

165 Overlook Road

Project Address

165 Overlook, Poughkeepsie, NY 12601

Project Description

165 Overlook Road, LLC, a New York State limited liability company, will redevelop a former retail, commercial & residential (mixed-use) property into a multi-family residential community in the Town of Lagrange. The project entails the construction of 91 market rate rental housing units and the renovation of an existing barn.

The property has been vacant since 2005.

Agency Request

- Mortgage Tax Exemption
- Sales Tax Exemptions
- Real Property Tax abatement

Cost-Benefit Analysis

- Project Costs is \$22,829,500
- Extent to which project would create and/or retain private sector jobs – The project is expected to create 4 new FTEs after 2 years of construction completion.
- Estimated Hourly Wage Average and Range: \$23/hour, estimated range of \$19/hour to \$27/hour
- Estimated value of tax exemption

Property Tax Incentive	\$1,545,642
Sales Tax Exemption	\$597,185
Mortgage Recording Tax	\$63,375
TOTAL	\$2,206,202

- This project will invest in an existing vacant property and once completed will increase property taxes in the future.

New Tax Revenue Estimated

Current Assessed Taxable Value	Current Year Taxes	Estimated New Taxable Assessed Value	PILOT Revenue over 15 year period	Projected Tax Revenue Upon PILOT expiration
\$1,152,000	\$47,002	\$6,562,500	\$3,084,670	\$335,626

The addition of new households occupying the 91 market rate rental units will contribute to increased sales tax revenue from indirect spending on retail, restaurants and cultural activities in the county.

- Other benefits that might result from the project:

Redevelopment Development / Neighborhood Revitalization – The project is a redevelopment project on a highly visible corner, replacing dilapidated buildings that have been vacant for over 14 years.

Housing – The project will add 91 market rate rental units towards filling unmet demand as indicated in the 2018 Dutchess County Housing Report. The report indicated that the rental market vacancy rate of was 1.5 percent, the lowest it has been since 2000, and in line with the below-average rates we’ve seen over the past 20 years. Housing experts recognize a 5 percent vacancy rate as an indicator of a healthy rental market. The vacancy rate in 2018 was less than one-third of what is considered a healthy indicator.

In addition, when companies contemplate a relocation, they often consider the range of availability of housing options. The lack of housing options can be a competitive disadvantage because of the subsequent difficulty of attracting and retaining workers.

Increased Town Infrastructure – The property currently uses a septic system. As part of the project the applicant will construct an extension to the Town’s sewer system with a separate pump station. The new system will have extra capacity to support additional development in adjacent properties.