

PROJECT EVALUATION and COST/BENEFIT ANALYSIS

(As required by Section 869-A3 of New York General Municipal Law)

Project Applicant: **Vecino Group New York, LLC/Potsdam Congdon Hall, Project #4001-25-03**

Project Types and Evaluation Criteria: The Agency, in its discretion, shall evaluate each project type below based on the totality of applicable factors, taking into account the total economic impact, and no one factor may be determinative. In any case where a project may be categorized by more than one type listed below, the evaluative criteria for each applicable project type should be applied to the applicable component of the project.

- 1) Manufacturing/Warehousing/Distribution Projects
- 2) Agricultural/Food Processing Projects
- 3) Adaptive Reuse/Community Development Projects**
- 4) Tourism Projects
- 5) Other Retail Projects
- 6) Back Office/Data or Call Center Projects
- 7) Energy Production Projects
- 8) Affordable Housing Projects**
- 9) Senior Housing Projects**
- 10) Market Rate Housing Projects
- 11) Other Projects

Adaptive Reuse/Community Development Projects

- The information provided in the Cost Benefit Analysis;
- The capital investment being made by the applicant;
- The impact, if any, from local labor construction for the project;
- Increased property value of the project site;
- Increased revenue, if any, to local taxing jurisdiction;
- Distressed census tracts;
- Age of structure, designation as historic site;
- Elimination of slum or blight;
- Vacancy of sight;
- LEED/Renewable resources;
- Alignment with local planning and development efforts;
- Site has delinquent taxes;
- Project/developer's return on investment;
- Impediments to conventionally finance project.

Affordable Housing Projects

- The information provided in the Cost Benefit Analysis;
- The impact, if any, from local labor construction for the project;
- The number of residents at or below median income for community;
- Market/Feasibility study;
- Distressed census tract;
- Alignment with local planning and development efforts;
- Located in areas that have inadequate affordable housing supply;
- Urban or town center location;
- Local official(s) support;
- Project/developer's return on investment;
- Impediments to conventionally financed project.

Senior Housing Projects

- The information provided in the Cost Benefit Analysis;
- The capital investment being made by the applicant;
- The impact, if any, from local labor construction for the project;
- The number of residents at or below median income for community;
- Market/Feasibility study;
- Distressed census tract;
- Alignment with local planning and development efforts;
- Urban or town center location;
- Local official(s) support;
- Located in areas that serve below median income seniors;
- Project/developer's return on investment;
- Project promotes walkable community areas;
- Impediments to conventionally finance project; and
- Project provides specific senior amenities.

Project Overview:

Vecino Group New York, LLC proposes to redevelop the 56,715 square foot Congdon Hall building on the former Clarkson downtown campus in the Village of Potsdam. Following several meetings with local elected officials, the company is seeking to transform the current, and long-time, empty building into an age restricted senior development for those aged 62 and above. The development will be an affordable housing development, utilizing the same funding streams as previously mentioned. The development will consist of 53- affordable housing units, with a combination of 1 and 2-bedroom units.

Congdon Hall's location within the village supports senior housing as it allows for a walkable environment for the seniors, with proximity to shopping, places of worship, and village offices. Specific senior amenities will include outdoor raised garden spaces, a community room, offices for onsite staff, a laundry room, mail room, fitness room, lounge areas, and a dedicated space for the St. Lawrence County Office for the Aging within the building.



Former Congdon Hall, photo from www.northcountrynow.com

Vecino Group New York, LLC, a Missouri limited liability company authorized to do business in the State of New York (the “Company”), has requested the assistance of the St. Lawrence County Industrial Development Agency (the “Agency”) with a certain project (the “Project”) consisting of:

(A) the acquisition of a leasehold interest in approximately 1.7 acre parcel of land located at 56 Main Street, Village of Potsdam, Town of Potsdam, St. Lawrence County, State of New York (the “Land”), together with a three story building, containing approximately 57,000 square feet (the “Existing Improvements”); and

(B) the renovation and equipping of the Existing Improvements, including, but not limited to, construction of 53 affordable housing units, a community room, offices for onsite staff, laundry room, mail room, fitness room, lounge areas, and related improvements (collectively, the “Improvements”); and

(C) the acquisition and installation therein and thereon of related fixtures, furniture, machinery, equipment and other tangible personal property (collectively, the “Equipment” and, together with the Land and Improvements, the “Facility”), and

(D) the lease of the Agency’s interest in the Facility back to the Company pursuant to a project/leaseback agreement.

Pursuant to the Application for Financial Assistance (the “Application”) submitted by the Company, the Project will (i) entail a capital investment of approximately \$28,200,000; (ii) create 60 construction jobs during the first year associated with the construction of the Project; and (iii) create 2 full-time jobs.

The financial assistance contemplated by the Agency will consist generally of the exemption from taxation expected to be claimed by the Company as a result of the Agency taking an interest in, possession or control (by lease, license or otherwise) of the Facility, or of the Company acting as the agent of the Agency, consisting of (i) an exemption from state and local sales and use tax with respect to the construction and renovation of the Facility; (ii) an exemption from mortgage recording taxes and (iii) an exemption from general real property taxation with respect to the Facility, which exemption shall be offset, in whole or in part, by contractual payments in lieu of taxes (the "PILOT") by the Company for the benefit of the affected tax jurisdictions.

The Vecino Group is a vertically integrated affordable housing development firm with more than a decade of experience delivering high quality, mission driven communities primarily across New York, Missouri, Georgia, and Texas. The company, which was founded in 2012, focuses on pre-development, finance, construction, asset management, and property management to execute projects that meet Low Income Housing Tax Credit requirements while optimizing cost efficiency and schedule performance.

The Company, (which has over 120 employees) has more than \$400 million in tax credit equity leveraged and is very experienced in similar project development, as its portfolio includes over 2,000 affordable units placed in service, with more in construction. The company has one active project in St. Lawrence County (the “Quarry” redevelopment of the Old Snell Hall building in downtown Potsdam) and is also in the process of working with the Village of Canton to lead the redevelopment process of the former Midtown Plaza property.

With its experience with the Quarry project in Potsdam, the company has a history with the local subcontractor base and intends to hire as many local firms and source local materials as financially feasible (see “Procurement Action Plan” on the last page of this document). The company has participated in the last two Clarkson University Job Fairs as this project, along with the Canton Midtown project, will lead to several internal staff dedicated to the local area for the next two years. While Vecino Construction employs approximately 40-50 people, there will be four assigned to this project. The intent will be to use as much local labor, suppliers, and subcontractors as possible.

A Limited Scope Market Study for the Canton Midtown and Potsdam Congdon projects was undertaken by Newmark Valuation & Advisory and is attached to the project application. Additional support for the need of improved affordable housing in the region is found in the North Country HOME Consortium (Consortium) 2016-2020 Five Year Action Plan which states “*Across the Consortium as a whole there continues to be a significant demand for safe and decent affordable housing especially for the very low income levels.*” (<https://www.danc.org/home-consortium>) The Consortium is comprised of 106 out of 114 Towns and Villages that have entered into cooperative agreements to access and provide affordable housing assistance to low and moderate income households in Jefferson, Lewis & St. Lawrence Counties.

A 2025 Community Needs Assessment by the St. Lawrence County Community Development Program identified affordable housing as one of the county’s most urgent challenges. According to the Assessment, more than half of renters are cost-burdened, spending over 30% of their income on housing, while aging infrastructure and limited federal support compound the issue. Waitlists for subsidized housing are long, and many programs have closed applications due to overwhelming demand. These conditions reflect a clear need for expanded low-income housing options across the county. From the Assessment, “*Community members consistently emphasized the challenges of finding affordable housing, accessing reliable transportation, and securing stable employment. Rising costs of living combined with low wages leave many families struggling to cover basic needs. Affordable housing is limited, and when available, it is often of poor quality or located far from jobs and services.*”

Within this broader housing crisis, the need for senior-appropriate housing is especially acute. The North Country Regional Economic Development Council’s Strategic Plan highlights that the region has one of the oldest populations in New York State, with a rapidly growing share of residents over age 65 and a housing stock that is “insufficient, aging, and often inaccessible” for older adults. The NCREDC’s 2025 Annual Report further identifies a “significant shortage of diverse and affordable housing options,” including supportive and accessible units for seniors. These regional findings mirror statewide trends: New York’s senior population has grown faster than any other age group over the past decade, and state housing analyses consistently show that rural counties face the largest gaps in senior-appropriate housing, including assisted living, independent senior apartments, and homes that allow aging in place. Together, these data points underscore the urgent need for expanded, affordable, and accessible senior housing across St. Lawrence County, the North Country, and New York State as a whole.

Further evidence of alignment of this project is found within the North Country Region 2024 Annual Report created by the North Country Regional Economic Development Council, which specifically states: “*And as we work to grow the region’s workforce, the NCREDC remains committed to the need for affordable housing in the region, with thirty-seven North Country communities Pro-Housing Certified and letters-of-intent from over fifty more.*”

The Village of Potsdam is a Pro-Housing Certified community according to the New York State Office of Homes and Community Renewal. Specific information on the certification process and requirements is available at the HCR website. According to a June 2019 report issued by the Office of the New York State Comptroller entitled *Housing Affordability in New York State*, “*Housing is generally considered affordable when it consumes less than 30 percent of household income. However, for many New Yorkers housing affordability is elusive, as their monthly costs exceed this threshold – often by significant amounts.*” St. Lawrence County, according to the report, has 45.4% of rental households with rents above the affordability threshold, compared to 37.8% in the rest of New York State and 30.7% nationally.

The report concludes by highlighting the issues presented by a lack of affordable housing on residents and the economy in general, “*The lack of affordable housing for many New Yorkers, which is driven by economic trends, also impacts the State’s economy in turn. Employers may find it difficult to attract and retain well qualified workers if those individuals are unable to afford the homes they would like. Housing affordability also affects the amount of income that households have available for other nondiscretionary and discretionary spending, as well as for investments in savings or businesses. As significant numbers of households face housing costs above the affordability threshold, the consequences may include reduced potential for economic growth as well as troubling impacts on New Yorkers’ quality of life.*”

COST/BENEFIT ANALYSIS

(As required by Section 869-A3 of New York General Municipal Law)

Project Applicant: **Vecino Group New York, LLC/Congdon Hall, Potsdam**

Estimated COST of Agency Assistance

1. Sales and Use Tax Exemption

a. Amount of Project Cost Subject to Tax:		14,650,000
	Sales and Use Tax Rate	8%
b. Estimated Exemption:		\$ 1,172,000

2. Mortgage Recording Tax Exemption

a. Projected Amount of Mortgage:		26,300,000
	Mortgage Recording Tax Rate	0.75%
b. Estimated Exemption:		\$ 197,250

3. Real Property Tax Exemption

	Property Location	
	Village of Potsdam	
a. Investment in Real Property		21,620,000
b. Pre-project Assessment		132,900*
c. Projected Post-project Assessment		1,117,890*
d. Equalization Rate (for reference only)		69%
e. Increase in Assessed Value of Property		1,117,890*
f. Total Applicable Tax Rates per \$1,000		48.83
g. Estimated Taxes over PILOT Period	(RPTL 581-a)	2,234,511
h. PILOT Payments over PILOT Period		1,664,894
i. Net Exemption Amount	(g – h)	\$ 569,617*

4. Interest Exemption [Bond Only]

a. Total Estimated Interest Expense	(Assuming Taxable interest)	
b. Total Estimated Interest Expense	(Assuming Tax Exempt Interest)	
c. Interest Exemption	(a – b)	\$N/A

TOTAL ESTIMATED EXEMPTIONS

\$ 1,938,867

*Estimated exemptions are based on comparison of proposed project PILOT payments vs. New York State Real Property Tax Law Section 581-a ([N.Y. Real Property Tax Law Section 581-A – Assessment of residential real property \(2025\)](#)) estimated payments for affordable housing projects where at least 20% of the units are rented to tenants who are restricted by income limits. The PILOT provides a limited financial benefit in comparison to estimated 581-a tax payments. However, the PILOT provides a level of certainty and assists in the securing of long-term financing for the project. Additionally, the 581-a process requires an annual application and reporting process.

The property has a current assessed value of approximately \$132,900, but as it is owned by Clarkson University, the taxing jurisdictions receive no property tax payments based on this assessment. In the first five years of the proposed PILOT, the payments to the local jurisdictions will be over \$110,000, in the first 10 years the amount will exceed \$329,000 and will total over \$1.6 million over the 33 year life of the PILOT. These numbers do not include special districts taxes which are not exempted by the proposed PILOT.

Additionally, the negotiated PILOT includes as a payment escalator clause where in the event that the total residential income exceeds certain thresholds, the company shall make increased payments.

Due to the unique nature of the proposed project, the proposed PILOT represents a deviation from the standard IDA PILOT as outlined in the St. Lawrence County Industrial Development Agency’s Uniform Tax Exemption Policy. Per that Policy, the IDA has sought, and received the consent of the local affected taxing jurisdictions for the proposed PILOT.

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Estimated BENEFIT of Agency Assistance

EMPLOYMENT COMPARISON:

Do not include construction jobs relating to the Project.

- Full Time: Permanent employee who works 30 or more hours each week, and does so on a regularly-scheduled basis.
- Part Time Temporary/Seasonal: Any employee who works fewer than 30 hours each week, and does so on an occasional, temporary or as-needed basis.

Jobs	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Current Jobs	Average Annual Wage	Average Annual Benefit Cost	Number of Jobs Created Year 1	Number of Jobs Created Year 2	Number of Jobs Created Year 3	Total New Jobs Created
Full Time							
Management		\$ 48,000	\$ 9,600			1	1
Professional		\$	\$				
Administrative		\$	\$				
Production		\$	\$				
Independent Contractor		\$	\$				
Other:		\$ 42,000	\$ 8,400			1	1
Total		\$ 45,000	\$ 9,000			2	2
Part Time							
Management		\$	\$				
Professional		\$	\$				
Administrative		\$	\$				
Production		\$	\$				
Independent Contractor		\$	\$				
Other:		\$	\$				
Total		\$	\$				

ESTIMATED OTHER BENEFITS:

<input type="checkbox"/>	Sales Tax Revenue (New Product)	This project will result in the manufacturing or selling of a new product, and the estimated amount of annual sales taxes that will be generated on retail sales of the new project is \$.
<input type="checkbox"/>	Sales Tax Revenue (Existing Product)	This project will result in increased production or sales of an existing product, and the estimated amount of annual sales tax that will be generated on the retail sales of the increased production is \$.
<input checked="" type="checkbox"/>	Real Property Taxes	The amount of annual real property taxes that will be payable on the project at the end of the PILOT Agreement is \$98,844 (utilizing Projected 581-a calculation)
<input checked="" type="checkbox"/>	Construction Jobs	This project will help generate approximately 60 construction jobs.
<input checked="" type="checkbox"/>	Community and Regional Benefit	<ul style="list-style-type: none"> • <i>Revitalization of significant downtown Potsdam property</i> • <i>Creation of low-income senior housing units in the downtown core</i> • <i>Consent Resolutions provided by Town, Village, and School</i> • <i>Support of Clarkson University, current owner of the property</i> • <i>Advances North Country Regional Economic Development Council's (NCREDC) strategic objectives: to... create livable, attractive, and connected communities where people want to live, work, visit, and invest</i> • <i>Project helps address "significant shortage of diverse and affordable housing options," including supportive and accessible units for seniors highlighted in the NCREDC's 2025 Annual Report</i> • <i>Supports the Village of Potsdam's "Identity & Vision 2025" plan, which calls for "restor[ing] and maintain[ing] our historic buildings" as part of creating a vibrant, inclusive, and livable downtown</i>



Procurement Action Plan:

As a National Construction Company, Vecino Construction LLC understands the challenge of attracting local subcontractors to work on our projects. That's why we have created a culture that promotes the inclusion of as many local subcontractors in each project team as possible. Keeping true to our mission statement *Housing for the greater good*, we believe the housing we build is better when it's built by the people who will live there and their neighbors. The Action Plan we have developed below will help ensure we achieve these goals and delivery our mission statement through the construction Procurement process.

Before Permit and Bidding Due Date

- a. Targeted Local Public Solicitations. Run solicitations 60 days ahead of bid due date in local forms to include print newspapers, local social media platforms and notify local labor unions of project.
- b. Post project notification on NYS MWBE outreach directories to ensure equal opportunity fairness for all minority, women owned, and service-disabled veteran businesses as well as local businesses.

30 days Before Mobilization and Contract Procurement

- a. Hold Local Subcontractor, worker outreach gathering in neighborhood where project will be constructed with the goal of raising awareness in local community to get local subcontractor support for bidding work packages
- b. Post project on public bid forms such as Dodge, Construction journal, Bid Net, Bid Clerk, and Construction Wire.
- c. Re-post project on NYS MWBE outreach directories
- d. Hold Local MWBE outreach event in neighborhood where project will be construction to promote the project to local minority, women owned, and service-disabled veteran businesses.

During Construction

- a. Hold Pre bid walkthrough event for interested local subcontractors focusing on available scopes of work.
- b. Post signage on property for how local labor can apply to work on the project
- c. Re-post local bid solicitations
- d. Re-post NYS MWBE outreach directory solicitations.