

**TO:** City of Albany Industrial Development Finance Committee  
**FROM:** City of Albany Industrial Development Agency Staff  
**RE:** Equity Residential Development, LLC - IDA Application Summary  
**DATE:** November 8, 2024

**Applicant:** Equity Residential Development, LLC

**Managing Members (% of Voting Interest):** David Sarraf (50%), Harris Sarraf (50%)

**Project Location:** 67-71 Livingston Ave, 788-794 Broadway, Albany, NY 12207

**Project Description:** The project involves the construction of a mixed-use +/- 58,400 SF, 6-story structure that will include 57 units of affordable housing, 1,590 SF of ground floor retail space intended to serve as an art gallery and 10 residential units (+/- 5,100 SF) on the second floor reserved for Capital Repertory Theatre to temporarily house actors.

**Estimated Project Real Property Benefit Summary (30 Years):**

	Status Quo Taxes (no project) Non-Homestead Rate	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$848,809	\$3,482,671	\$2,633,862

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$410,200	\$4,600,000	\$4,189,800

\*Project Impact Assessed Value based on letter from the City of Albany Assessor dated 6-12-24

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of \$451,649 based on an assessed value of **\$4,600,000** and an annual tax rate of \$98.18.

**Estimated Investment:** \$29,434,342 (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.

- *Target Geography:* The project is located downtown; the project is located within a neighborhood plan; the project is located in a high vacancy census tract.
- *Identified Priority:* The project supports multiple initiatives within the Albany 2030 Plan; the project consists of the creation of new residential units located downtown; the project includes the redevelopment of a tax exempt/vacant property.
- *Job Creation:* The project is anticipated to create approximately 50 construction jobs and two permanent jobs.

- *Investment:* The project is anticipating a project cost exceeding \$29.4 million.

**Employment Impact Analysis:**

Temporary (Construction 2025) Impact

Impact Type	Average Annual Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	54.91	13,214,790	17,429,732	21,081,249
Indirect Effect	13.33	993,044	1,752,284	2,861,861
Induced Effect	36.38	2,371,268	4,308,756	6,770,201
<b>Total Effect</b>	<b>104.62</b>	<b>16,579,103</b>	<b>23,490,771</b>	<b>30,713,311</b>

Permanent (Operations 2026) Impact

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	2.16	113,394	37,284	92,213
Indirect Effect	0.27	21,499	32,417	54,536
Induced Effect	0.29	18,833	34,234	53,799
<b>Total Effect</b>	<b>2.72</b>	<b>153,726</b>	<b>103,936</b>	<b>200,548</b>

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

**Employment Impact:**

- Projected Permanent: 2 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:** \$0

**Estimated Total Mortgage Amount:** \$4,800,000

**Requested PILOT:** The proposal entails the Applicant entering into a 30-year PILOT agreement with the IDA including shelter rent payments of ten percent (10.0%) for the term of the agreement, which aligns with CAIDA policy. The Applicant proposes the commercial space portion of the project enter into a 15-year PILOT Agreement which is a deviation from the Project Evaluation and Assistance Framework 10-year commercial abatement schedule typically applied to a project’s commercial space.

**Third Party Review:** Due to the special nature of the requested deviation in assistance from the Agency Policy Manual, a third-party evaluation of the appropriateness of the applicant’s PILOT request has been commissioned. The third party determined that the assumptions included within the application in addition to the abatements requested were within reasonable parameters.

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$0
- Mortgage Recording Taxes: \$0
- Real Property Taxes: \$6,632,666
- 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
  - Improve balance between rentals and owner-occupied homes.
- 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: \$294,343.42
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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.