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NEWS

New apartment proposal for Victory Mills in Saratoga County

\$60M proposal would require local approval, state and federal tax credits

John Cropley | [December 11, 2019](#)



Victory Mills in the village of Victory in the town of Saratoga.

PHOTOGRAPHER: PHOTO PROVIDED

VICTORY — The long-vacant mill building that dominates the landscape in the tiny Saratoga County village of Victory would become a 186-unit apartment complex with an on-site microbrewery under a plan announced Wednesday.

It's a reboot of a long-stagnant apartment proposal by a different developer, and it relies on approval of four separate tax credits. But the track record of the new developer in securing those state and federal credits and completing nearly \$400 million worth of residential projects is giving local, county and state officials new hope that the crumbling landmark will be saved and repurposed.

The \$60 million proposal already has support from the county: The Saratoga County Industrial Development Agency has unanimously approved a 30-year payment-in-lieu-of-taxes deal that will save the developer money while providing 23 times more revenue to municipalities than is currently paid in taxes. The Saratoga County

Prosperity Partnership is working with Regan Development of Westchester County on the project at the 101-year-old, 230,000-square-foot Victory Mills.

The five-story concrete building between Gates Avenue and Fish Creek has been idle for two decades. Long Island developer Uri Kaufman bought it out of tax foreclosure in 2008 with a vision of converting it into 98 upscale apartments but apparently has been unable to make the financing work. The plan languished and the mill deteriorated to the point that the village sued him in early 2018, seeking to force demolition.

Kaufman has a mixed record in The Capital Region: He has completed successful housing conversions of the Harmony Mills complex in Cohoes and the Albany International site in Menands but his lengthy attempt to turn the Chalmers Mill complex in Amsterdam into apartments failed in the wake of the Great Recession — the city of Amsterdam got tired of waiting and demolished it. Kaufman's plan to redevelop the old Mohawk Furniture Company factory in Broadalbin never really got off the ground. Kaufman is still the owner of Victory Mills and he will retain an equity stake in Regan's project, according to Marty Vanags, president of the Prosperity Partnership. But he will be a silent partner.

Vanags is excited about the new plan. "What's going to be really beautiful is going to be on the creek side of the building," he said. "The windows there are floor-to-ceiling, literally." Vanags is optimistic that Larry Regan and his development company will pull together the necessary funding for the project. "Regan has done these projects all over the Northeast, so he's familiar with the process and the people involved," Vanags said.

Other historic buildings converted to apartments by Regan Development include the former Packard dealership/regional distribution facility in Buffalo, an armory in White Plains, and the old Maidenform bra factory in Bayonne, New Jersey. Regan will be competing for two types of state and federal tax credits: historic preservation and affordable housing. The project should qualify for both.

Victory Mills is listed on the National Register of Historic Places. Some of the 186 one- and two-bedroom units built there would be workforce housing, eligibility for which and rents for which are based on a percentage of median area household income. This category of housing is intended to ensure that people who work full-time but earn moderate income have access to quality housing they can afford.

As for the microbrewery, there's already interest. The Prosperity Partnership, an economic development organization, has shown the site to six potential brewers, Vanags said. Enough people are interested in going into business for themselves in the crowded-but-booming craft beer sector that securing a tenant should not be a problem, he said.

The total annual property tax bill on the site is currently \$10,800. The payment-in-lieu-of-taxes deal approved by the IDA calls for Regan to pay \$158,000 in the first year and then pay 3 percent more in each of the next 30 years for a total payment of \$7.5 million. The hulking mill built in 1918 was last used in 2000. If this latest redevelopment plan obtains all local approvals, wins the tax credits, and proceeds as envisioned, construction will begin in 2020 and a new chapter will begin for the site in 2022.