



Saratoga mill getting fresh start as apartments, restaurant

County IDA approves tax agreement to allow \$59 million project to go forward

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Photo: Provided

An interior shot of Victory Mill in Victory, NY.

VICTORY — A developer looking to turn a crumbling industrial relic into an apartment complex won the approval he needs to go forward. The Saratoga County Industrial Development Agency approved a 30-year, payment-in-lieu-of-taxes agreement Tuesday for Victory Mills, a former paper mill on the banks of Fish Creek, along the eastern edge of the county. The mill last

operated in 2000 and has been empty ever since. It is five stories and 220,000 square feet, a seemingly indestructible behemoth made of concrete and old-growth timber.



Regan Development Corp. specializes in renovating old buildings using a combination of state and federal funding. The plan for Victory Mills is to build 186 apartments and a brewpub inside the 100-year-old building. Regan is based in Westchester County.

Rent on the apartments will range from one-bedrooms for \$675 per month to two-bedrooms for \$1,115 per month. The mix of prices is meant to provide affordable, workforce and market rent housing, said company president Larry Regan. The Saratoga County Prosperity Partnership is currently in talks with prospective tenants for the brewpub portion of the project.

Victory is named for the outcome of the Turning Point of the American Revolution. It was on this site and surrounding land that soldiers led by American Gen. Horatio Gates stopped Gen. John Burgoyne's march to Albany. The factory sits in the middle of the village along Route 32, also known as Gates Avenue.

Other developers have tried and failed to get a project off the ground, but it was only this deal, which starts generating money for the community in the first year, that found support from the local school district, village, town, and county. The property owner - Riverview Realty - pays \$15,000 a year in taxes. When the project is complete and the PILOT kicks in, the payment will jump to \$160,000 per year and increase three percent each year for 30 years. "We want to bring value to the renter so they can enjoy the building and feel comfortable driving a little further to get there," Regan said.

The old mill is about 12 miles from downtown Saratoga Springs and 35 miles from Albany.

It was the terms of the PILOT, plus significant community support, that convinced the IDA board to approve the PILOT, said Scott Duffy, the agency's CEO. The tax break is what makes the numbers work for the development company, Regan said Tuesday. Regan is putting the financing together by working with the state Office of Homes and Community Renewal. Tax credits from the state Office of Historical Preservation and the Department of Environmental Conservation also play into the deal. The DEC has labeled the site a brownfield, which means the soil is contaminated. Early tests show the soil contains petroleum, Regan said.

A proposal by Uri Kaufman, president of Riverview Realty, fell through in 2015 when the Saratoga Town Board voted against it. Kaufman's company owns the property and he is working with Regan on the development.

"The IDA usually sees projects in more robust areas of growth in the county," Duffy said. "This was an opportunity to touch a part of the county that doesn't always get this kind of opportunity. All the communities will benefit and smaller businesses will benefit."

Regan's history of making projects like this one work - most recently he converted World War II-era shoe factories into apartments in Broome County - also carried weight, Duffy said.



A sense of urgency also played into the IDA's approval. Holes in the roof have made the building vulnerable.

"In part of the building it seems like you're outside," Regan said.

Village Mayor Patrick Dewey likes to say if a tornado came through, everyone else in the village would be wiped out but the mill would remain standing. It's still true, Dewey said, but it's time to act before it's too late to save the building. Dewey supports Regan's project because it will not only bring newcomers to the village, but will also preserve its identity.

Regan said he will send a crew to fix the roof immediately, but major work is unlikely to start for another year while Regan works through the funding process with the state Office of Homes and Community Renewal.

"It's a big undertaking, a big deal that only works if everyone buys in together," Regan said. "The state, the county, village and town all came together to save the building in a way that works for everyone."