

Albany Riverfront Coalition: Potential Economic and Fiscal Impacts

Prepared by:



Date:
October 7th, 2021

Executive Summary

SWBR’s proposed redevelopment concept (the ‘Project’) for the City of Albany’s riverfront includes the removal of portions of I-787, freeing up acreage for development and redevelopment to occur in the City. As shown in the table to the right, the Project would allow for up to 6.1 million square feet of new development to occur across three distinct corridors and would include a mix of new residential, commercial, office, civic, and parking development.

This proposed redevelopment would bring new residents to the City and would induce a substantial amount of job creation. The effects considered in this analysis include direct and indirect changes to jobs, wages, and sales resulting from two sources: spending from new households created by the Project as well as economic activity associated with the new commercial spaces. The fiscal impacts of the Project include one-time and ongoing new tax revenue. Below are the results of our analyses.

Using assessments of recent, comparable developments throughout the City, we were able to estimate the one-time economic impact of constructing the Project.¹ We estimate the construction of over six million square feet of commercial and residential space will produce 2,581 direct, on-site construction jobs and 562 indirect jobs. Therefore, in total, the construction phase of the Project will create 3,143 jobs and generate \$155 million in wages.

At full redevelopment resulting from the Project, we estimate that the ongoing spending of new households and the operations of residential and commercial facilities will yield 4,364 jobs with \$223.5 million in wages annually.

Square Footage Estimate of the Project

	North Albany	Downtown	South End	Total SF
Residential	1,920,924	2,134,441	1,262,549	5,317,914
Commercial	129,496	342,871	76,125	548,492
Office	-	7,367	-	7,367
Civic	-	44,550	22,814	67,364
Parking	-	91,967	105,600	197,567
Total	2,050,420	2,621,196	1,467,088	6,138,704

Summary of Economic Impacts

	Direct	Indirect	Total
Construction Jobs	2,581	562	3,143
Construction Earnings	\$120,027,598	\$34,949,684	\$154,977,282
Ongoing Jobs	3,589	775	4,364
Ongoing Earnings	\$176,585,561	\$46,903,027	\$223,488,589

¹ Note that the direct and indirect “Construction Jobs” and “Construction Wages” shown are with respect to Albany County (the “County”), as such jobs tend to be pulled from a larger labor shed. The direct and indirect “Ongoing Jobs” and “Ongoing Wages” shown are with respect to the City of Albany.

We estimate fiscal benefits for the County resulting from the Project as additional sales tax revenues of \$57 million over 20 years. This estimate is based on new household spending and new wages earned from ongoing jobs at the development, in addition to the wages earned during the Project’s construction.

In terms of fiscal benefits for the City, the Project is estimated to increase the City’s population by 7.73%, and thus its portion of sales tax revenues distributed from the County. Over 20 years, we estimate this amount to be approximately \$66.8 million. We estimate the property tax revenue generated as a result of the Project to be \$179.0 million over 20 years.

Therefore, in total, we estimate that the Project will provide fiscal benefits of \$302 million for the City and County over twenty years. Note that this total does not include the significant new tax revenue that would result from an increase in the value of existing properties in the immediate vicinity of the Project.

Summary of Fiscal Impacts - 20 Years

Source	Total
Sales Tax, Construction	\$840,193
Sales Tax, Operations, 20 Years	\$56,005,561
Sales Tax Distributions to City, 20 Years	\$66,831,553
Property Tax Revenue, 20 Years	\$178,952,540
Total Fiscal Benefits Over 20 Years	\$302,629,847

Contents

Executive Summary	2
Introduction	5
Economic Impact Analysis.....	6
Methodology	6
Construction Phase.....	7
Operation Phase	9
Fiscal Impact Analysis	12
Property Tax Revenue.....	12
Property Tax Revenue – County	13
Property Tax Revenue – City.....	14
Surrounding Property Tax Revenue	15
Sales Tax Revenue, Operation Phase.....	18
New Sales Tax Distributions to City.....	19
Appendix	20
City of Albany ZIP Code Approximation.....	20

Introduction

SWBR's proposed redevelopment concept (the 'Project') of the City of Albany's riverfront includes creating 6.1 million square feet of residential, commercial, office, civic space, and parking. The Project reaches three distinct corridors along the Hudson River, including North Albany, Downtown Albany, and the South End.

The proposed redevelopment concept would induce a substantial amount of job creation in Albany, and bring new residents to the City. MRB Group conducted a thorough assessment of the economic and fiscal impacts of the Project, for both one-time construction impacts and ongoing impacts of operations. The effects considered in this analysis include direct and indirect changes to jobs, wages, and sales. Economic impacts associated with estimates of "net new" spending stem from household expenditures of future occupants of the residential space related to the Project. The fiscal impacts of the Project include one-time and ongoing new tax revenue. Below are the results of our analyses.

Economic Impact Analysis

The Project would have economic impacts on the County and City in several ways. Economic impacts include one-time effects on jobs, earnings, and sales during the construction phase of the Project, which we estimate for the entire County. It also includes ongoing impacts related to household spending and the operations of the Project, which we estimate for the City.²

Methodology

Both one-time, construction-phase impacts and ongoing, operation-phase impacts have “Direct” and “Indirect” components. For the construction phase:

- Direct: Jobs, wages, and sales that occur on-site related to labor and materials used in the construction of the Project.
- Indirect: Jobs, wages, and sales caused by the Direct impacts, and result from business-to-business purchases (e.g. a contractor buying a piece of equipment from a dealer) and from employees spending a portion of their wages locally.

For the operation phase:

- Direct: Jobs, wages, and sales created from the operations of the Project (e.g. on-site employment of maintenance personnel) and from new household spending occurring because of the Project.
- Indirect: Jobs, wages, and sales caused by the Direct impact, such as business-to-business purchases (e.g. a grocery store serving the new households buying goods from a distributor) and from employees of such businesses spending a portion of their wages locally.

To estimate the Direct and Indirect impacts, MRB Group employs the Emsi³ economic modeling system. We used data from SWBR, and from publicly-available and proprietary data sources as inputs to the Emsi modeling system. Where needed, we adjusted the Emsi model to best match the Project specifics. We then reported the results of the modeling.

² By their nature, construction-related impacts tend to be somewhat more diffuse, which is why we report them as County-level impacts. City-level impacts are measured based on 8 ZIP codes, which closely approximate the City. A full list and map of these ZIP Codes is included in the Appendix.

³ Emsi, formerly “Economic Modeling Systems, Intl.,” uses data from the US Bureau of Labor Statistics, the US Bureau of Economic Analysis, the US Census, and other public data sources to model out economic impacts.

Construction Phase

Construction Spending In Region

	\$ Total	% County	\$ County
Residential	\$271,730,885	80%	\$217,384,708
Commercial	\$84,541,922	80%	\$67,633,538
Total	\$356,272,808		\$285,018,246

Source: MRB

Using CoStar’s best-in-class real estate data on assessment values throughout the City, we estimated an approximate assessment value for the residential and commercial components of the Project. We compared recent deliveries within the City, of a similar size and end-use, for buildings constructed after 2015. Given our analysis of the comparable developments, we arrive at a total assessed value of \$356.3 million for the proposed Project. We use this estimated assessment as a proxy for the approximate cost to construct the Project at its current specifications. From there, we conservatively assume that roughly 80% of the construction spending will be spent in the County. As shown in the table above, we use an estimated in-County construction spending of \$217.4 million for residential and \$67.6 million commercial, for a total of \$285.0 million.

For the Project’s residential component, we used construction spending of \$217.4 million (direct “Sales” in the first table) in Albany County as an input into the Emsi economic modeling system. According to the model, this spending will create 2,362 direct jobs and approximately \$91.6 million direct earnings. Indirect impacts resulting from direct spending were then modeled, with 428 new jobs, \$26.6 million in new earnings, and \$76.7 million in new sales. Therefore, the total one-time construction-phase impacts would be 2,791 jobs, \$118.2 million in wages, and \$294.1 million in sales.

Construction of the commercial space was modeled using the same methodology. According to the commercial model, \$67.6 million in construction spending will yield a total of 352 jobs, \$36.8 million in earnings, and \$91.6 million in sales.

The third table to the right displays the combined impact of the construction of the commercial and residential portions of the Project. In total, we estimate the construction phase impact of the Project will generate 3,143 jobs, \$155.0 million in earnings, and \$385.7 million in sales.

Economic Impact of Construction Phase, One-Time - Residential

	Direct	Indirect	Total
Jobs	2,362	428	2,791
Earnings	\$91,577,357	\$26,627,497	\$118,204,854
Sales	\$217,384,708	\$76,702,776	\$294,087,484

Source: Emsi, MRB

Economic Impact of Construction Phase, One-Time - Commercial

	Direct	Indirect	Total
Jobs	218	134	352
Earnings	\$28,450,241	\$8,322,187	\$36,772,428
Sales	\$67,633,538	\$23,968,308	\$91,601,846

Source: Emsi, MRB

Economic Impact of Construction Phase, One-Time - Combined

	Direct	Indirect	Total
Jobs	2,581	562	3,143
Earnings	\$120,027,598	\$34,949,684	\$154,977,282
Sales	\$285,018,246	\$100,671,084	\$385,689,330

Source: Emsi, MRB

Operation Phase

An important distinction between construction and operation phase impacts is the geographic level at which impacts are measured. Because the operational impact will be significantly more localized relative to the County-level construction impacts, the economic impact of the operation phase was considered at the City level. In this case, we have used 8 local ZIP codes to approximate the City's boundaries, as ZIP codes are the smallest unit of geography considered in our economic modeling system (see Appendix.)

Operation phase impacts come from the effects of net-new household spending from the new units being brought onto the market by the Project and the employment at the new commercial developments resulting from the Project. Using comparable multi-family developments of a similar size within the City, we estimate the Project's 5.3 million square feet of residential space would support at least 5,113 residential units. We used data from the Consumer Expenditure Survey (CEX) of the Bureau of Labor Statistics as of September 2020 to estimate the annual household spending for households earning the City's median income. According to the CEX, the typical household earning \$40,000 to \$49,999 spends \$25,863 per year in the categories of goods shown. We have estimated that approximately 80% of this spending would occur in the City of Albany. As such, we estimate that the 5,113 households located within the Project would spend roughly \$105.8 million annually in the City. Below, we assess the economic impact of this household spending.

Total New Annual Household Spending

	Annual per HH Spend	% Spent in City	Units	Total Spending
Food	\$7,379	80%	5,113	\$30,185,298
Household Furnishings and Equipment	\$1,230	80%	5,113	\$5,031,565
Apparel and Services	\$1,837	80%	5,113	\$7,514,622
Transportation	\$6,776	80%	5,113	\$27,718,604
Healthcare	\$4,374	80%	5,113	\$17,892,735
Entertainment	\$1,867	80%	5,113	\$7,637,343
Education	\$521	80%	5,113	\$2,131,256
Personal Care Products and Services	\$570	80%	5,113	\$2,331,701
Miscellaneous	\$808	80%	5,113	\$3,305,288
Other	\$501	80%	5,113	\$2,049,442
Total	\$25,863		5,113	\$105,797,854

Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, 2019-2020, "Table 3104. Northeastern region by income before taxes: Average annual expenditures and characteristics."

This \$105.8 million in spending would result in an estimated 1,096 new direct jobs and \$40.2 in new earnings. Taken together with an estimate of indirect impacts, total household spending impacts include 1,275 jobs, \$51.0 million in earnings, and \$134.4 million in sales.

Economic Impact, New Household Spending

	Direct	Indirect	Total
Jobs	1,096	179	1,275
Earnings	\$40,234,696	\$10,751,474	\$50,986,171
Sales	\$105,797,854	\$28,558,231	\$134,356,084

Source: Emsi, MRB

Using the proposed square footage of the commercial portion of the Project and industry standards for employee count per square foot of space, we can estimate the level of employment that the Project could support. We then use the projected employment count to model the full extent of the economic impacts of those jobs. We estimate the proposed commercial portion of the Project supports 2,493 jobs in the City.⁴ For modelling purposes we assume half of the jobs will be retail, and half will be office-using industries.

1,246 direct jobs across a group of common retail industries will generate an estimated \$28.3 million of direct earnings and \$102.0 million in direct sales.

Office space utilizing industries have slightly high multipliers when compared to retail positions. As such, we estimate 1,246 will have slightly greater economic impacts. 1,246 office-based jobs may generate \$108.0 million in earnings, and \$197.8 million in sales.

In total, these jobs would generate 3,089 jobs, earning \$172.5 million in wages, and \$391.7 million in sales.

By aggregating the impact of new household spending and operations of the facility, we see the combined impact displayed in the table to the right. As shown, we anticipate that the City would benefit from 4,364 jobs, \$223.5 million in earnings, and \$526.1 million in sales on an annual basis.

Economic Impact, Commercial - Retail + Office

	Direct	Indirect	Total
Jobs	2,493	596	3,089
Earnings	\$136,350,865	\$36,151,553	\$172,502,418
Sales	\$299,806,302	\$91,890,413	\$391,696,715

Combined Economic Impact, Residential + Commercial

	Direct	Indirect	Total
Jobs	3,589	775	4,364
Earnings	\$176,585,561	\$46,903,027	\$223,488,589
Sales	\$405,604,156	\$120,448,643	\$526,052,800

⁴ "Commercial" portion of the Project includes square footage of commercial (retail), office, and civic space.

Fiscal Impact Analysis

The Project would also have fiscal impacts in terms of new tax revenues as described below. In addition to the property tax revenue generated by the new development, we anticipate the economic spillovers associated with the Project will impact the value of surrounding property.

Property Tax Revenue

We calculate the property tax revenues generated from the Project as the estimated taxable value of the Project multiplied by the current tax rate, which we escalate each year at 2%. The Project’s taxable value is estimated at \$332.8 million. The taxable value was calculated using our previous calculation of the full market value of \$356.3 million and then applying the current uniform percentage of value of 93.4%.

As shown in the table, we estimate that the taxes on the new properties create by the Project would total \$179.0 million over the next twenty years.

Property Taxes - 20 Years

Year	Escalation Factor	Tax Rate	Taxable Value	Full Taxes
Year 1	1.000	17.985	\$332,758,802	\$5,984,640
Year 2	1.020	18.345	\$339,413,978	\$6,226,420
Year 3	1.040	18.712	\$346,202,258	\$6,477,967
Year 4	1.061	19.086	\$353,126,303	\$6,739,677
Year 5	1.082	19.467	\$360,188,829	\$7,011,960
Year 6	1.104	19.857	\$367,392,606	\$7,295,243
Year 7	1.126	20.254	\$374,740,458	\$7,589,971
Year 8	1.149	20.659	\$382,235,267	\$7,896,606
Year 9	1.172	21.072	\$389,879,972	\$8,215,628
Year 10	1.195	21.494	\$397,677,572	\$8,547,540
Year 11	1.219	21.924	\$405,631,123	\$8,892,860
Year 12	1.243	22.362	\$413,743,746	\$9,252,132
Year 13	1.268	22.809	\$422,018,621	\$9,625,918
Year 14	1.294	23.265	\$430,458,993	\$10,014,805
Year 15	1.319	23.731	\$439,068,173	\$10,419,403
Year 16	1.346	24.205	\$447,849,536	\$10,840,347
Year 17	1.373	24.689	\$456,806,527	\$11,278,297
Year 18	1.400	25.183	\$465,942,658	\$11,733,940
Year 19	1.428	25.687	\$475,261,511	\$12,207,992
Year 20	1.457	26.201	\$484,766,741	\$12,701,194
TOTAL				\$178,952,540

Property Tax Revenue – County

Based on Albany County’s current tax rate, and assuming a 2% escalation factor each year, we estimate the project will generate over \$37.5 million in tax revenue for the county as show below.

Property Taxes, County - 20 Years

Year	Escalation Factor	Tax Rate	Current Taxable Value	Full Taxes
Year 1	1.000	3.768	\$332,758,802	\$1,253,834
Year 2	1.020	3.843	\$339,413,978	\$1,304,488
Year 3	1.040	3.920	\$346,202,258	\$1,357,190
Year 4	1.061	3.999	\$353,126,303	\$1,412,020
Year 5	1.082	4.079	\$360,188,829	\$1,469,066
Year 6	1.104	4.160	\$367,392,606	\$1,528,416
Year 7	1.126	4.243	\$374,740,458	\$1,590,164
Year 8	1.149	4.328	\$382,235,267	\$1,654,407
Year 9	1.172	4.415	\$389,879,972	\$1,721,245
Year 10	1.195	4.503	\$397,677,572	\$1,790,783
Year 11	1.219	4.593	\$405,631,123	\$1,863,131
Year 12	1.243	4.685	\$413,743,746	\$1,938,401
Year 13	1.268	4.779	\$422,018,621	\$2,016,713
Year 14	1.294	4.874	\$430,458,993	\$2,098,188
Year 15	1.319	4.972	\$439,068,173	\$2,182,954
Year 16	1.346	5.071	\$447,849,536	\$2,271,146
Year 17	1.373	5.173	\$456,806,527	\$2,362,900
Year 18	1.400	5.276	\$465,942,658	\$2,458,361
Year 19	1.428	5.382	\$475,261,511	\$2,557,679
Year 20	1.457	5.489	\$484,766,741	\$2,661,009
TOTAL				\$37,492,094

Property Tax Revenue – City

Using the same methodology, the City would benefit from an estimated \$141.5 million in tax revenue over twenty years.

Property Taxes, City - 20 Years

Year	Escalation Factor	Tax Rate	Current Taxable Value	Full Taxes
Year 1	1.000	14.217	\$332,758,802	\$4,730,807
Year 2	1.020	14.501	\$339,413,978	\$4,921,931
Year 3	1.040	14.791	\$346,202,258	\$5,120,777
Year 4	1.061	15.087	\$353,126,303	\$5,327,657
Year 5	1.082	15.389	\$360,188,829	\$5,542,894
Year 6	1.104	15.697	\$367,392,606	\$5,766,827
Year 7	1.126	16.011	\$374,740,458	\$5,999,807
Year 8	1.149	16.331	\$382,235,267	\$6,242,199
Year 9	1.172	16.657	\$389,879,972	\$6,494,384
Year 10	1.195	16.991	\$397,677,572	\$6,756,757
Year 11	1.219	17.330	\$405,631,123	\$7,029,730
Year 12	1.243	17.677	\$413,743,746	\$7,313,731
Year 13	1.268	18.030	\$422,018,621	\$7,609,206
Year 14	1.294	18.391	\$430,458,993	\$7,916,617
Year 15	1.319	18.759	\$439,068,173	\$8,236,449
Year 16	1.346	19.134	\$447,849,536	\$8,569,201
Year 17	1.373	19.517	\$456,806,527	\$8,915,397
Year 18	1.400	19.907	\$465,942,658	\$9,275,579
Year 19	1.428	20.305	\$475,261,511	\$9,650,313
Year 20	1.457	20.711	\$484,766,741	\$10,040,185
TOTAL				\$141,460,446

Additional Property Tax Revenue from Surrounding Property

We estimate that the assessment values of properties surrounding the Project will increase, ultimately leading to an increase in tax revenues for the City. The table to the right shows the average assessment per square foot for older properties surrounding the City’s riverfront. Many of the properties in the surrounding area, especially in direct proximity of I-787, were built decades ago and have not seen significant investment in renovation. In general, the property values for these buildings are notably lower than new builds.

The table on the following page displays a hypothetical scenario in which properties surrounding the Project see a 10% increase in their taxable value.

This scenario holds constant the building size and property type (residential and commercial), similar to those proposed in the Project. The difference is the assessed value per square foot (SF). Before construction of the Project, the surrounding properties likely generate approximately \$65.0 million in tax revenue. Once the Project is completed, and the economic gains begin to spill over throughout the local economy, we assume the surrounding property may increase by 10%. A 10% increase would therefore yield \$71.6 million in taxes – a \$6.5 million increase.

Value of Existing Property Scenarios

	Residential	Commercial
	(value per square foot)	
Value of Existing Property	\$40	\$45
10 % Increase	\$44	\$49
20% Increase	\$48	\$54
30% Increase	\$52	\$58
40% Increase	\$56	\$62
50% Increase	\$60	\$67

Surrounding Properties - 10% increase in Assessment

Year	Escalation Factor	Tax Rate	Current Taxable Value	Full Taxes	10% Increase	10 % Increase in Taxes	Increase
Year 1	1.000	17.985	\$121,045,288	\$2,176,990	\$133,149,817	\$2,394,689	\$217,699
Year 2	1.020	18.345	\$123,466,194	\$2,264,940	\$135,812,813	\$2,491,434	\$226,494
Year 3	1.040	18.712	\$125,935,518	\$2,356,444	\$138,529,070	\$2,592,088	\$235,644
Year 4	1.061	19.086	\$128,454,228	\$2,451,644	\$141,299,651	\$2,696,808	\$245,164
Year 5	1.082	19.467	\$131,023,313	\$2,550,690	\$144,125,644	\$2,805,759	\$255,069
Year 6	1.104	19.857	\$133,643,779	\$2,653,738	\$147,008,157	\$2,919,112	\$265,374
Year 7	1.126	20.254	\$136,316,655	\$2,760,949	\$149,948,320	\$3,037,044	\$276,095
Year 8	1.149	20.659	\$139,042,988	\$2,872,492	\$152,947,287	\$3,159,741	\$287,249
Year 9	1.172	21.072	\$141,823,848	\$2,988,540	\$156,006,232	\$3,287,394	\$298,854
Year 10	1.195	21.494	\$144,660,324	\$3,109,277	\$159,126,357	\$3,420,205	\$310,928
Year 11	1.219	21.924	\$147,553,531	\$3,234,892	\$162,308,884	\$3,558,381	\$323,489
Year 12	1.243	22.362	\$150,504,602	\$3,365,582	\$165,555,062	\$3,702,140	\$336,558
Year 13	1.268	22.809	\$153,514,694	\$3,501,551	\$168,866,163	\$3,851,706	\$350,155
Year 14	1.294	23.265	\$156,584,987	\$3,643,014	\$172,243,486	\$4,007,315	\$364,301
Year 15	1.319	23.731	\$159,716,687	\$3,790,192	\$175,688,356	\$4,169,211	\$379,019
Year 16	1.346	24.205	\$162,911,021	\$3,943,316	\$179,202,123	\$4,337,647	\$394,332
Year 17	1.373	24.689	\$166,169,241	\$4,102,625	\$182,786,166	\$4,512,888	\$410,263
Year 18	1.400	25.183	\$169,492,626	\$4,268,372	\$186,441,889	\$4,695,209	\$426,837
Year 19	1.428	25.687	\$172,882,479	\$4,440,814	\$190,170,727	\$4,884,895	\$444,081
Year 20	1.457	26.201	\$176,340,128	\$4,620,223	\$193,974,141	\$5,082,245	\$462,022
TOTAL				\$65,096,285		\$71,605,913	\$6,509,628

If the Project were to increase property values by more than 10%, the increase in tax revenue would be even greater. Shown in the table to the right are the new revenues that would result from an increase of 10% or more in values of existing properties surrounding the Project.

Potential Increase Scenarios

Increase in Revenue	
10 % Increase	\$6,509,628
20% Increase	\$13,019,257
30% Increase	\$19,528,885
40% Increase	\$26,038,514
50% Increase	\$32,548,142

Sales Tax Revenue, Construction Phase

As our economic impact analysis states, we anticipated approximately \$120.0 million in total new earnings in the County during the construction phase of the project. We assume 70% of the newly generated earnings will be spent in Albany County. From there, we estimate 25% of that spending amount will be subject to the sales tax. Applying the County’s sales tax rate of 4.00%, we conclude that the construction phase earnings will likely lead to approximately \$840,193 in County sales tax revenue.

Sales Tax Revenue, Operation Phase

We estimated \$223.5 million in total new earnings and \$105.8 million in new household spending occurring annually within the County during the operation phase. Using the same methodology as above, we estimate the project will result in \$2.3 million in annual sales tax revenue to the County. Escalated at 2%, this totals \$56.0 in revenue over the next 20 years.

Sales Tax Revenue - Construction Phase

Line	Value
Total New Earnings	\$120,027,598
% Spent in County	70%
\$ Spent in County	\$84,019,319
% Taxable	25%
\$ Taxable	\$21,004,830
County Sales Tax Rate	4.00%
\$ County Sales Tax Revenue	\$840,193

Source: MRB

Sales Tax Revenue - Operation Phase

Line	Value
Total New Earnings	\$223,488,589
Total New Household Spending	\$105,797,854
% Spent in County	70%
\$ Spent in County	\$230,500,510
% Taxable	25%
\$ Taxable	\$57,625,127
County Sales Tax Rate	4.00%
\$ County Sales Tax Revenue	\$2,305,005
Revenue Over 20 Years	\$56,005,561

Source: MRB

New Sales Tax Distributions to the City

The County’s sales tax revenues are distributed to its constituent cities and towns according to a set distribution formula⁵ based on population. Therefore, to the extent that the Project increases the population of the City, the City would receive additional sales tax distributions from the County.

By using the population figure of 99,224 for the City of Albany from the 2020 US Census, we can estimate the anticipated population increase and subsequent sales tax distribution stemming from the Project. Under the assumption of 1.5 persons per household, the 5,113 housing units will attract approximately 7,760 residents to the City of Albany, representative of an approximate 7.7% increase in population.

Noting that the City has budgeted \$35.6 million in “sales and use tax” revenues in its 2021 budget, we can estimate the proportional increase in sales tax distributions, relative to the population increase. We estimate that the Project will lead to \$2.8 million in new annual City revenues from these sales tax distributions from the County. Escalating this at 2% per year, we arrive at a 20-year increase of \$66.8 million.

New Sales Tax Distributions to City

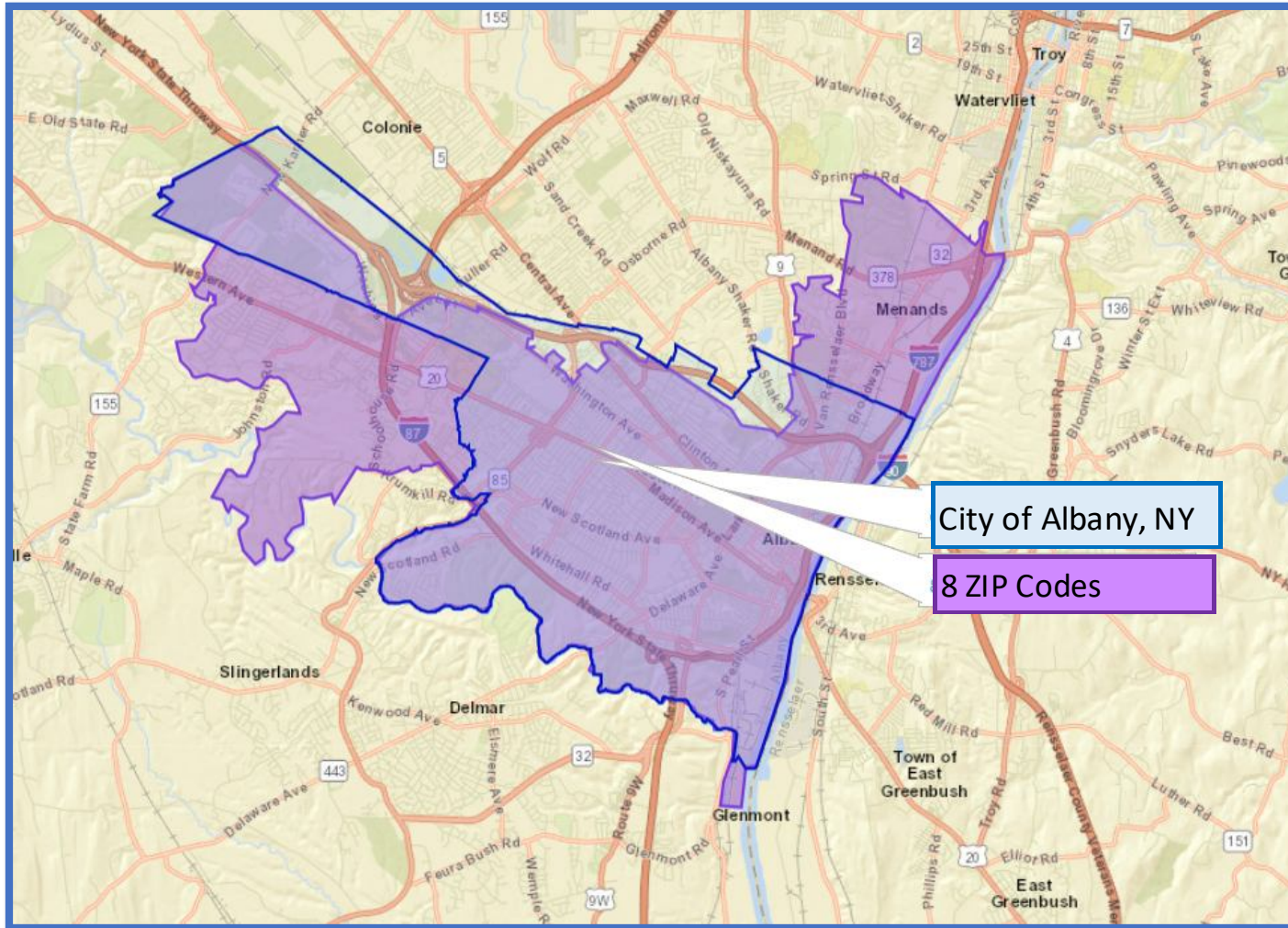
Line	Value
Population (2020 Census)	99,224
New Households	5,113
Persons per HH	1.5
New Persons	7,670
% Increase in Population	7.73%
Sales Tax Distributions to City (2021)	\$35,582,773
Increase in Distributions to City (est.)	\$2,750,567
Distribution Over 20 Years	\$66,831,552.89

Source: City 2021 Budget, US Census, MRB.

⁵ Of the overall 4.00% tax rate imposed by the County: “The County retains 60% and distributes 40% to the cities and towns on the basis of published decennial population figures.” Source: “Local Government Sales Taxes in New York State: 2015 Update.” New York State Comptroller, Division of Local Government and School Accountability, March 2015.

Appendix

City of Albany ZIP Code Approximation



Albany ZIP Codes

Code
12202
12203
12204
12206
12207
12208
12209
12210