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August 18, 2021

Mr. Conor Eckert, Executive Director
Town of Montgomery Industrial Development Agency
110 Bracken Road
Montgomery, New York 12549

RE: Walden Construction Enterprise LLC – Town of Montgomery IDA Application

Dear Conor:

This correspondence is submitted in response to the Village of Walden's letter to the Agency dated August 17, 2021 regarding the application of Walden Construction Enterprise LLC (the "Company"). The Village currently realizes approximately \$2,817 per year in taxes from the tax map parcels that comprise the Company's proposed project site. In accordance with the 10-year PILOT schedule for senior housing projects specified in the Agency's Uniform Tax Exemption Policy, the Company's PILOT payments to the Village would be eight times greater than the existing taxes paid to the Village. The Village would receive approximately \$235,653 in PILOT payments rather than \$28,170 over ten years. Additionally, the Village would receive water and sewer rents for 69 new units and special assessments based on the increased assessed value.

The Company further offers Village and Town senior residents capped rent during the term of the PILOT at 30% of the median income for the Village of Walden minus \$150 per month allocated for utilities. The capped rent results in collective savings to local senior residents during each year of the PILOT of up to \$408,000 and up to \$4,080,000 over ten years. In comparison, the PILOT would cost the Village \$253,593 over ten years. The estimated total cost of the PILOT to all taxing jurisdictions, including the Village, Town, County and School, over ten years is \$902,226, which is less than the estimated total PILOT payments to the taxing jurisdictions over the same time period of \$929,355.

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The applicant is subject to the Agency's Local Labor Policy when financial assistance is granted. Under the Local Labor Policy, the applicant commits to at least 85% of the estimated 170 construction jobs being held by local residents. Permanent employees also will be recruited locally as provided in the Company's application to the Agency.

The Agency's conservative cost benefit analysis shows that the direct benefits derived from the project outweigh the costs by a ratio of 2 to 1. The concentration of senior residents in the Village with disposable income creates a catalyst for local business activity, as the residents will be within walking distance of restaurants, entertainment, and shopping. Supporting the financial viability and sustainability of the project benefits the entire community.

Sincerely,

/s/ Michelle Kennedy

Michelle Kennedy

cc: Walden Construction Enterprise LLC
Richard Golden, Esq., IDA Counsel
Ashley Torre, Esq., IDA Counsel