

TO: City of Albany Industrial Development Finance Committee
FROM: City of Albany Industrial Development Agency Staff
RE: Northgate Landing, LLC - IDA Application Summary
DATE: January 5, 2024

Applicant: Northgate Landing, LLC

Managing Members (% of Voting Interest): Owned and operated by Conifer Realty, LLC (100.0%); please see application addendum for a full organizational chart.

Project Location: 500 Northern Blvd, Albany, NY

Project Description: The proposed project involves the demolition of three underutilized/vacant structures totaling over 100,000 SF and the construction of two new 4-story buildings totaling approx. 233,084 SF. The development will contain +/- 185 units of affordable housing units for households with incomes ranging from 30% to 80% of the Area Median Income.

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	\$5,821,025	\$9,900,234	\$4,079,209

	Current Value	Anticipated Future Value*	Net Increase
Property Value Increase	\$2,700,000	\$11,700,000	\$9,000,000

**Project Impact Assessed Value based on letter from the City of Albany Assessor dated January 5, 2024.*

At the end of the PILOT period, the project is anticipated to make annual tax payments to the taxing jurisdictions. The value of the annual tax payments will be dependent upon the approved assessed value per the City of Albany Assessor, currently under analysis.

Estimated Investment: \$80,962,365 (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 component, the project was evaluated outside of the Project Evaluation and Assistance Framework.

- *Revitalization:* The project is located within a distressed census tract;
- *Identified Priority:* The project incorporates the redevelopment of existing tax exempt/vacant property;

- *Identified Growth Area:* The project supports multiple initiatives within the Albany 2030 Plan; the project involves the conversion of existing commercial property to residential use;
- *Job Creation:* The project is committing to the creation of two hundred (200) construction jobs.
- *Investment:* The project is anticipating a project cost exceeding \$80 million.

Employment Impact Analysis:

Temporary (Construction 2024-2025) Impact

Impact Type	Average Annual Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	103.2	\$34,418,420	\$45,600,341	\$54,791,458
Indirect Effect	16.695	\$2,466,600	\$4,391,256	\$7,185,542
Induced Effect	47.15	\$6,149,397	\$11,131,242	\$17,548,775
Total Effect	167.045	\$43,034,417	\$61,122,839	\$79,525,775

Permanent (Operations 2026) Impact

Impact Type	Employment	Labor Income (\$)	Value Added (\$)	Output (\$)
Direct Effect	2.16	\$137,859	\$45,328	\$112,108
Indirect Effect	0.34	\$26,445	\$39,645	\$67,171
Induced Effect	0.35	\$23,008	\$41,659	\$65,686
Total Effect	2.85	\$187,312	\$126,632	\$244,966

**IMPLAN Economic Impact Analysis conducted by the Capital District Regional Planning Commission as at 11-30-2023. 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: 200 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 the CAIDA manual guidance on purpose built affordable housing.

Estimated Value of Tax Exemptions:

- NYS Sales and Compensating Use Tax: \$0
- Mortgage Recording Taxes: \$0

- Real Property Taxes: \$15,324,206
- 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: Conditional Planning Board approval received in October 2023
- 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: \$809,623.65

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.