

## **SUMMARY**

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### **SOUTH TROY WORKING WATERFRONT REVITALIZATION PLAN**

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                          Durham, NH**

**For:                   River Street Planning &  
                          Development, LLC  
                          Troy, NY**

## **INTRODUCTION**

The South Troy Working Revitalization Plan was generated by RKG Associates for River Street Planning & Development to assist the City of Troy in preparing a redevelopment, revitalization, and economic development plan for the City. This document addresses economic and real estate redevelopment strategies for the South Troy Waterfront industrial area. A more detailed study entitled “Economic and Real Estate Market Study for the City of Troy” supports the Revitalization Plan and is issued under separate cover.

The Plan covers what is called the South Troy Waterfront, which is composed of a mix of heavy industrial, residential, institutional, and vacant land and buildings. It contains approximately 180 acres, 61 parcels, 1.34 million square feet of development, and an assessed value of \$13.18 million – 2.6% of the City’s total. Per acre assessed value averages \$73,200, versus \$90,700 for the entire City. The waterfront is divided into three separate redevelopment zones, depicted on Figure 1 and summarized on Table A.

**Summary Table A: Selected Characteristics of the South Troy Waterfront by Redevelopment Zone**

	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>TOTAL</u>
Acres	32.68	54.33	88.47	175.48
Existing SF	473,606	434,959	432,088	1,340,653
Est. Fair Market Value (\$000s)	\$17,452.4	\$7,142.0	\$25,446.1	\$50,040.5

**Note:** The Scolite property (5.5 acres) is dedicated for recreation / buffer and is included above.

**Source:** RKG Associates, Inc.

**Summary Table B: Costs of the Recommended Plan and Cumulative “Returns”  
(Year 2000 \$ in millions)**

<u>Years</u>	<u>Cost of Plan</u>	<u>Jobs</u>	<u>Wages</u>	<u>Property Tax</u>	<u>Commercial SF</u>
1 through 5	\$59.87	NA	NA	NA	NA
6 through 10	\$48.71	305	\$11.37	\$0.24	217,500
11 through 15	\$48.87	1,379	\$47.48	\$1.26	731,000
16 through 20	\$28.23	2,149	\$72.21	\$2.04	1,027,000
<b>TOTAL</b>	<b>\$186.69</b>	<b>2,149</b>	<b>\$72.21</b>	<b>\$2.04</b>	<b>1,027,000</b>

**Note:** Excludes \$2.50 million contingency fee, as it has not been allocated to any one five year increment.

**Source:** RKG Associates, Inc.

## **REDEVELOPMENT PLAN AND COSTS**

Resulting from a lengthy process of economic analysis, consultations, and public review, a recommended redevelopment plan emerged. This “Preferred Use Alternative” divides the Waterfront into 56 acres of open greenspace and recreation; 50 acres of roads, rights-of-way, and buffer; and 75 acres of commercial development. Overall goals include enhancement of existing residential areas, roadway and infrastructure improvements, creation of new recreation / open space, relocation of existing and attraction of new businesses, enhancement of City tax base and revenues, and general revitalization of the Waterfront area. Objectives towards those goals include: site acquisition and selective demolition, environmental remediation, flood plain protection, roadway and parking construction, and new commercial development.

Total costs over 20 years are projected at \$189.2 million. Sources include City budget outlays, land sales, federal and state grants and loans, private investment, and private mortgage lending. Table III-C-1 summarizes implementation costs and funding sources. Of note is the City’s share of \$13.5 million (7%) – or \$1 for every \$13.50 from other sources. With full implementation and buildout, the City’s return on investment is projected at 15.1% as property tax revenues, employment, wages, and sales tax revenues will rise appreciably. Table B summarizes costs, jobs, wages, property taxes, and construction over 20 years.

A comprehensive study entitled, "Citywide Economic Development Strategy and Implementation Plan for the City of Troy, New York," issued under separate cover, concludes that an \$11.5 million investment by the City throughout remaining neighborhoods would result in greater property tax receipt growth, yielding a 75% return on investment. This argues that the City should not concentrate all its redevelopment funds in one neighborhood in any given year.

The large state and federal expenditures are also of note. These are needed to fund the preliminary site development measures (land assemblage, demolition, remediation, flood protection, road construction, etc.) that private developers would not be willing to cover. Funding sources include: US Department of the Interior, USDOT, USEPA, NYSDEC, USACOE, USHUD, NYS Legislature, Empire State Development Corporation, New York Business Development Corporation, Hudson River Foundation, and others.

**Table III-C-1: Comparison of Funding Requirements and Sources of Funds for the South Troy Working Waterfront (Year 2000 \$ in millions)**

<b>Use of Funds</b>	<b>\$</b>	<b>%</b>	<b>Source of Funds</b>	<b>\$</b>	<b>%</b>
Acquisition	\$50.04	26.45%	Conventional Mortgages		
Demolition	\$13.41	7.09%	Commercial /1.	\$70.41	37.22%
Brownfields	\$21.65	11.44%	Residential /2.	\$1.11	0.59%
Seawall	\$0.58	0.31%			
Construction:			Equity:		
New Buildings	\$73.05	38.61%	Commercial /1.	\$17.60	9.30%
Parking	\$5.21	2.75%	Residential /2.	\$0.02	0.03%
Green, Open	\$2.53	1.34%	Subsidized Mortgages	\$4.00	2.11%
Street	\$14.72	7.78%	CDBG	\$1.00	0.53%
Marketing	\$0.50	0.26%	Grants:		
Management	\$5.00	2.64%	Federal	\$30.75	16.25%
Contingency	\$2.50	1.32%	State	\$30.75	16.25%
<b>TOTAL</b>	<b>\$189.19</b>	<b>100.0%</b>	NYS DOT	\$15.00	7.93%
			City of Troy:		
			Operating Budget	\$9.50	5.02%
			TIF	\$4.00	2.11%
			Land Sales /3.	\$3.69	1.95%
			In-Kind /4.	1.36	0.72%
			<b>TOTAL</b>	<b>\$189.19</b>	<b>100.0%</b>

**Note: /1.** Reflects South Troy Waterfront Zones 1, 2 and 3 and component of Downtown Neighborhood.

**/2.** South Troy Waterfront, Zones 1, 2 and 3 and component of residential waterfront not in these zones.

**/3.** Land sales at "new" waterfront for commercial acreage estimated to be \$50,000 per acre.

**/4.** In-kind includes donations, typically non-monetary, but not without a monetary value. For example, local lumber yards and paint suppliers donating labor and supplies.

**Source: River Street Planning & Development and RKG Associates, Inc.**







## **ORGANIZATION**

Directing and managing the redevelopment effort will require the active involvement of the City along with contributions from other existing organizations. The Plan also recommends the formation of a Redevelopment Authority to oversee the process and to seek developers. It would operate somewhat autonomously, have the power of eminent domain, and have access to public and private sector funding.

Alternatives might be to utilize another existing development authority like the Rensselaer County IDA, Troy Housing Authority, Albany Port District Commission, a private sector master developer, or a private entity like RPI with development experience (Tech Park).

## **MARKETING PLAN**

Essential to the success of the redevelopment is a marketing and communication plan that would establish a positive image of Troy and attract developers and investors to the Waterfront. Incentives are important to attracting developers. These can include: competitive pricing; proper zoning; building density bonus; completed demolition, remediation, and infrastructure; financing incentives; job training programs with local educational institutions; expenditures to offset developer's marketing costs.

Another important marketing incentive is the Waterfront's inclusion as part of an Economic Development Zone, whereby businesses may qualify for a variety of credits, including Wage Tax Credit, Investment Tax Credit, and Zone Capital Credits, Sales Tax Refunds, Real Property Tax Abatement, Utility Rate Savings, and others.

Communicating the advantages and opportunities for commercial development in the Waterfront is another important objective. Troy is particularly suited for technology based business, distribution and transportation, indigenous manufacturing, and high end services like research and development. Tourism is also a potential attraction.

## PROJECT PHASING

The Plan recommends that the City address every key neighborhood and redevelopment initiative incrementally and simultaneously, avoiding concentrating all resources in one effort during any given year. For the Waterfront, a phased plan is outlined, dividing the work into three stages: years 1-5, 6-10, and 11-20.

During the initial 5 years, the focus is to establish site control through acquiring options, initiating demolition, environmental / remediation, infrastructure improvements, and implementing green and recreation space in Zone 1. Specific pre-development actions by the City include:

- 1) Commit to Plan, establish base funding, and communicate intentions.
- 2) Establish a Redevelopment Authority.
- 3) Acquire options for site control in all zones.
- 4) Develop a code compliance program.
- 5) Acquire funding.
- 6) Work with existing businesses to establish potential relocation expenses.
- 7) Begin marketing efforts and search for developers.
- 8) Engage local colleges in the project, particularly Zone 1.

During years 6-10 objectives include completing all road improvements, realizing 50% build-out of Zone 3, acquiring remaining Zone 1 properties followed by demolition and remediation, acquiring 50% of Zone 2 with demolition and remediation.

During years 11-20, objectives include completing build-out in all Zones.

Tables C, D, E, and F summarize these phases and associated costs.

**Table C**

**Recommended Implementation and Phasing Schedule for Years 1 through 5: South Troy Working Waterfront Revitalization Plan**

<b>Redevelopment Actions</b>	<b>Estimated Costs in millions \$</b>	<b>Estimated Funds Remaining (mill\$)</b>	<b>Source(s) %</b>
Zone 3 Acquisition	\$25.45	\$24.59	49.1% City of Troy, Federal and State, Grants
Zone 3 Demolition	\$4.32	\$9.09	67.8% City of Troy, Grants
Zone 3 Brownfields	\$20.98	\$0.67	3.1% Federal and State, Grants
Zone 3 Seawall	\$0.58	\$0.00	0.0% Federal and State, Grants
<b>Subtotal</b>	<b>\$51.33</b>		
Zone 1 Acquisition for 9.8 Acres as Green, Open	\$5.23	\$19.36	38.7% City of Troy, Grants
Zone 1 Demolition	\$1.42	\$7.67	57.2% City of Troy, Federal and State, Grants
Zone 1 Green, Open	\$0.49	\$2.04	80.7% City of Troy, Grants
<b>Subtotal</b>	<b>\$7.14</b>		
Marketing	\$0.15	\$0.35	70.0% City of Troy, In-Kind
Management	\$1.25	\$3.75	75.0% City of Troy, Grants
<b>Total Yrs. 1-5</b>	<b>\$59.87</b>	<b>31.6%</b>	<b>Percent of Total Required Funding</b>

**TABLE D**

**Recommended Implementation and Phasing Schedule for Years 6 through 10: South Troy Working Waterfront Revitalization Plan**

<b>Redevelopment Actions</b>		<b>Estimated Costs in millions \$</b>	<b>Estimated Funds Remaining (mill\$)</b>	<b>Source(s) %</b>
All	Road Construction	\$7.11	\$7.61	51.7% NYSDOT
Zone 3	Streetscape	\$3.96	\$3.65	24.8% NYSDOT
Zone 3	Green, Open	\$1.77	\$0.27	10.8% City of Troy, Grants
<b>Subtotal</b>		<b>\$12.84</b>		
Zone 1	Acquisition	\$12.22	\$7.14	14.3% City of Troy, Federal and State Grants
Zone 1	Demolition	\$3.32	\$4.35	32.4% City of Troy, Federal and State Grants
Zone 1	Brownfields	\$0.33	\$0.33	1.5% Federal and State, Grants
<b>Subtotal</b>		<b>\$15.87</b>		
Zone 2	Acquisition	\$3.57	\$3.57	7.1% City of Troy, Federal and State Grants
Zone 2	Demolition	\$2.17	\$2.17	16.2% City of Troy, Federal and State Grants
Zone 2	Brownfields	\$0.33	\$0.00	0.0% Federal and State, Grants
Zone 2	Green, Open	\$0.27	\$0.00	0.0% City of Troy, Grants
<b>Subtotal</b>		<b>\$6.35</b>		
Zone 3	Development	\$11.13	\$61.93	84.8% Private Sector, Land Sales, etc.
Zone 3	Parking	\$1.13	\$4.08	78.3% Private Sector, Land Sales, etc.
<b>Subtotal</b>		<b>\$12.26</b>		
	Marketing	\$0.15	\$0.20	40.0% City of Troy, In-Kind
	Management	\$1.25	\$2.50	50.0% City of Troy, Grants
<b>Total Yrs. 6-10 Prior</b>		<b>\$48.71 \$59.87</b>		<b>25.7% Percent of Total Required Funding 31.6% Percent of Total Required Funding</b>
<b>Running Total</b>		<b>\$108.58</b>		<b>57.4% Percent of Total Required Funding</b>
<b>Years 6-10 Return:</b>				
	<b>Jobs</b>	<b>305</b>		
	<b>Wages</b>	<b>\$11,374,792</b>		
	<b>Taxes</b>	<b>\$ 237,726</b>		

**TABLE E**

**Recommended Implementation and Phasing Schedule for Years 11 through 15: South Troy Working Waterfront Revitalization Plan**

<b>Redevelopment Actions</b>		<b>Estimated Costs in millions \$</b>	<b>Estimated Funds Remaining (mill\$)</b>	<b>Source(s) %</b>
Zone 1	Streetscape	\$1.22	\$2.43	16.5% NYSDOT
Zone 1	Development	\$13.72	\$48.21	66.0% Private Sector, Land Sales, etc.
Zone 1	Parking	\$0.74	\$3.34	64.2% Private Sector, Land Sales, etc.
<b>Subtotal</b>		<b>\$15.68</b>		
Zone 3	Development	\$11.13	\$37.08	50.8% Private Sector, Land Sales, etc.
Zone 3	Parking	\$1.13	\$2.21	42.5% Private Sector, Land Sales, etc.
<b>Subtotal</b>		<b>\$12.26</b>		
Zone 2	Acquisition	\$3.57	\$0.00	0.0% City of Troy, Federal and State Grants
Zone 2	Demolition	\$2.17	\$0.00	0.0% City of Troy, Federal and State Grants
Zone 2	Streetscape	\$2.43	\$0.00	0.0% NYSDOT
Zone 2	Development	\$11.68	\$25.40	34.8% Private Sector, Land Sales, etc.
Zone 2	Parking	\$0.74	\$1.47	28.3% Private Sector, Land Sales, etc.
<b>Subtotal</b>		<b>\$20.59</b>		
Marketing Management		\$0.10 \$1.25		20.0% City of Troy, In-Kind 25.0% City of Troy, Grants
<b>Total Yrs. 11-15 Prior</b>		<b>\$49.87 \$108.58</b>		<b>26.4% Percent of Total Required Funding 57.4% Percent of Total Required Funding</b>
<b>Running Total</b>		<b>\$158.46</b>		<b>83.8% Percent of Total Required Funding</b>
<b>Years 11-15 Return:</b>				
	<b>Jobs</b>	<b>1,075</b>		
	<b>Wages</b>	<b>\$36,104,792</b>		
	<b>Taxes</b>	<b>\$ 1,021,232</b>		
<b>Prior:</b>	<b>Jobs</b>	<b>305</b>		
	<b>Wages</b>	<b>\$11,374,792</b>		
	<b>Taxes</b>	<b>\$ 237,726</b>		
<b>Total:</b>	<b>Jobs</b>	<b>1,379</b>		
	<b>Wages</b>	<b>\$47,479,583</b>		
	<b>Taxes</b>	<b>\$ 1,258,958</b>		

**TABLE F**

**Recommended Implementation and Phasing Schedule for Years 11 through 15: South Troy Working Waterfront Revitalization Plan**

<b>Redevelopment Actions</b>		<b>Estimated Costs in millions \$</b>	<b>Estimated Funds Remaining (mill\$)</b>	<b>Source(s) %</b>
Zone 1	Development	\$13.72	\$11.68	16.0% Private Sector, Land Sales, etc.
Zone 1	Parking	\$0.74	\$0.74	14.2% Private Sector, Land Sales, etc.
<b>Subtotal</b>		<b>\$14.46</b>		
Zone 2	Development	\$11.68	\$0.00	0.0% Private Sector, Land Sales, etc.
Zone 2	Parking	\$0.74	\$0.00	0.0% Private Sector, Land Sales, etc.
<b>Subtotal</b>		<b>\$12.42</b>		
	Marketing	\$0.10	(\$0.00)	- 0.0% City of Troy, In-Kind
	Management	\$1.25	\$0.00	0.0% City of Troy, Grants
<b>Total Yrs. 16-20 Prior</b>		<b>\$28.23 158.46</b>		<b>14.9% Percent of Total Required Funding 83.8% Percent of Total Required Funding</b>
<b>Running Total Contingency</b>		<b>\$186.69 \$2.50</b>		<b>98.7% Percent of Total Required Funding 100.0%</b>
<b>Years 16-20 Return:</b>				
	<b>Jobs</b>	<b>770</b>		
	<b>Wages</b>	<b>\$24,730,000</b>		
	<b>Taxes</b>	<b>\$ 783,506</b>		
<b>Prior:</b>	<b>Jobs</b>	<b>1,379</b>		
	<b>Wages</b>	<b>\$47,479,583</b>		
	<b>Taxes</b>	<b>\$ 1,258,958</b>		
<b>Total:</b>	<b>Jobs</b>	<b>2,149</b>		
	<b>Wages</b>	<b>\$72,209,583</b>		
	<b>Taxes</b>	<b>\$ 2,042,463</b>		

## **MONITORING**

Throughout the process, it is important that the implementation plan be monitored. One objective is to establish a framework for reviewing costs and benefits of any one development opportunity in comparison with another. A second is to assess the opportunity costs of not implementing the Plan.

Table IV-A-1 presents a fiscal /employment model for comparing alternative development projects.

Regarding opportunity costs, the Plan concludes that the City should continue to invest in both its residential and commercial tax base. Currently Troy has a residential imbalance that adversely affects the City's fiscal situation. The Waterfront Plan's emphasis on commercial and industrial uses is in response to this situation.

Redevelopment as envisioned in the Plan will result in numerous tax, wage, and employment benefits for the City.

**Tble IV-A-1: Recommended Fiscal /Employment Model for Comparing Alternative Development Projects and Impacts for the South Troy Working Waterfront (Year 2000 \$ in millions)**

<b>Characteristic</b>	<b>Impact or Return per Developed Acre</b>
Employment	30 positions
Wages	\$975,000±
Development	14,000± Square Feet of building improvement
Assessment	\$475,000± (net change over current assessment)
Property Tax	\$28,000±(net change over current contribution)

**Source: RKG Associates, Inc.**