

October 12, 2023

Troy Industrial Development Agency (TIDA)  
Attn: Chief Executive Officer  
433 River Street, Suite 5001  
Troy, New York 12180

**Re: Request for IDA Assistance – 1818 5<sup>th</sup> Avenue, Troy**

Dear Honorable Board Members of the City of Troy IDA:

Please find enclosed our completed application for financial assistance associated with the proposed project at 1818 5<sup>th</sup> Avenue in the City of Troy along with the required supplemental materials, payment of the \$500 Administrative Fee (check #13439) and \$5,000 Application Fee (check #13440), which we understand will be credited towards the total fee at closing.

Please do not hesitate to contact us if you should have any questions or find additional information is needed. We look forward to working with the Agency on this project.

Sincerely,

Troy 1818, LLC

By:

  
\_\_\_\_\_  
Jeff Mirel  
Principal, Rosenblum Development Corporation,  
Its Manager

Enclosure(s)

**Application to  
Troy Industrial Development Authority (TIDA)  
For  
Tax Exempt Bond Financing  
and/or  
Straight-Lease Transaction  
and  
Fee Schedule**

Please contact the Authority for more information  
regarding project eligibility and application process.

FORM ADOPTED  
MAY 20, 2016

FEE SCHEDULE  
MODIFIED  
JUNE 4, 2021

## **AUTHORITY ADMINISTRATIVE FEE SCHEDULE**

### **Troy Industrial Development Authority (TIDA)**

433 River Street, Suite 5001, Troy New York 12180

#### **AUTHORITY ADMINISTRATIVE FEE SCHEDULE**

#### **Taxable and Tax Exempt Industrial Development Revenue Bonds**

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<b>Application Fee:</b>	A non-refundable fee of \$5,000.00 and a \$500.00 processing fee are payable to the TIDA at the time the application is submitted. The \$5,000.00 fee will be credited towards the total fee at closing.
<b>Fee:</b>	First \$10,000,000: .75% of the principal amount of the bond series. Over \$10,000,000: .5% of the bond series Annual (post-closing) administrative fee of \$1,500.00

#### **Straight Lease Transactions (including PILOT Agreement)**

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<b>Application Fee:</b>	A non-refundable fee of \$5,000.00 and a \$500.00 processing fee are payable to the TIDA at the time the application is submitted. The \$5,000.00 fee will be credited towards the total fee at closing.
<b>Fee:</b>	.75% of total Project Cost Annual administrative fee of \$500.00

#### **Sales Tax and/or Mortgage Recording Tax only Transactions (No PILOT Agreement)**

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<b>Application Fee:</b>	A non-refundable fee of \$2,500.00 and a \$500.00 processing fee are payable to the TIDA at the time the application is submitted. The \$2,500.00 fee will be credited towards the total fee at closing.
<b>Fee:</b>	Minimum \$4,500.00 or 10% estimated exemption amount, whichever is greater Annual administrative fee of \$500.00

## INSTRUCTIONS

1. The Authority will not approve any applications unless, in the judgment of the Authority, said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using “none” or “not applicable” or “N/A” where the question is not appropriate to the project which is the subject of this application (the “Project”).
3. If an estimate is given as the answer to a question, put “(est)” after the figure or answer, which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return this application to the Authority at the address indicated on the first page of this application.
6. The Authority will not accept this application as complete until the Authority receives (i) a completed environmental assessment form concerning the Project; (ii) the Applicant has met with Authority representatives and has received the Authority’s review and completed **Project Summary and Financial Assistance Cost Benefit Analysis (See, last 2 pages of this Application)**; and payment of all required fees and escrows, as applicable.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Authority (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant’s competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of Public Officers Law.
8. The applicant will be required to pay to the Authority all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Authority’s bonds issued to finance the project. The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Authority. The costs incurred by the Authority, including the Authority’s general counsel and bond counsel, may be considered a part of the project and included as a part of the resultant bond issue.
9. The Authority has established a combined application fee of \$5,500.00 (\$5,000 + \$500) to cover the anticipated costs of the Authority and counsel in processing this application. A check or money order made payable to the Authority must accompany each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AUTHORITY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**
10. The Authority has established a project fee for each project in which the Authority participates. **UNLESS THE AUTHORITY AGREES IN WRITING TO THE CONTRARY, THIS PROJECT FEE IS REQUIRED TO BE PAID BY THE APPLICANT AT OR PRIOR TO THE GRANTING OF ANY FINANCIAL ASSISTANCE BY THE AUTHORITY.**

This application should be submitted to the Troy Industrial Development Authority, 433 River Street, Suite 5001, Troy NY 12180 (Attn: Chief Executive Officer).

**PLEASE NOTE: APPLICANTS SEEKING FINANCIAL ASSISTANCE IN THE FORM OF SALES AND USE TAX EXEMPTIONS AFTER MARCH 28, 2013 SHALL BE SUBJECT TO THE ENHANCED REPORTING, COMPLIANCE AND RECAPTURE REQUIREMENTS SET FORTH WITHIN SECTION 875 OF THE GENERAL MUNICIPAL LAW OF THE STATE OF NEW YORK (“GML”). IN ADDITION, APPLICANTS SEEKING ANY FINANCIAL ASSISTANCE ON OR AFTER JUNE 1, 2016 SHALL BE SUBJECT TO THE PROVISIONS CONTAINED WITHIN GML Section 859-a (4)-(6). APPLICANTS SHOULD CONSULT WITH COUNSEL AND ACCOUNTANT PROFESSIONALS TO UNDERSTAND THESE NEW REQUIREMENTS.**

## Troy Industrial Development Authority (TIDA)

### Application for Tax Exempt Bond Financing and/or Straight-Lease Transaction

#### I. APPLICANT INFORMATION

Company Name: Troy 1818, LLC

Address: 300 Great Oaks Blvd. Suite 310  
Albany, NY 12203

Phone No.: 518-869-9302

Fax No.: N/A

Federal Tax ID: 86-2506289

Contact Person: Seth Rosenblum or Jeffrey Mirel, Principals, Rosenblum Development Corporation

E-Mail: seth@rosenblumcompanies.com; jmirel@rosenblumcompanies.com

Date: October 1, 2023

a. Form of Entity:

Corporation

Partnership (General \_\_\_ or Limited \_\_\_; Number of General Partners \_\_\_ and, if applicable, Number of Limited Partners \_\_\_, List Partners in section below.

☒ Limited Liability Company, Number of Members 1

Sole Proprietorship

Please also indicate whether the Company will utilize any affiliates and/or real estate holding companies to undertake the proposed project. If so, please provide names and details for all such entities.

Troy 1818, LLC is a 100% owned subsidiary of Better Spaces Holding, LLC. The interest listed in Section (b) below represents the principal ownership of Better Spaces Holding, LLC. Troy 1818, LLC is managed by Rosenblum Development Corporation.

b. Principal Owners/Officers/Directors: (List owners with 5% or more in equity holdings with percentage of ownership)

Name	Address	Percentage Ownership/Office
Seth Rosenblum as Trustee	300 Great Oaks Blvd. Suite 310 Albany, NY 12203	100% Class A Member

(Use attachments if necessary)



- c. If a corporation, partnership, limited liability company:

What is the date of establishment? 10/08/2020 Place of organization Delaware

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes

(Attach organizational chart or other description if applicant is a subsidiary or otherwise affiliated with another entity) See (I)(b) above.

- d. Attach certified financial statements for the company's last three complete fiscal years. If the company is publicly held, attach the latest Form 10K as well.

## II. APPLICANT'S COUNSEL

Name/Firm: Milan Tyler / Phillips Lytle LLP

Address: 620 Eighth Ave, 38th Floor

New York, NY 10018-1442

Phone No.: (212) 508-0439

Fax No.: (212) 308 9079

E-Mail: MTyler@phillipslytle.com

## III. PROJECT INFORMATION:

- a. Please provide a brief narrative description of the Project (attach additional sheets or documentation as necessary).

Remove an obsolete, deteriorating single-story former bank branch with drive-through canopy at 1818 5th Avenue in Troy's central downtown business district that has been vacant for five years. Reactivate the underdeveloped .55-acre parcel by constructing a contextually appropriate +/-55,000 square foot, four-story, market-rate multifamily building that is fully electrified and produces no combustion pollutants, a first of its kind in the City. The new building will provide 71 micro, studio and one-bedroom apartments with robust communal amenities including resident coworking space and indoor bicycle storage in a highly walkable, transit-oriented location. Micro apartments that are smaller than traditional studios but similarly appointed will be available for a target starting rent +/- 30% lower than the average monthly rent in the Albany-Schenectady-Troy MSA. By addressing an unmet need for more affordable market-rate single occupancies, the project will improve the ability of local companies to attract and retain workforce. Moreover, the project will generate \$2.34M+ of novel annual spending and produce direct, indirect or induced 19 permanent new jobs in the City according to an economic impact study conducted by Camoin Associates, bolstering local businesses. 1818 5th Ave is located in distressed Census Tract 407, a NYS Draft Disadvantaged Community and DEC Potential Environmental Justice Area. See attached applicant's response to (III)(t) herein for additional information.

- b. Location of Project (all information mandatory – attach current tax bills with proof of current payment)

Project Address: 1818 Fifth Avenue

City: Troy

Name of School District: Troy

Tax Map No.: 381700 101.53-6-1

Describe Existing Improvements, if any:

+/- 2,800 square foot single-story slab-on-grade former bank branch building with drive-through canopy, circulation lanes, and surface parking.

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c. Are Utilities on Site? Water: Yes Electric: Yes Gas: Yes Sanitary/Storm Sewer: Yes Telecom: Yes

d. Identify Present legal owner and all tenants of the site if other than Applicant and by what means will the site be acquired for this Project (please include details regarding purchase and sale agreement, if applicable, including all contingencies):

Owner: Troy 1818, L.L.C. Tenant: Citizens Bank N.A. (ATM only, Expires 10.31.2023)

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e. Zoning of Project Site:

Current: Downtown Mixed Use (DMU)

Proposed: N/A

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f. Are any zoning approvals needed? Identify: No - area variances for front setbacks granted by City of Troy Zoning Board of Appeals July 5, 2023. Approval attached.

g. Local Permitting and Approvals – Does the project require local planning or permitting approvals? If so, please explain. Building Permit Will a site plan application to be filed? Yes If so, please include copy if prepared.

Planning Commission application and approvals attached.

h. Has another entity been designated lead agent under the State Environmental Quality Review Act ("SEQRA")? Yes; If yes, please explain:

The City of Troy Planning Commission is lead agency for SEQRA

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i. Will the Project result in the removal of a plant or facility of the Applicant or a proposed Project occupant from one area of the State of New York to another area of the State of New York? No; If yes, please explain:

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j. Will the Project result in the abandonment of one or more plants or facilities of the Applicant or a proposed Project occupant located in the State of New York? No; If yes, explain:

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k. If the answer to either question i. or j. is yes, **you are required to** indicate whether any of the following apply to the Project:

1. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes\_\_\_\_; No\_\_\_\_. If yes, please provide detail:

N/A

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2. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes\_\_\_\_; No\_\_\_\_. If yes, please provide detail:

N/A

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**NOTES: If you answer "yes" to questions i. or j., above, and fail to provide a detailed response within question k.(1) or k.(2), above, then the Authority will be barred from providing any financial assistance.**

**THE AUTHORITY IS REQUIRED TO NOTIFY THE CHIEF EXECUTIVE OFFICER OF THE MUNICIPALITY FROM WHICH YOUR FACILITY IS BEING RELOCATED OR ABANDONED. THIS NOTIFICATION WILL BE SENT PRIOR TO THE AUTHORITY'S CONDUCT OF REQUIRED PUBLIC HEARINGS(S).**

**CERTIFICATION: Based upon the answers provided within i. j., k(1), and k(2), above, the Company hereby certifies to the Authority that the undertaking of the proposed project and provision of financial assistance to the Company by the Authority will not violate GML Section 862(1).**

- l. Does the Project include facilities or property that are primarily used in making retail sales of goods **or provide** services to customers who personally visit such facilities? No; If yes, please explain:

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- m. If the answer to l. is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods **or** any services to customers who personally visit the Project? \_\_\_\_\_%

N/A



n. If more than 33.33%, indicate whether any of the following apply to the Project:

1. Will the Project be operated by a not-for-profit corporation? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please explain:

N/A

2. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please explain:

N/A

3. Would the Project occupant, but for the contemplated financial assistance from the Authority, locate the Project and related jobs outside of New York State? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please explain:

N/A

4. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the City within which the Project will be located because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please explain:

N/A

5. Will the Project be located in one of the following: (i) an area designed as an Empire Zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block number area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please explain:

N/A

o. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes X; No \_\_\_\_\_. If yes, please complete the following for EACH existing or proposed tenant or subtenant:

Sub lessee name: N/A - Residential tenants to be identified post construction.

Present Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Employer's ID No.: \_\_\_\_\_

Sub lessee is a: \_\_\_\_\_ (Corporation, LLC, Partnership, Sole Proprietorship)

Relationship to Company: \_\_\_\_\_

Percentage of Project to be leased or subleased: \_\_\_\_\_

Use of Project intended by Sub lessee: \_\_\_\_\_

Date and Term of lease or sublease to Sub lessee: \_\_\_\_\_

Will any portion of the space leased by this sub lessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes\_\_\_\_; No\_\_\_\_. If yes, please provide on a separate attachment (a) details and (b) the answers to questions I. 1-5 with respect to such sub lessee.

p. Project Costs (Estimates):

Category	Amount
Land-acquisition	\$365,227.00 (est)
Buildings-Construction/Renovation (No FF&E)	\$13,247,500.00 (est)
Utilities, roads and appurtenant costs	\$455,000.00 (est)
Machinery and Equipment (All FF&E)	\$75,000.00 (est)
Soft Costs (Architect, Legal and Engineering)	\$1,006,500.00 (est)
Costs of Bond issue	
Construction Loan Fees and interest	\$1,290,176.00 (est)
Other (specify)	\$1,724,304.00 (est) Addt fees, contingency, carry costs, and start-up
Total Project Costs	\$18,163,707.00 (est)

Please include supplemental sheets as necessary with all project cost details, including the following:

**Mandatory:** In addition to the above estimated of capital costs of the project, which must include all costs of real property and equipment acquisition and building construction or reconstruction, you must include details on the amounts to be financed from private sector sources, an estimate of the percentage of project costs financed from public sector sources (all public grants, loans and tax credits to be applied for), and an estimate of both the amount to be invested by the applicant and the amount to be borrowed to finance the project.

Applicant's intent is to finance the project expenses at a 90% Loan to Cost. Resulting Loan of apx. \$16,336,933.00, with \$1,815,222.00 capital investment from applicant inclusive of operating deficit and interest reserves.

Public Sector Reimbursement Grants (Anticipated upon project stabilization, approx. 20% of estimated project costs):

- Empire State Development, Restore New York Communities Initiative - \$2,600,000.00
- NYSERDA Buildings of Excellence RD3 - \$1,000,000.00

q. Job Creation:

Construction jobs created by the Project: 137 (est) Anticipated Dates of Construction: 02.22.2024 - 08.22.2025

Permanent jobs created by the Project

**Column A:** Insert the job titles that exist within the company at the time of application, as well as any job titles that will be established as a result of the Project.

**Column B:** Indicate the entry level wage for each listed job title either in terms of hourly pay or annual salary.

**Column C:** For each listed job title insert the number of positions that exist at the time of application.

**Column D:** Insert the number of jobs to be created during year one of the Project for each listed job title.

**Column E:** Insert the number of jobs to be created during year two of the Project for each listed job title.

**Column F:** Insert the number of jobs to be created during year three of the Project for each listed job title.

**Column G:** Indicate the total number of jobs to be created for each listed title as a result of the Project. (Column D + Column E + Column F = Column G)

(A)  Job Title	(B)  Annual or Hourly Wages	(C)  Current Number of Positions	(D)  Jobs Created: Year One	(E)  Jobs Created: Year Two	(F)  Jobs Created: Year Three	(G)  Total Jobs Created
Property Manager	\$25,000 (est)	0	.5 (est)	.5 (est)	.5 (est)	.5 (est)
Building Maintenance	\$52,000 (est)	0	1.0 (est)	1.0 (est)	1.0 (est)	1.0 (est)
TOTALS:	\$77,000 (est)	0	1.5 (est)	1.5 (est)	1.5 (est)	1.5 (est)

In addition to the job figures provided above, please indicate the following:

- 1) The projected number of full time equivalent jobs that would be retained and that would be created if the request for financial assistance is granted.

No jobs would be retained as the project property is currently vacant. Should the financial assistance be granted, there would be an estimated 1.5 full time equivalent positions created in property management and building maintenance; these would be employees of the property management company.

- 2) The projected timeframe for the creation of new jobs.

Construction jobs would be created throughout the duration of construction, Q1 2024 - Q3 2025. Permanent jobs would be created after project completion mid 2025.

- 3) The estimated salary and fringe benefit averages or ranges for categories of the jobs that would be retained or created if the request for financial assistance is granted.

Average salary of \$38,500.00 (est) with projected fringe benefits of \$9,625.00 (est) per year

- 4) An estimate of the number of residents of the economic development region as established pursuant to section two hundred thirty of the economic development law, in which the project is located that would fill such jobs. The labor market area defined by the Authority (Capital Economic Development Region)

It is estimated that 100% of hiring for permanent positions will come from within the economic development region

**TIDA Financial Assistance Requested and Company Estimates**

A. Estimated Project Costs eligible for Industrial Development Authority Financial Assistance

1. Sales and Use Tax (☒) Check if Requested

A. Amount of Project Cost Subject to Sales and Use Tax: \$ 8,870,400.00 (est)

Sales and Use Tax Rate: 8.00 %

B. Estimated Sales Tax (A X .08): \$ 709,632.00

2. Mortgage Recording Tax Exemption (☒) Check if Requested

A. Projected Amount of Mortgage: \$ 16,336,933.00 (est)

Mortgage Recording Tax Rate: 1.25 %

B. Estimated Mortgage Recording Tax (A X .0125): \$ 204,211.66

3. Real Property Tax Exemption (☒) Check if Requested

A. Projected Increase in Assessed Value on Project: \$ 5,502,283.31 (est)

B. Total Applicable Tax Rates Per \$1000: \$ 46.41

C. Estimated Annual Taxes without PILOT (A X B)/1,000: \$ 255,360.81

4. Interest Exemption (Bond transactions only) (☐) Check if Requested

a. Total Estimated Interest Expense Assuming Taxable Interest: \$

b. Total Estimated Interest Expense Assuming Tax-exempt Interest Rate: \$

B. Estimated Benefits of Industrial Development Authority Financial Assistance

1. Current Company employment in Capital Economic Development Region 0

2. Current Company payroll in Capital Economic Development Region \$ 0

3. Project Jobs to be Created over 3 years 1.5 Permanent\*

\* to be employed by Rosenblum Development Corporation, manager of Troy 1818 L.L.C.

- Is the company delinquent in the payment of any state or municipal property taxes? ☐ Yes ☒ No
- Is the company delinquent in the payment of any income tax obligation? ☐ Yes ☒ No
- Is the company delinquent in the payment of any loans? ☐ Yes ☒ No
- Is the company currently in default on any of its loans? ☐ Yes ☒ No
- Are there currently any unsatisfied judgments against the company? ☐ Yes ☒ No
- Are there currently any unsatisfied judgments against any of the company's principals? ☐ Yes ☒ No
- Has the company ever filed for bankruptcy? ☐ Yes ☒ No
- Have any of the company's principals ever personally filed for bankruptcy, or in any way sought protection from creditors? ☐ Yes ☒ No
- Are there any current or pending real estate tax assessment challenges associated with the proposed project realty and/or improvements? ☐ Yes ☒ No
- Is the proposed project realty currently subject to any exemption from real estate taxes? ☐ Yes ☒ No
- Are there any current or pending criminal investigations or indictments of the Company or any of its principals or equity holders (including any and all holders of equity or ownership of Company parent organizations)? ☐ Yes ☒ No
- If the answer to any of the questions above is "Yes," please provide additional comments in the space below and on additional pages if necessary.
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r. **For Industrial Revenue Bonds ONLY, including this project,** list capital expenditures of the company at Project location:

Category	Last Three Years	Next Three Years
Land		
Building		
Equipment		
Soft Costs		
Other		
Total		

s. State whether there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Authority, or, if the project could be undertaken without financial assistance provided by the Authority, a statement indicating why the project should be undertaken by the Authority



**There is a substantial likelihood that the project would not be undertaken but for the financial assistance provided by the Authority; see attached.**

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t. List any other positive impacts that the Project may have on the City of Troy:

**See attached.**

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### III. Project Information

**s. State whether there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Authority, or, if the project could be undertaken without financial assistance provided by the Authority, a statement indicating why the project should be undertaken by the Authority**

Despite the considerable anticipated economic and related benefits of the proposed project, there is a likelihood it will not be undertaken without the requested financial assistance due to a combination of substantially higher construction costs, availability and cost of debt capital, and other outsized project delivery risks:

- 1) The project is subject to unique elevated costs due to its location on a city infill site, including but not limited to: (i) urban fill soils unsuitable for construction (ii) subsurface hazardous material abatement and unforeseen conditions based on prior project experience in the City of Troy; (iii) challenging construction logistics due to the constricted .55-acre parcel, which is bounded on the north and south by existing buildings and roadways to the east and west.
- 2) Because the project is located adjacent to a historic district, site plan approval requirements include the use of contextually appropriate finishes, fenestration, and architectural details, including significant brick and custom window layouts, particularly on the Fifth Avenue elevation. Whereas programs like Historic Rehabilitation Tax Credits and National Grid Main Street Revitalization were essential to the feasibility of adaptive reuse projects by the applicant and others in Troy, these incentives do not apply to ground-up multifamily construction despite the commensurate capital cost increases.
- 3) The project has been subject to steep, broad-based price inflation - as much as +200% - and a shortage of skilled labor, which are ongoing and cause material financial risk. Moreover, because the project is designed to Passive House Institute U.S. (Phius) CORE program standards, first costs are elevated compared to conventional, code-compliant construction. This includes (i) intricate detailing; (ii) intensive use of commodities like insulation; (iii) more expensive mechanical equipment, fenestration, and other integral components; and (iv) services like energy modeling and performance verification necessary to achieve the project's energy/decarbonization performance goals. There is at present also a near total absence of comparable high-performance multifamily construction in our region so local contractors are not experienced building to Passive standards, further inflating costs and elongating time frames for completion.

The project was awarded \$1M in Round Three of NYSEDA's Buildings of Excellence Competition and \$2.6M from the Restore New York Communities Initiative. Restore New York, which is administered by Empire State Development, supports municipal revitalization efforts to remove blight, reinvigorate downtowns and generate economic opportunity in communities statewide. However, these funds are provided as reimbursements contingent upon achieving defined grant goals and are insufficient to offset the price premiums and increased risks enumerated above. Given significantly higher cost of capital - which is forecasted to rise more - and substantial relative property tax burden, the project will not be feasible without the requested financial assistance.

**t. List any other positive impacts that the Project may have on the City of Troy:**

The proposed Project will replace a deteriorating, non-historic, suburban-style bank branch adjacent to one of downtown Troy's central mixed-use corridors that has been vacant for 5 years with a contextually appropriate, transit-oriented, zero-emission multi-family building. Consistent with the City of Troy's 2018 "Realize Troy" Comprehensive Plan and subsequent "Recode Troy" zoning ordinance update, this new, environmentally sustainable, stylistically harmonious development will thoughtfully reconstruct the pre-urban renewal streetscape and improve public pedestrian infrastructure while addressing an acute shortage of affordable market-rate single occupancies. Of 71 total one-bedroom and studio units, 39 well-appointed "micro" apartments averaging +/- 440 square feet, each with full kitchen, bathroom, washer-dryer and dedicated balconies, as well as robust communal amenities, are anticipated to be available for a target starting rent of +/- 30% below the average monthly rent in the Albany-Schenectady-Troy MSA.

The redevelopment at 1818 5th Avenue accounts for more than \$18M+ in direct new investment, but the project's overall financial impact will be far greater. According to an economic impact study conducted by Camoin Associates, the construction phase of the project will support 137 jobs and produce \$6.2M in local spending. Upon stabilization, the 71 households at the project will generate \$1.59M million (est.) of net new recurring annual spend, resulting in an estimated 21 new direct, indirect, or induced permanent jobs with \$812K of annual earnings. The resultant \$2.34M of cumulative new annual spending in the City, which does not include additional sales tax receipts or future property tax revenue, will bolster existing Troy businesses. Furthermore, residents patronizing local shops, restaurants and cultural venues will contribute to the overall vibrancy and appeal of the City, catalyzing follow-on commercial investment. The project is synergistic with Troy's Riverwalk District strategy and complements New York State's \$10M Downtown Revitalization Initiative (DRI) Round 5 investment.

In addition to the direct financial impacts above, the intangible economic development benefits of the project cannot be overstated. In 2021, the Capital Region Economic Development Council (CREDC) updated its strategy to a cluster-driven approach called Next-Tech that focuses on concentrating specific industries within 24 minutes of the industry core. One of those clusters, "Software-IT (Digital Gaming)" is centered in Troy at Rensselaer Polytechnic Institute and its Games and Simulation Arts and Sciences program, a nationally recognized talent pipeline for the videogame industry. The proposed project at 1818 5th Avenue is located within the Troy Innovation District, which in addition to RPI is home to three of the region's largest digital game studios and the highest concentration of independent studios in the region. Additionally, the District hosts a number of Software-IT companies and startups, e.g., deFacto Global, Nuvalence, and UCM Digital<sup>1</sup>; the latter is preparing for marked growth of its telemedicine triage service. However, according to a 2022 Regional Workforce Inventory, many employers report there is not enough housing to support the level of jobs needed. This issue is compounded by – and inextricably linked to – substantial increases in the cost of housing, particularly over the prior two years.

Based on a data set of 54,516 primarily market-rate units at multifamily properties with five or more units in the Albany-Schenectady-Troy MSA compiled by CoStar Group, Inc, average asking rent for a market rate apartment increased 11.6% to \$1,444 per month in the fourth quarter of 2022 compared to the same period two years ago<sup>2</sup> and has continued to rise in 2023. However, this average annualized market rent equals between 44% and 54% of the entry-level salaries for seven of sixteen Next-Tech

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<sup>1</sup> <https://www.bizjournals.com/albany/news/2023/01/11/ucm-digital-health-president-coo-rondi-rabuse.html>

<sup>2</sup> <https://www.bizjournals.com/albany/news/2022/12/14/albany-region-rent-increases.html>

occupations with the highest potential net job growth over a 10-year period ending 2028 identified by the Regional Workforce Inventory, and over 33% for an additional two of the target occupations. The U.S. Department of Housing and Urban Development (HUD) defines "rent burdened" as spending over 30 percent of income on housing and "severely rent burdened" as more than 50 percent. Many of these emergent professionals will have also incurred college debt; the minimum educational attainment for seven of the tech tradeable sector occupations is a bachelor's degree, and four require an associate degree.

The lower price point proposed for micro units at 1818 5<sup>th</sup> Avenue is congruent with the starting salaries for occupations in the Regional Workforce Inventory's priority tradable sectors and related Next-Tech industry roles like digital gaming artists and quality insurance testers, as well as other understaffed industries such as healthcare, e.g., licensed practical nurses, laboratory technicians, paramedics, etc. The CREDC's 2022 Annual Report recognizes healthcare workforce as an area of high need, citing a shortage of 4,687 jobs in 2021 at the region's hospitals and care facilities. The project is proximate to healthcare centers at Samaritan Hospital, a 277-bed facility, and the Samaritan - St. Mary's Campus, which houses a School of Nursing. Russell Sage College, located in downtown Troy, also provides comprehensive nursing degree programs through its School of Health Sciences, as well as physical/occupational therapy, mental health/psychology, biology, pre-medical studies and nutrition. Accordingly, the project will improve the ability of local companies to attract and retain talent, including entry-level positions in high-growth Next-Tech occupations and other vital but underemployed sectors, increasing the City's appeal to employers as well as employees.

Finally, in keeping with the Recode Troy objective to "support development practices that are sustainable and resilient," the project will be the first all-electric, zero-emission multifamily building in the city. The building will use fully electrified heat pumps and energy recovery ventilation combined with an air-tight building envelope and smart controls to increase efficiency and eliminate onsite combustion pollutants while a rooftop solar PV system will offset electrical grid demand. Onsite detention and low flow plumbing fixtures conserve water and reduce volume to the public combined sewer system. Separate collection chutes and compacting for trash and single-stream recycling decrease landfill waste. The applicant will also provide a new pocket park adjacent to the property in partnership with Victorious Life Church. The project will serve as a model for low impact infill redevelopment, furthering Troy's goal to form an eco-innovation district and lead the region in environmental sustainability ahead of the January 1, 2026, effective date for New York State's All-Electric Building Act.

## V. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Authority as follows:

- A. **Job Listings:** In accordance with Section 1967-a(2) of the New York Public Authorities Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Authority, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B. **First Consideration for Employment:** In accordance with Section 1967-a(2) of the New York Public Authorities Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Authority, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C. **Annual Sales Tax Filings:** In accordance with Section 1964-a(9) of the New York Public Authorities Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Authority, in accordance with Section 1964-a(9) of the Public Authorities Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.
- D. **Annual Employment Reports:** The applicant understands and agrees that, if the Project receives any Financial Assistance from the Authority, the applicant agrees to file, or cause to be filed, with the Authority, on an annual basis, reports regarding the number of people employed at the project site.
- E. **Absence of Conflicts of Interest:** The applicant has received from the Authority a list of the members, officers, employees and Counsel of the Authority. No member, officer, employee, or Counsel of the Authority has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

N/A

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**HOLD HARMLESS AGREEMENT AND APPLICATION DISCLAIMER  
CERTIFICATION PURSUANT TO NEW YORK STATE  
FREEDOM OF INFORMATION LAW ("FOIL")**

Applicant hereby releases the TROY INDUSTRIAL DEVELOPMENT AUTHORITY and the members, officers, servants, agents and employees thereof (the "Authority") from, agrees that the Authority shall not be liable for and agrees to indemnify, defend and hold the Authority harmless from and against any and all liability arising from or expense incurred by (A) the Authority's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Authority, (B) the Authority's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Authority with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Authority or the Applicant are unable to reach final agreement with the respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Authority, its agents or assigns, all costs incurred by the Authority in the processing of the Application, including attorneys' fees, if any.

Through submission of this Application for Financial Assistance (this "Application"), the Company acknowledges that the Authority, as a public benefit corporation, is subject to the New York State Freedom of Information Law ("FOIL") and Open Meetings Law ("OML"), as codified pursuant to the Public Officers Law ("POL") of the State of New York (the "State"). Accordingly, unless portions hereof are otherwise protected in accordance with this Certification, this Application, including all Company-specific information contained herein, is subject to public disclosure in accordance with applicable provisions of the POL, Article 18-A of the General Municipal Law ("GML") and the Public Authorities Accountability Act of 2005, as codified within the Public Authorities Law ("PAL") of the State. Specifically, this Application may be disclosed by the Authority to any member of the public pursuant to a properly submitted request under FOIL and the Authority is further required to affirmatively disclose certain provisions contained herein pursuant to the GML and PAL, including the identification of the Company, general project description, location proposed capital investment and job estimates.

Notwithstanding the foregoing, the Company, pursuant to this Certification, may formally request that the Authority consider certain information contained within this Application and other applicable supporting materials proprietary information and "trade secrets", as defined within POL Section 87(2)(d). To the extent that any such information should qualify as trade secrets, the Company hereby requests that the Authority redact same in the event that formal disclosure is requested by any party pursuant to FOIL. Application Sections or information requested by Company for Redaction\*:

**Redact Taxpayer ID**

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(\* - Please indicate specific sections within Application that the Company seeks to qualify as "trade secrets". Additional correspondence or supporting information may be attached hereto. Please also note that notwithstanding the Company's request, the Authority shall make an independent determination of the extent to which any information contained herein may be considered as such)

In the event that the Authority is served with or receives any subpoena, request for production, discovery request, or information request in any forum that calls for the disclosure of the Application, in entirety, specifically including but not limited to any demand or request for production or review of Company-designated trade secrets, the Authority agrees to notify the Company as promptly as is reasonably possible, and to utilize its best efforts to: oppose or decline any such request; preserve the confidentiality and non-disclosure of such requested confidential material; and maintain such information and prevent inadvertent disclosure in responding to any such discovery or information request. The Company understands and agrees that all reasonable costs, including attorney's fees, associated with any such formal undertaking by the Authority to protect the trade secrets from disclosure shall be reimbursed by the Company to the Authority.

The undersigned officer of the applicant deponent acknowledges and agrees that the applicant shall be and is responsible for all costs incurred by the Authority and legal counsel for the Authority, whether or not the Application, the proposed project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Authority shall not be liable for and agrees to indemnify, defend and hold the Authority harmless from and against any and all liability arising from or expense incurred by (A) the Authority's examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the proposed project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Authority, (B) the Authority's acquisition, construction and/or installation of the proposed project described herein and (C) any further action taken by the Authority with respect to the proposed project; including without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.

By executing and submitting this Application, the applicant covenants and agrees to pay the following fees to the Authority, the same to be paid at the times indicated:

- (a) The sum of \$5,000, plus the sum of \$500 as a non-refundable processing fee, to be paid upon submission of the Application;
- (b) An Administrative Fee amounts to be determined using the schedule on Page 2 hereof for all other projects for which the Authority provides financial assistance, to be paid at transaction closing;
- (c) An amount to be determined by Authority Staff payable to the Authority's bond/transaction counsel for the preparation and review of the inducement resolution, the environmental compliance resolution, TEFRA hearing proceedings and the tax questionnaire assuming no further activity occurs after the completion of the inducement proceedings, to be paid within ten (10) business days of the receipt of bond/transaction counsel's invoice;
- (d) All fees, costs and expenses incurred by the Authority for (1) legal services, including but not limited to those provided by the Authority's general counsel or bond/transaction counsel, and (2) other consultants retained by the Authority in connection with the proposed project; with all such charges to

be paid by the applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Authority's invoices therefore please note that the applicant is entitled to receive a written estimate of fees and costs of the Authority's bond/transaction counsel;

- (e) The cost incurred by the Authority and paid by the applicant, including bond/transaction counsel and the Authority's general counsel's fees and the processing fees, may be considered as a costs of the project and included in the financing of costs of the proposed project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.

The applicant further covenants and agrees that the applicant is liable for payment to the Authority of all charges referred to above, as well as all other actual costs and expenses incurred by the Authority in handling the application and pursuing the proposed project notwithstanding the occurrence of any of the following:

- (a) The applicant's withdrawal, abandonment, cancellation or failure to pursue the Application;
- (b) The inability of the Authority or the applicant to procure the services of one or more financial institutions to provide financing for the proposed project;
- (c) The applicant's failure, for whatever reason, to undertake and/or successfully complete the proposed project; or
- (d) The Authority's failure, for whatever reason, to issue tax-exempt revenue bonds in lieu of conventional financing.


The applicant and the individual executing this Application on behalf of applicant acknowledge that the Authority and its counsel will rely on the representations made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

**Company Acknowledgment and Certification:**

The undersigned, being a duly authorized representative of the Company, hereby and on behalf of the Company, certifies to the best of his or her knowledge and under the penalty of perjury that all of the information provided by the Company within this Application for Financial Assistance is true, accurate and complete.

The Company, on behalf of itself and all owners, occupants and/or operators receiving or that will receive financial assistance from the Authority (collectively, the "Recipients") hereby certifies that the Recipients are in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.


The Company, on behalf of itself and all Recipients, hereby further acknowledges that the submission of any knowingly false or knowingly misleading information herein or within any agreement with the Authority may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of the Authority's involvement in the project, including all costs of the Authority relating to same. The Company has reviewed and accepts the terms of the Authority's Project Recapture and Termination Policy.

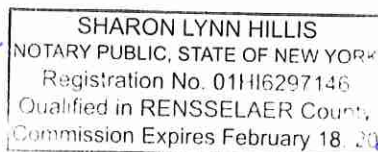
By: For Troy 1818, LLC  
  
Name: Jeffrey Mirel  
Title: Principal, Rosenblum Development Corporation, Its Manager

State of New York )

County of Albany ) ss.:

On the 13 day of October in the year 2023, before me, the undersigned, personally appeared Jeffrey Mirel, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

  
Notary Public



## ***Project Summary and Financial Assistance Cost Benefit Analysis***

*(This page to be completed by TIDA Staff)*

---

Company Name: \_\_\_\_\_

Project Description: \_\_\_\_\_

Project Location: \_\_\_\_\_

City: \_\_\_\_\_

School District: \_\_\_\_\_

### **Estimated Cost of Industrial Development Authority Financial Assistance**

1. Sales and Use Tax Exemption

A. Amount of Project Cost Subject to Sales and Use Tax: \$

Sales and Use Tax Rate: \_\_\_\_\_ 8%

B. Estimated Exemption (A X .08): \$

2. Mortgage Recording Tax Exemption

A. Projected Amount of Mortgage: \$

Mortgage Recording Tax Rate: \_\_\_\_\_ 1.25%

B. Estimated Exemption (A X .0125): \$

3. Real Property Tax Exemption

A. Projected Increase in Assessed Value on Project: \$

B. Total Applicable Tax Rates Per \$1000: \$

C. Total Annual Taxes without PILOT (A X B)/1,000: \$

D. PILOT Exemption Rate (see TIDA Uniform Tax Exemption Policy): %

- E. Average Annual PILOT Payment (C X D): \$
- F. Net Exemption over PILOT term ((C-E) x 7, 10 or 15)): \$
4. Interest Exemption (Bond transactions only)
- a. Estimated Interest Expense Assuming Taxable Interest: \$
- b. Estimated Interest Expense with tax-exempt Interest Rate: \$
- c. Interest Exemption (a - b): \$

**Estimated Benefits of Industrial Development Authority Financial Assistance**

1. Jobs to be retained in the Capital Economic Development Region
2. Current Company payroll in the Capital Economic Development Region \$
3. Project Jobs to be Created over 3 years
4. Total Project Investment \$
5. Non IDA financing leveraged \$
6. Other project benefits:

\_\_\_\_\_

\_\_\_\_\_

Authority Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

PREPARED FOR:

The Rosenblum Companies  
300 Great Oaks Boulevard, Suite 310  
Albany, NY 12203

# Economic and Fiscal Impact

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1818 FIFTH AVE

NOVEMBER 2022

PREPARED BY:



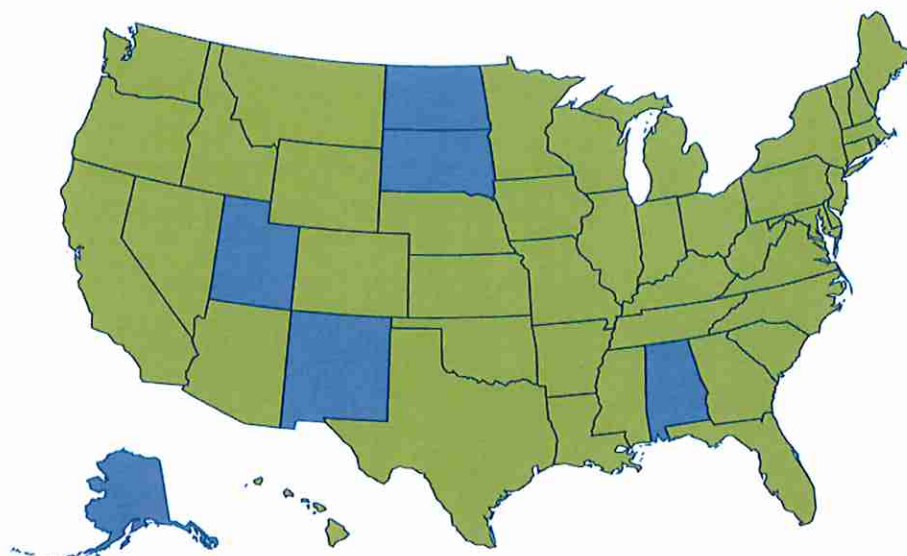
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Saratoga Springs, NY 12866  
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Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 44 states and garnered attention from national media outlets including Marketplace (NPR), Crain's New York Business, Forbes magazine, The New York Times, and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; Richmond, VA and Providence, RI. To learn more about our experience and projects in all of our service lines, please visit our website at [www.camoinassociates.com](http://www.camoinassociates.com). You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociates).

Rachel Selsky  
*Vice President*

Jessica Tagliafierro  
Senior Research Analyst



# ABOUT THE STUDY

Camoin Associates was retained by The Rosenblum Companies (the Developer) to measure the economic and fiscal benefits of a proposed project involving the construction of a 70-unit residential rental facility at 1818 Fifth Ave, Troy, New York. The goal of this analysis is to provide a complete assessment of the total economic, employment and tax impact of the project on the City of Troy that result from the construction phase, new household spending, and on-site operations.

The primary tool used in this analysis is the input-output model developed by Lightcast (formerly Emsi). Primary data used in this study was obtained from the Developer, including construction spending, estimated job, exemptions, and PILOT schedule. Secondary data was collected by Camoin Associates and used to estimate spending by new households.

The economic impacts are presented in four categories: direct impact, indirect impact, induced impact, and total impact. The indirect and induced impacts are commonly referred to as the "multiplier effect."

## STUDY INFORMATION

**Data Source:**  
The Rosenblum Companies

**Geography:**  
City of Troy

**Study Period:**  
2022

**Modeling Tool:**  
Lightcast (formerly Emsi)

## DIRECT IMPACTS

*This initial round of impacts is generated as a result of spending on operations and new household spending at city businesses.*

## INDIRECT IMPACTS

*The direct impacts have ripple effects through business-to-business spending. This spending results from the increase in demand for goods and services in industry sectors that supply both the facility and the businesses receiving the new household spending.*

## INDUCED IMPACTS

*Impacts that result from spending by facility employees, employees of city businesses, and employees of suppliers. Earnings of these employees enter the economy as employees spend their paychecks in the city on food, clothing, and other goods and services.*

# CONTENTS

EXECUTIVE SUMMARY .....	1
ECONOMIC IMPACT ANALYSIS .....	3
FISCAL IMPACT ANALYSIS .....	6
OTHER IMPACTS ON TROY .....	11
Attachment A: What is Economic Impact Analysis? .....	12
Attachment B: CALCULATING NET NEW HOUSEHOLDS .....	13

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# EXECUTIVE SUMMARY

The Rosenblum Companies (the Developer) is proposing to develop a 70-unit market-rate apartment building (the Project) at 1818 Fifth Avenue in the City of Troy, NY. As part of the permitting and approval process for the Project, there is need for an objective assessment of the economic and fiscal impacts of the Project on the City. The Project is expected to include a mix of micro studios, studios, and 1 bedroom units.

This analysis considers the economic impact of the construction and operation phases, as well as the fiscal impact upon full build-out. The following is a summary of the key findings, with more detail provided in the body of the report.

## Construction Impact

- ◆ The construction of **the Project is expected to cost a total of \$16 million**, of which approximately 90% (\$14.4 million) will be spent within the Capital Region.
- ◆ **Construction of the Project would result in approximately 137 new jobs throughout the Capital Region** and over \$7.6 million in new earnings.

## Annual Impact

- ◆ **The Project would support 21 net new jobs in the City of Troy, with over \$812,000 in associated earnings.** These figures are composed of net new jobs resulting from maintenance and operation of the complex and new economic activity from household spending.
- ◆ Sales associated with the on-site operations and new household spending are estimated to generate **\$2,300 in sales tax revenue to the City annually**.
- ◆ The Developer has proposed terms of a 22-year PILOT agreement with the City of Troy Industrial Development Agency. Under this agreement, **the Developer would pay approximately \$1.3 million over the 22-year PILOT term**, or an average of \$59,631 per year.
- ◆ The schedule of payments to be made by the Applicant under the draft PILOT agreement would be approximately **\$614,000 more than the property tax payments generated by the Site** if the Project were not to occur.

## Other Impact

- ◆ The Rosenblum Companies has invested a significant amount of money in the City of Troy. With two existing projects, including The News Apartment and Vicina Modern Urban Flats, **The Rosenblum Companies is responsible for approximately \$45 million worth of investment in the city and the creation of over 180 apartments.** Assuming similar discretionary spending as detailed in this report for the households occupying the units at 1818 Fifth Ave, **that is nearly \$4,639,000 per year of spending in Troy.**
- ◆ In addition to the apartment units, The Rosenblum Companies' projects include first floor retail space that generate over 70 jobs in the city at various establishments.
- ◆ The existing projects developed by The Rosenblum Companies are responsible for over **\$662,000 in property tax payments.**

# ECONOMIC IMPACT ANALYSIS

Estimates of direct economic activity generated during the construction phase and facility operation were provided by the Developer and combined with research regarding resident spending in the City of Troy as the direct inputs for the economic impact model. Camoin Associates uses the input-output model designed by Lightcast (formerly Emsi) to calculate total economic impacts. Lightcast allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the city and uses the direct inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through City of Troy<sup>1</sup> economy. This is captured in the indirect and induced impacts and is commonly referred to as the "multiplier effect." See Attachment A for more information on economic impact analysis.

The Project would have economic impacts upon the City as a result of Project construction, new permanent jobs, and spending by new tenant households.

## CONSTRUCTION PHASE IMPACTS ON THE CAPITAL REGION

The Developer anticipates that private sector investment in the construction of the Project would cost approximately \$16 million. Based on previous experience, the Developer estimates that 90% of the total project cost will be sourced from within the Capital Region<sup>2</sup>. Therefore, we can project that there will be \$14.4 million in net new spending in the region associated with the construction phase.

Table 1

### Construction Phase Spending

Total Construction Cost	\$	16,000,000
Percent Sourced from Region		90%
Net New Construction Spending	\$	14,400,000

Source: Developer, Camoin Associates

Based on \$14.4 million worth of net new direct spending associated with the construction phase of the Project, we determined that there would be over \$20.6 million in total one-time construction related spending supporting 137 jobs over the construction period throughout the region. Table 2 outlines the economic impacts of construction.

Table 2

### Economic Impact - Construction Phase

	<u>Jobs</u>		<u>Earnings</u>		<u>Sales</u>
Direct	102	\$	5,440,769	\$	14,400,000
Indirect	12	\$	874,758	\$	2,745,252
Induced	23	\$	1,320,496	\$	3,502,916
Total	137	\$	7,636,023	\$	20,648,168

Source: Lightcast (formerly Emsi), Camoin Associates

The temporary impact of construction is modeled on the Capital Region and the ongoing annual impacts associated with operation and occupancy, described in the following sections, is modeled on the City of Troy.

<sup>1</sup> This analysis uses the zip codes of 12180, 12181, and 12182 as a proxy for the City of Troy.

<sup>2</sup> Capital Region includes: Albany, Columbia, Greene, Rensselaer, Saratoga, Schenectady, Warren and Washington Counties.



## CAMOIN ASSOCIATES

## IMPACTS OF NEW HOUSEHOLD SPENDING

To determine the annual economic impact of the Project on the city, the first step is to calculate the number of households that can be considered "net new" to the city's economy. In other words, the number of households that, but for the Project, would not exist in Troy. With respect to this Project, net new households consist of those currently residing outside of Troy who will choose to move to the city because of the Project, and who would otherwise continue to live elsewhere. For this study, we analyzed the demand of rental apartments. For more information on this methodology, see Attachment B.

### NET NEW HOUSEHOLDS

Based on Camoin Associates' rental market demand analysis, this analysis assumes that 89% of market-rate households occupying this space will be net new to the city. This is based on a review of the data and an understanding of the proposed Project as detailed above. Therefore, 62 total households (or 89%) are net new. See Attachment B for more detail.

Table 3

Net New Households			
	Total Households	Percent Net New	Net New Households
Market Rate Units	70	89%	62
Total	70	89%	62

Source: Esri, Camoin Associates

### SPENDING BY NEW TENANTS

New residents would make purchases in the city, thereby adding new dollars to the Troy economy. For this analysis, we researched spending patterns by household income to estimate typical spending baskets of market rate tenants.

According to U.S. Census, Rensselaer County household median income is \$72,510. Therefore, we will consider spending for those residents in the market rate units to be in the \$70,000 to \$99,999 spending basket, per the Bureau of Labor Statistics' 2019 Consumer Expenditure Survey.

Using a spending basket for the region which details household spending in individual consumer categories by income level, we analyzed likely tenant spending. According to the 2019 Consumer Expenditure Survey, households with incomes in this ranges have annual expenditures (excluding housing and utility costs) of \$36,614.

The second column in the table below shows the total spending for households by category. It is assumed that 50% of total expenditures would occur within the City of Troy and, therefore, have an impact on the Troy economy. The fourth column shows the total amount spent in the city.

## CAMOIN ASSOCIATES

Table 4

Tenant Spending Basket			
Market Rate (\$70,000 to \$99,999 Annual Household Income)			
Category	Annual per Unit Spending Basket	Amount Spent in City (50%)	Total Net New City Spending (62 net new units)
Food	\$ 8,672	\$ 6,070	\$ 376,365
Household furnishings and equipment	\$ 2,173	\$ 1,521	\$ 94,308
Apparel and services	\$ 1,899	\$ 1,329	\$ 82,417
Transportation	\$ 12,252	\$ 8,576	\$ 531,737
Health care	\$ 5,791	\$ 4,054	\$ 251,329
Entertainment	\$ 3,121	\$ 2,185	\$ 135,451
Personal care products and services	\$ 841	\$ 589	\$ 36,499
Education	\$ 1,010	\$ 707	\$ 43,834
Miscellaneous	\$ 855	\$ 599	\$ 37,107
Annual Discretionary Spending	\$ 36,614	\$ 25,630	\$ 1,589,048
Total Net New City Spending			\$ 1,589,048

Source: 2019 Consumer Expenditure Survey, Bureau of Labor Statistics

The total net new spending in the city was calculated by multiplying the amount spent in the city by the number of net new units. As shown in the table above, spending in the city by all new households would total approximately \$1,589,048 per year. We used the above spending basket amounts to calculate the direct, indirect, and total impact of the Project on the city. Using \$1,589,048 as the new sales input, Camoin Associates used Lightcast to determine the indirect, induced, and total impact of the project. Table 5 outlines the findings of this analysis.

Table 5

Economic Impact - Household Spending			
	<u>Jobs</u>	<u>Earnings</u>	<u>Sales</u>
Direct	15 \$	562,288 \$	1,589,048
Indirect	2 \$	77,494 \$	222,490
Induced	1 \$	51,668 \$	131,395
Total	18 \$	691,451 \$	1,942,933

Source: Lightcast (formerly Emsi), Camoin Associates

## CAMOIN ASSOCIATES

## IMPACTS OF ON-SITE EMPLOYMENT

The Developer anticipates that on-site payroll within three years of Project completion will be \$100,000.<sup>3</sup> 62 of the 70 total new housing units, or 89%, are considered net new to the city; therefore, 89% of the on-site activity would be net new. In this case, this refers to payroll of which \$89,000 would be net new. Using the new payroll as the direct input, Lightcast was used to calculate the indirect and induced economic impact of the on-site activity. Table 6 details the impact that the on-site activity will have on the City of Troy in terms of employment, earnings, and sales.

Table 6

### Economic Impact - On-Site Operations

	<u>Jobs</u>	<u>Earnings</u>	<u>Sales</u>
Direct	2 \$	89,000 \$	314,286
Indirect	1 \$	25,762 \$	73,747
Induced	0 \$	6,065 \$	15,468
Total	3 \$	120,827 \$	403,501

Source: Lightcast (formerly Emsi), Camoin Associates

## TOTAL ANNUAL ECONOMIC IMPACT

The complete economic impact of both new household spending as well as on-site operation and maintenance of the Project is displayed in Table 7.

Table 7

### Total Annual Economic Impact

	<u>Jobs</u>	<u>Earnings</u>	<u>Sales</u>
Direct	17 \$	651,288 \$	1,903,334
Indirect	3 \$	103,256 \$	296,237
Induced	1 \$	57,733 \$	146,863
Total	21 \$	812,278 \$	2,346,434

Source: Lightcast (formerly Emsi), Camoin Associates

<sup>3</sup> Includes one full time building engineer and a part time (shared) property manager.



## SALES TAX REVENUE

Rensselaer County collects a 4.00% sales tax on goods and services purchased in the county and then distributes a portion of the proceeds to the municipalities. The distribution is based on established formulas and the City of Troy receives 19.65% of the first \$80,000,000 in sales tax revenue, plus 9% in excess of \$80,000,000. Sales Tax Revenue from this Project is assumed to contribute to the sales tax revenue above \$80,000,000 and therefore this analysis allocates 9% of the County's revenue to the City.

### SALES TAX REVENUE – NEW HOUSEHOLD SPENDING

In addition to sales tax generated by the construction phase, Rensselaer County would also receive sales tax revenue from the purchases made by the new households. Table 11 displays the new sales tax revenue that Troy would receive annually based on in-county spending by new households.

Table 11

Annual Sales Tax Revenue Household Spending	
Total New Spending	\$ 1,942,933
Amount Taxable (30%)	\$ 582,880
County Sales Tax Rate	4.25%
Troy Portion	9.00%
New County Tax Revenue	\$ 2,230

Source: Office of the New York State Comptroller, Camoin Associates

Note that the household spending figure has already been adjusted to account for 70% of total spending occurring within the city (see table entitled "Tenant Spending Baskets"). Also note that we have used a higher value for "Amount Taxable" as compared to the previous tables (30% rather than 25%) since certain non-taxable items (related to housing expenses) have been removed from the total spending line, this increasing the remaining portion taxable.

### SALES TAX REVENUE – EMPLOYEE EARNINGS

The new earnings generated by on-site jobs that will occur as a result of building occupation at the Project (described under Impacts of On-Site Employment) would lead to additional annual sales tax revenue for the county. It is assumed that 70% of the earnings would be spent within Rensselaer County and that 25% of those purchases will be taxable. Table 12 displays the annual tax revenue that the City will receive.

Table 12

Annual Sales Tax Revenue On-Site Operations	
Total New Earnings	\$ 120,827
Amount Spent in County (70%)	\$ 84,579
Amount Taxable (25%)	\$ 21,145
County Sales Tax Rate	4.25%
Troy Portion	9.00%
New City Tax Revenue	\$ 81

Source: Office of the New York State Comptroller, Camoin Associates

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**TOTAL ANNUAL SALES TAX REVENUE**

The total annual sales tax revenue that the City will receive is summarized in Table 13.

*Table 13*

<b>Total Annual Sales Tax Revenue</b>		
Household Spending	\$	2,230
On-Site Operations	\$	81
New City Tax Revenue	\$	2,310

Source: Office of the New York State Comptroller, Camoin Associates

## OTHER IMPACTS ON TROY

As a local real estate development firm, The Rosenblum Companies has invested heavily in the City of Troy. With two existing projects, including The News Apartment and Vicina Modern Urban Flats, The Rosenblum Companies is responsible for approximately \$45 million worth of investment in the city and the creation of over 180 apartments.

Annual operation of these two properties generates economic and fiscal benefit for the City, including:

- Nearly \$4,639,000 in new household spending in Troy every year, assuming similar discretionary spending as detailed in this report for the households occupying the units at 1818 Fifth Ave.
- Over 70 jobs at seven different retail establishments located in first floor space at the properties.
- Approximately \$662,500 in total property taxes.



## ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial "change in final demand". To understand the meaning of "change in final demand", consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore "new" dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the "Direct Effects" of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer's vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will "leak out". What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will "leak" out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the "Indirect Effects" of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the "multiplier effect" and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the "local economy" is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many "new" dollars the producer would be causing to occur domestically.

## ATTACHMENT B: CALCULATING NET NEW HOUSEHOLDS

"Net new" households that move into a geography because of the availability of desired housing contribute to that geography's economy in measurable ways. Estimating the number of net new households, the households that would not otherwise live in the geography, is therefore a critical task for an economic and fiscal impact analysis for a project that includes housing.

Our housing market research indicates that housing is heavily affected by demand, with households in different demographic groups seeking diverse housing price points and amenities. Our estimates of net new households take into consideration demographic and economic differences among renters, and price points among units offered, identifying the existence and size of a housing gap (where more units are demanded than are available) or surplus (where there is oversupply) in the market segment to be served by the proposed project. Generally, where there is a significant housing gap outside the geography but within a reasonable distance for relocation, a project will draw a larger proportion of net new households into that geography. Each project may therefore have a different expectation for net new households, depending on price point, age restriction if any, and location.

The following steps outline our process for calculating net new households. All data is drawn from Esri Business Analyst.

1. Identify *where* households are likely to come from. We expect that renters for a new project would consider housing within a reasonable driving time from their current location, creating a "renter-shed" for a new project. Households that are within the drive time but outside of the study area are net new.
2. Identify the existing rental housing supply at different price points. Using data from Esri, we identify rental housing units in the study area by price point and calculate the minimum household income expected to be necessary to afford rent by price range.
3. Identify the number of households at different income levels. We analyze households by income group and rental behavior to estimate an "implied number renting" for different income groups.
4. Calculate net housing surplus or gap by price point. Rental housing supply and rental housing demand is compared to calculate a "net gap," indicating excess demand for the project, or a "net surplus." To estimate net new households for a project, the net gap in the study area is compared to the net gap in the drive time.

# Leading action to grow your economy

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