

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: Man Realty, LLC - IDA Application Summary
DATE: June 3, 2022

Applicant: Man Realty, LLC

Managing Members (% of Ownership): Gershon Eichorn (100%)

Project Location: 244 State St aka 90 S. Swan St, Albany, NY

Project Description: The Project proposes to redevelop an underutilized +/- 44,000 SF, 4-story building into an apartment complex containing approximately 61 market rate residential apartments and 1,000 SF of commercial/retail space.

Estimated Project Real Property Benefit Summary (12 Years):

	Status Quo Taxes (no project) Non-Homestead Rate	Project Impact (PILOT Payments)	Net Benefit
Revenue Gain to Taxing Jurisdictions	\$896,352	\$1,328,524	\$432,172

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$1,325,000	\$5,090,000	\$3,765,000

**Project Impact Assessed Value based on letter from the City of Albany Assessor dated 3-16-22*

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions of \$325,598 based on an assessed value of **\$5,090,000** and annual tax rate of \$63.97.

Estimated Investment: \$8,967,524

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

- *Identified Priority:* The proposed project is located in a historic district.
- *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; the proposed project is a conversion to residential.
- *Job Creation:* The project is committing to the creation of four (4) permanent jobs and one hundred and sixty five (165) construction jobs.
- *Investment:* The project is anticipating a project cost of \$8.9 million.

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

Employment Impact Analysis:

Temporary (Construction 2022-2023) Impact

Impact Type	Avg. Annual Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	154.79	\$5,074,057.09	\$5,861,844.85	\$7,112,553.87
Indirect Effect	2.74	\$358,187.20	\$611,670.07	\$1,036,870.59
Induced Effect	7.90	\$913,698.61	\$1,658,311.26	\$2,638,224.58
Total Effect	165.43	\$6,345,942.90	\$8,131,826.18	\$10,787,649.03

Permanent (Operations 2023) Impact

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	4.69	\$118,096.81	\$277,391.39	\$640,206.64
Indirect Effect	1.71	\$102,757.94	\$192,600.16	\$345,266.63
Induced Effect	0.67	\$38,895.21	\$70,580.62	\$112,288.93
Total Effect	7.07	\$259,749.96	\$540,572.16	\$1,097,762.20

**IMPLAN Economic Impact Analysis conducted by the Capital District Regional Planning Commission as at 5-3-2022. Of note: IMPLAN represents average annual construction jobs over the duration of construction.*

Employment Impact:

- Projected Permanent: 4 jobs
- Projected Retained: 0 jobs
- Projected Construction: 165 jobs

Type of Financing: Straight Lease

Amount of Bonds Requested: None

Estimated Total Purchases Exempt from Sales Tax: \$5,000,000

Estimated Total Mortgage Amount: \$7,173,938

Requested PILOT: The proposal entails the Applicant entering into a PILOT agreement with the IDA consistent with CAIDA Project Evaluation and Assistance Framework abatement percentages for projects with an estimated improved assessed value per unit between \$60,000 and \$69,999 at the community commitment level.

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$400,000
- Mortgage Recording Taxes: \$71,739
- Real Property Taxes: \$2,083,936
- 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: Approved 1Q 2022
- 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: \$89,674

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.