



Project Evaluation of Projects Requesting IDA Benefits

Project: 165 Overlook Road, LLC **Location:** Town of LaGrange

Type of Business: Commercial Rental Housing

Project Description:

The applicant proposed to construct 91 market rate rental housing units in the Town of LaGrange. The project includes new construction of multi-unit residential structures and renovation of an existing barn.

Project Timeline:

Proposed date for commencement of acquisition or construction: June 2018

The actual or expected dates of:

Construction completion: April 2019
Occupancy: April 2019

Total Cost of Project:

Amount Private Investment

Total Project Cost \$ 22,829,500 Private Investment: \$ 4,565,900
Amount of other public financial assistance, grants and source \$ N/A
Construction Costs: \$12,627,000 Materials: \$7,350,000 Real Estate \$ 2,701,000

Estimated amount of tax abatement:

Amount of Sales tax benefits:	<u>\$597,185</u>
Amount of Mortgage Recording Tax:	<u>\$191,767.80</u>
Projected amount of PILOT payments and length:	<u>\$3,084,670 / 15 years</u>

Estimated amount of benefit to State & Region:

Anticipated Property Tax revenue:	<u>\$2,271,852</u>
Anticipated Sales Tax revenue*	<u>\$279,000</u>
Benefit to Cost ratio*	<u>1:1</u>

*figures based on InformAnalytics algorithms which include direct, indirect and induced benefits

Project is consistent with Agency's Mission: Yes, project will result in the building of a capital projects involving construction jobs and followed by permanent employment.

The Project has municipal support and PILOT:

Municipal Support PILOT Request for UTEP Deviation

Local Benefits:

Use of Local Contractor(s) and Labor: Yes No _____

Full- time Jobs: _____ 4 _____

Number of Jobs relocated to the County _____ 0 _____

Number of existing jobs to be retained _____ 0 _____

Total Number of new Jobs to be created _____ 4 _____ over _____ 2 _____ years.

Part-Time Jobs: _____ n/a _____

Annualized Salary Range of jobs \$ _____ 35,000 _____ to \$ _____ 50,000 _____

The 'but for' details the need for Agency tax assistance:

- Helps close a funding gap.
- Is competitive to offers from other states.
- Help a local company remain the business competitive.
- Is a key industrial clusters critical to the County's economy, including manufacturing, healthcare, information technology, education, tourism, energy, and agribusiness.
- Is essential services or businesses generally lacking in the County.
- Meets a local development or community goal.

CEO Comments of Importance

The applicant is requesting approval for a PILOT, mortgage and sales tax exemption to facilitate the construction of 91 market rate housing units in the Town of Lagrange. While commercial housing project generally result in less permanent job creation than initial construction jobs, the indirect impact of the project may have a greater economic impact.

Attached to this evaluation is a copy of the *2016 Dutchess County Rental Housing Survey* prepared by the Dutchess County Department of Planning and Development. The report shows the County's market rate apartment vacancy rate in 2016 was 2.0%, one of the lowest rates in 20 years. According to the Report a healthy rental market vacancy rate is 5% and the low vacancy rate is a concern. When companies contemplate a relocation, they often consider the range of availability of housing options. The lack of housing options can be a competitive disadvantage because of the subsequent difficulty of attracting and retaining workers.

In addition to the Report, a detailed analysis of the PILOT formula is attached. At its current assessment the property generated \$47,002 in annual tax revenue. Once construction is completed the first year's PILOT payment is estimated to be \$133,875. Over the term of the PILOT the project is estimated increase revenue by \$2,271,852 (based on PILOT analysis).