

GALVAN

Application for 75 North 7th Street PILOT

May 29, 2024



We are pleased to submit this application for a PILOT Agreement in connection with 75 North 7th Street, a planned mixed-use development in Hudson, NY. The project furthers the Hudson Comprehensive Plan and the Hudson Strategic Housing Action Plan by creating a mixed-use building in the City Center, including:

- 75 units of workforce and market rate apartments, including 38 one-bedroom, 29 two-bedroom, and 8 three-bedroom units
- 15 units (20%) will have rents affordable to households earning up to 80% of AMI; an additional 5 units will have rents affordable to households earning up to 130% of AMI
- Four 1,000 square feet commercial spaces for small businesses
- Residential amenities including lounge areas, fitness center, bike storage, tenant storage and private green space
- Building designed to reflect historic character of neighborhood

In order to move forward with the project, we require assistance for 75 North 7th Street that exceeds the benefit structure of the 485a program, which is used by municipalities throughout New York State to encourage conversion of vacant commercial buildings to create mixed-use facilities.

Under a 485a exemption, the project would receive the following benefits:

- Exemption base of 100% in Years 1-8
- Exemption base decreasing by 20% annually in Year 9-12, reaching 100% in Year 13

Under our request, we are seeking the following benefit:

- 95% exemption base in Years 1-3
- 90% exemption base in Years 4-5
- 85% exemption base in Year 6
- 80% exemption base in Year 7
- 75% exemption base in Years 8-10
- 70% exemption base in Year 11
- 60% exemption base in Year 12
- Exemption base decreasing by 5% every year from Year 13 to Year 16, reaching 40% in Year 16
- Exemption base decreasing by 10% every year from Year 16 to Year 19, reaching 10% in Year 19
- Exemption base decreasing by 5% every year from Year 19 to Year 20, reaching 5% in Year 20 and paying full taxes in Year 21
- Total benefit of \$3,023,133

The benefit structure enables the project to access the bank financing required to pursue the project while still yielding a significant fiscal benefit to the City of Hudson. The project generates a total fiscal benefit of \$3,502,865 to the City of Hudson and Schools at a cost of \$2,565,576, representing a 1.55 benefit to cost ratio for the City and 1.24 for the School district.

The project is part of the Depot District Neighborhood Development Initiative. The Depot District creates urgently needed housing and a new commercial district to spark economic opportunity by developing two new buildings, 75 North 7th Street and 708 State Street.

The 75 North 7th Street component of the Depot District furthers the goals of the Hudson IDA by achieving the following community benefits:

- Serving the needs of residents by creating 15 units of workforce housing and 60 units of market rate housing, as part of a mixed-income neighborhood development initiative
- Creating over 192 jobs during construction and 27 jobs during operations in Columbia County
- Strengthening the construction and retail industry in Hudson by creating \$26,597,170 in direct construction spending and 4,000 square feet of commercial space
- Investing over \$9,300,000 of private capital
- Generating \$267,363 in immediate fees to the Hudson IDA