

**TO:** City of Albany Industrial Development Finance Committee  
**FROM:** City of Albany Industrial Development Agency Staff  
**RE:** Colvin Avenue Commons, LLC - IDA Application Summary  
**DATE:** August 9, 2024

**Applicant:** Colvin Avenue Commons, LLC

**Managing Members (% of Voting Interest):** J Kenneth Regan (50%), Lawrence Regan (25%), Jeremy Regan (12.5%) and Gabe Regan (12.5%); please see application addendum for a full breakdown of the ownership interests.

**Project Location:** 60 Colvin Avenue, Albany, NY

**Project Description:** The project involves the construction of two buildings totaling +/- 71,870 SF. The mixed-use development will include 63 units of affordable housing and +/- 4,800 SF of commercial space intended to house a daycare facility. The project will be funded in part through 9% low-income housing tax credits. The residential units will serve income qualifying residents that fall between 40% and 80% of the area median income. Support services on site will be provided by Rehabilitation Support Services, Inc.

**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	\$1,004,968	\$3,538,290	\$2,836,889

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$457,000	\$2,800,000	\$2,343,000

*\*Project Impact Assessed Value based on letter from the City of Albany Assessor dated 4-23-24*

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** an annual tax rate of \$78.97.

**Estimated Investment:** \$30,617,894 (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. Please note that due to the fact that the project involves purpose built affordable housing, the project was evaluated outside of the Project Evaluation and Assistance Framework.

- *Revitalization:* The project is located within the boundaries of the Central Avenue BID; 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 committing to the creation of twelve (12) full-time equivalent and sixty (60) construction jobs.
- *Investment:* The project is anticipating a project cost exceeding \$30 million.

**Employment Impact Analysis:**

Temporary (Construction 2024-2025) Impact

Impact Type	Average Annual Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	31.90	\$6,615,509	\$9,725,495	\$16,309,907
Indirect Effect	5.78	\$851,542	\$1,445,657	\$2,365,031
Induced Effect	10.37	\$1,348,188	\$2,417,809	\$3,795,824
<b>Total Effect</b>	<b>48.05</b>	<b>\$8,815,239</b>	<b>\$13,588,961</b>	<b>\$22,470,762</b>

Permanent (Operations 2026) Impact

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	13.56	\$682,125	\$1,043,821	\$1,275,287
Indirect Effect	0.87	\$44,245	\$87,210	\$178,231
Induced Effect	1.57	\$102,363	\$186,071	\$292,407
<b>Total Effect</b>	<b>16.00</b>	<b>\$828,732</b>	<b>\$1,317,102</b>	<b>\$1,745,925</b>

*\*IMPLAN Economic Impact Analysis conducted by the Capital District Regional Planning Commission as at 7-03-2024.*

**Employment Impact:**

- Projected Permanent: 12 jobs
- Projected Retained: 0 jobs
- Projected Construction: 60 jobs

**Type of Financing:** Straight Lease

**Amount of Bonds Requested:** None

**Estimated Total Purchases Exempt from Sales Tax:** N/A

**Estimated Total Mortgage Amount:** N/A

**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 10-year PILOT Agreement consistent with the community commitment commercial PILOT schedule guidance within the Project Evaluation and Assistance Framework typically applied to a project’s commercial space.

**Estimated Value of Tax Exemptions:**

- NYS Sales and Compensating Use Tax: \$190,780

- Mortgage Recording Taxes: \$976,219
- Real Property Taxes: \$2,619,060
- Other: N/A

**Baseline Requirements:**

- Application: Complete
- Meets NYS/CAIDA Requirements: Yes
- Albany 2030 Alignment:
  - Increase job opportunities for all residents.
  - Encourage investment in urban land and buildings for employment and housing.
- Planning Approval Status: Full Planning Board approval received in December 2020
- 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: \$306,178.94

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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.