



Common Council approves PILOT for Broad Street Commons project

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A rendering of Broad Street Commons in Glens Falls is seen. The city's Common Council on Tuesday approved a payment-in-lieu-of-taxes agreement for the mixed-use affordable housing complex. Image courtesy of Regan Development Corp.

GLENS FALLS — With construction on the Broad Street Commons project nearing completion, the city's Common Council on Tuesday approved a decades-long payment-in-lieu-of-taxes agreement for the project's developers.

Regan Development Corp., which is doing business in the city as Broad Street Commons LLC, will be exempted from paying all local taxes on the 4-acre site over the next 30 years. Special assessments, like library, water and sewer taxes, will still apply.

The Westchester County-based developer will pay the city \$79,200 once construction on the affordable housing project is complete, and a 2% increase each year after that.

Currently, the property is listed as vacant on the city's tax rolls and brought in just \$5,962 in city, county and school taxes combined last year. The property was purchased by Broad Street Commons LLC for \$750,000 shortly before construction began last year.

The agreement, which still needs to be approved by the state's Housing Authority, has been in the works long before construction on the affordable housing project began last year, said Larry Regan, the project's developer.

"We negotiated that number with the elected leadership and with the community with the knowledge that this was the plan before we even put in an application for funding," he said.

The project will bring 71 units of affordable housing to the city as well as an additional 6,300 square feet of retail space between Steve's Diner and Hill Electric Co., not far from Glens Falls Hospital.

Since the two connected four-story buildings are considered an affordable housing project, a state law requires rent to remain constant over the next 40 years, which would make any unexpected increases in taxes virtually impossible to navigate, Regan said.

The PILOT, he said, ensures the city can still collect revenue while keeping expenses in check in the years ahead.

"We went to them and said, 'Look, this development only works if we have a long-term strategy to keep our expenses at a knowledgeable level,'" he said.

Last year, the project received \$4.5 million in state funding to complete the project, which is estimated to cost just under \$20 million.

The agreement will not only allow the city to develop a piece of vacant land but it will bring additional affordable housing into the city, said Ed Bartholomew, the city's director of Economic Development.

"If the city did not undertake any type of exemption on this property, the difficulty would be that the project would not have been an affordable housing project and would not have been constructed in the city of Glens Falls," he said.

Affordable housing is key to the city's economic development, Bartholomew said, before noting the project's location in the downtown vicinity makes it appealing to anyone who works at a nearby business.

"It's really a priority, and we all recognize the need to have some affordable housing in our community as well," he said.

Meanwhile, Regan said the construction is scheduled to be completed by the end of the year or early next.

He hopes to begin marketing to renters sometime by the late fall and is close to finalizing a deal to rent the property's 6,300 square feet of retail space to a local day care provider.

"We're very pleased to become members of the community," Regan said.