupied homes.
 - Promote multi-modal transportation
- Planning Approval Status: Anticipated to receive full Planning Board Approval in October 2024.
- 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: \$19,860.00
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CAIDA Mission: Assist in the enhancement and diversity of the economy of the City of Albany (the "City") by acting in support of projects in the City that create and/or retain jobs and/or promote private sector investment utilizing the statutory powers of the Agency as set forth under the provisions of the laws of the State of New York.

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