



Patten Property Management LLC Application for **Washington Square Apartments** in Glens Falls, New York, for Investment Incentives from the Warren & Washington Industrial Development Agency

From: Chuck Barton, Chief Executive Officer

Date: August 22, 2025

The purpose of this memorandum is to set forth the facts and considerations utilized by the Counties of Warren and Washington Industrial Development Agency (WWIDA) in rendering a decision to provide financial assistance to Patten Property Management, LLC for the construction of an apartment complex located at 399 Glen Street and 10 Harlem Street in the City of Glens Falls. This document recognizes several factors considered by WWIDA and is intended to provide a concise record of the issues considered as well as the justification for the investment incentive package, if approved by the WWIDA Board.

The Glens Falls applicant, Patten Property Management, was referred to WWIDA from the Glens Falls Industrial Development Agency (GFIDA) because the applicant is proposing a 100% housing project that is not available under the GFIDA's existing Uniform Tax Exemption Policy (UTEP), whereas the WWIDA's UTEP recognizes such projects.

COMPANY DESCRIPTION

Patten Property Management sole owner, Chris Patten, was born and raised in South Glens Falls and resides in Queensbury. His experience in the building industry started early as an apprentice to roofers, flooring contractors, plumbers, and electricians. He established his company in 2017 for the purchase of 101 Broad Street in Glens Falls. Since then, the company has also purchased, renovated, and expanded properties at 274 Glen Street, 28 Union Street, 3-5 Washington Street, and Simione Court (in South Glens Falls)

for a total of 98 one- and two-bedroom apartments ranging from \$800 to \$1,650 per month.

Patten Property Management is currently constructing an additional 44 apartments at 46-56 South Street (20 units) and 10 Broad Street (24 units). Rental rates will range from \$1,325 to \$2,600, depending on location and square footage.

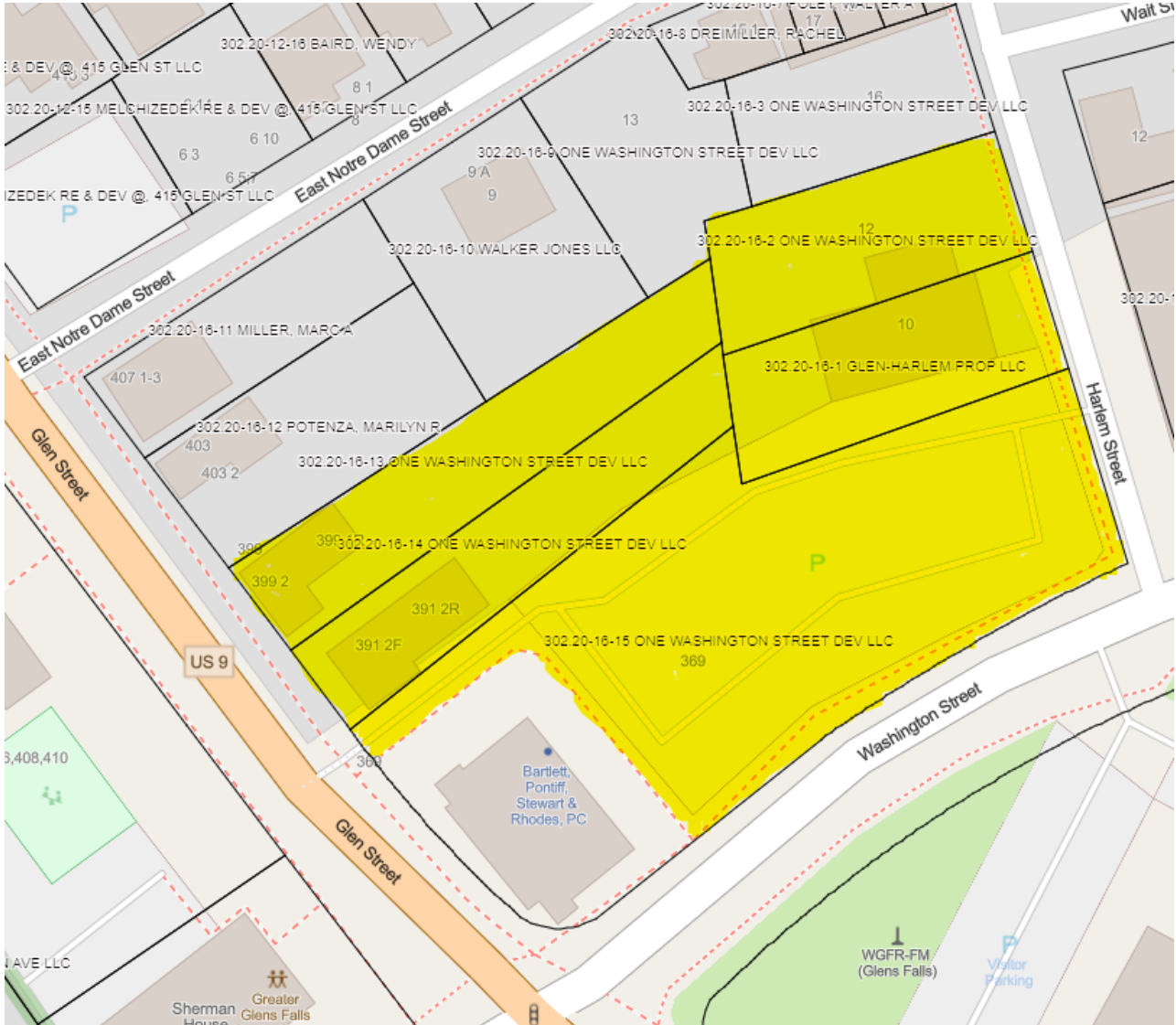
The GFIDA provided investment incentives for the South Street project in early 2025, including a real property tax abatement consisting of a 100% exemption on the value of improvements for years one to five and a 50% reduction for years six to ten. There was no cap on the “market” rental rates, with recognition that apartments would be suited for professional workers, including hospital staff.

The WWIDA Board approved investment incentives for the Broad Street project on August 18, 2025. Incentives included “485-b” real property tax abatement consisting of a 50% exemption on the value of improvements for year one and a 5% reduction each year for years two to ten. There was no cap on the “market” rental rates, with recognition that apartments would be suited for professional workers, including hospital staff.

The Washington Square application states that “Patten Property Management LLC takes pride in providing tenants with clean, safe, secure, and well-maintained and affordable housing. The minimal income threshold is 3 times the rent or \$40,000 to \$60,000 annually [for a standard apartment]....Collected rents are held at competitive levels and are typically not raised for existing tenants and we want the trend to continue. The only reason rent would be increased is to offset substantial costs with taxes, followed by insurance, the largest operating expenses.”

PROJECT DESCRIPTION

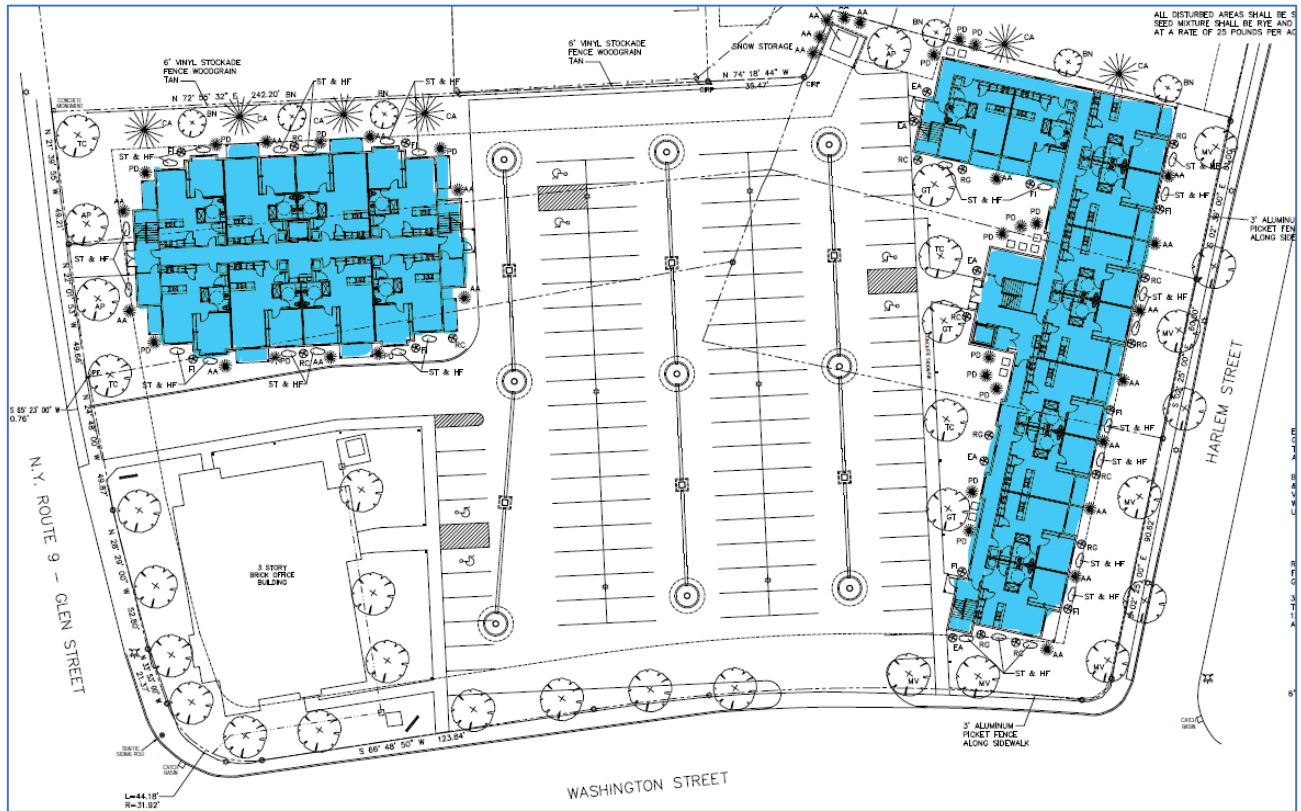
The proposed Washington Square project site entails five tax parcels totaling approximately 2 acres, has three vacant buildings, and includes a large, underutilized parking lot. The existing 369 Glen Street office building is not part of the project and will remain.



The project involves phased construction of two three-story buildings to provide 54 one-bedroom apartments with parking. All apartments will feature hard surface flooring throughout, spacious full bathrooms with accessories, in-unit washers and dryers, granite countertops, stainless steel kitchen appliances, window treatments, and outdoor balconies. Finishes will be contemporary and sophisticated. Entry to the buildings for residents and

mail delivery will be by coded keypad. Access to the apartments will be via elevator and stairs. Permitted parking, trash service, water/sewer and snow removal will be included in the monthly rental fee ranging from \$1,325 to \$1,450 depending on square footage.

Proposed Project Site



Proposed Phase 1- Glen Street Building - 24 Units - 8,452 Square Feet



WEST ELEVATION - FACING GLEN STREET
1/8" = 1'-0"



SOUTH ELEVATION – FACING SHARED ACCESS DRIVE
1/8" = 1'-0"

Proposed Phase 2 - Harlem Street Building – 30 Units – 20,302 Square Feet



OVERALL SOUTH ELEVATION AS VIEWED FROM WASHINGTON STREET
3/32" = 1'-0"



OVERALL EAST ELEVATION AS VIEWED FROM HARLEM STREET
3/32" = 1'-0"

The Washington Square project will be situated in a highly convenient area, offering proximity to community activities, transportation hubs, shopping, schools, offices, and medical facilities. Well suited for young professionals.

The project was approved by the Glens Falls Planning Board on January 6, 2025.

The project's total investment is expected to be \$10,225,945. The primary cost elements are:

- Land \$1,542,445
- Building Construction and Infrastructure \$6,562,000
- Non-Manufacturing Equipment \$1,698,750
- Professional and Other \$422,750

Construction would occur in two phases. The first phase, Glen Street building, would start construction in Spring 2026 with completion by Spring 2027. The second phase, Harlem Street building, would start construction in Fall 2026 with completion by Fall 2027.

Patten Property Management's project will generate over \$8.26 million in local construction activity. Construction labor will comprise over 120 positions for approximately 21 months, valued at an estimated \$4.13 million. Construction materials are also estimated at \$4.13 million, with 56% sourced from within Warren and Washington Counties and 95% in New York State.

The project will be supported with \$10,225,945 in private lender financing that will later be converted to bank mortgage lending. The financing agreement is being finalized. The applicant will provide proof of financing when for the WWIDA closing process.

The 2025 total land assessment for five parcels (302.20-16-1, -2, -13, -14 and -15) is \$536,300. The 2025 total building assessment for the four buildings on the five parcels before demolition and new construction is \$2,706,200. The "base" building assessment will be adjusted with the demolition of three of the four buildings. "Base" property taxes on the project parcels after demolition but before new construction will continue. Patten Property Management and the City plan to reconfigure the tax parcels for the apartment complex.

Patten Property Management, LLC's proposal to build the Washington Square apartment complex with 54 new units will assist with the region's chronic housing shortage. In October 2023, Warren County released the Housing Needs Study and Market Demand Analysis completed by Novogradac. It has some concerning observations for the regional economic ecosystem.

The Study identified the local housing shortage is undermining local economic activity. **“There is widespread recognition that there is a countywide housing shortage.** Specific gaps referenced by local stakeholders include a lack of affordable housing for households with incomes up to 150 percent of the Area Median Income and below, single-story structures more appropriate for aging in place, seasonal workforce housing, and year-round workforce housing. Further, there is fairly widespread recognition that **this housing shortage has become sufficiently extreme to now be an economic development and community development issue** as well as a housing issue....The existing housing stock at current prices is considered out of reach for the local workforce, young families, and year-round residents. Condominiums and owner-occupied duplexes, townhomes, and other types of missing middle housing structures for year-round occupancy are not common in this market, though this type of design could fill a variety of the...supply gaps. For example, higher density structures would be both more affordable and more appropriate to the changing demographics...” Furthermore, the Study states, “Several major employers attributed staffing shortages and attrition to housing shortages. Major employers in the tourism industry have become more involved in housing discussions, and in some instances have started to offer housing as part of their compensation package...Outside of these markets in other parts of the county, workforce housing was more likely to refer to housing for teachers, paramedics, and police officers, as well as persons employed in the service sector.” (Pages 50 and 51 in link below.)

The Study identified the housing shortage problem is magnified by recent higher costs. “The cost of housing development has increased. Material costs increased as a result of supply chain problems and inflation. Labor costs increased due to the increase in demand for specialized skills.....Though costs have reportedly decreased from the pandemic peaks, they continue to be above pre COVID levels and market participants do not expect them to return to pre COVID levels.....Land costs have also reportedly increased significantly in the past few years, a trend also attributed to the increase in demand from nonlocal buyers.” (Page 53 in link below.)

<https://public.warrencountyny.gov/gis/housingneeds/Housing%20Needs%20Study%20and%20Market%20Demand%20Analysis%20-%20Warren%20County,%20NY.pdf>

The Warren County Planning Department followed with a Housing Implementation Strategy including the establishment of the Warren County Housing Task Force - of which the WWIDA is a member organization. The Task Force is following the process illustrated on the next page.



The Task Force is developing an Action Matrix for County approval. The draft Action Matrix includes WWIDA investment incentives for housing as illustrated below.

Incentivize Development of New Workforce Housing*	Incentivize the development of workforce units via: <ul style="list-style-type: none"> • Tax incentives* • Supporting Low Income Housing Tax Credit (LIHTC) Applications* • PILOTS* • Shared/grant predevelopment costs*. • Develop sites secured by the newly created land bank in exchange for adding affordable units to otherwise market rate projects.* • LCLGRP Workforce Housing Revolving Loan Fund to renovate long-term rental stock for the region's year-round workforce (\$500,000) 	<ul style="list-style-type: none"> • Municipalities (Lead role) • County (Support/Resource role) • Developers (Support/Partner role) • LCLGRP (Support/Partner role) • Warren-Washington IDA & Warren Co EDC (Support/Partner Role) • Non-Profit Partners (Support/Partner Role)
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The NYS case law for IDA housing projects states, “It is in the public interest for the Agency to undertake the Project on behalf of the Company, as this Project will promote employment opportunities and prevent economic deterioration in the area. The Agency hereby makes this determination concerning the Project due to the following:

- (i) The potential of persons to continue to reside or move to the area served by the Agency.
- (ii) The potential to create a need for additional services for said persons residing at the Project, particularly in light of the current economic climate.
- (iii) There is a need for housing in the region.
- (iv) This Project will increase the overall tax base of the Town, as this property currently consists of vacant land.
- (v) The Project will create construction jobs in connection with the proposed uses being contemplated of the Project Facility.”

ANALYSIS OF PILOT AND ABATEMENT REQUEST

Patten Property Management LLC's requested investment incentives for the housing project are:

1. **Property tax incentives** in the form of a Payment In Lieu of Taxes (PILOT). The project qualifies for a PILOT within WWIDA's Uniform Tax Exemption Policy. The PILOT payments will be for a term of 10 years with a 50% exemption of real property taxes on the value of the improvements for Year 1 and 5% annual increase for Years 2 to 10, after construction is completed. The PILOT may occur in two phases. This totals an estimated \$1,289,540 in payments over ten years, versus an estimated \$1,778,675 without the investment incentive. **The estimated property tax benefit is \$489,136 over 10 years.**
2. State and County **sales tax abatement** totaling 7% based on \$4,130,375 in purchases subject to sales tax. **The estimated benefit is \$289,126.**
3. Mortgage tax abatement of 1.00% from an estimated mortgage loan of \$10,225,945 that may occur in two phases (that mirrors phased construction activity). **The estimated mortgage tax benefit is \$102,259.**

The proposed total gross investment incentive for Patten Property Management, LLC is an estimated \$880,521 before fees. The WWIDA administrative fee is \$91,469 for servicing the incentives, including the 10-year PILOT. The estimated legal fee is \$15,000. **The estimated total net investment incentive is \$774,053.** The net incentives are 7.6% of the total project cost. (See Appendix for details.)

The Patten Washington Square application explained, "The [lot] purchase agreement for this project was signed over a year ago with the planning process taking several months....[and] the substantial amount of time that has lapsed, construction costs have increased exponentially and maintaining costs within a budget prepared months ago leaves real concern about completing the project in a timely manner while still holding-the-line on investment....The development of Washington Square is the third of three construction projects that Patten Property Management, LLC, is undertaking in 2025 and presents a substantial risk to its sole member... Should the application for relief be denied, the project will continue with dollars spread thinner and decisions will be made on material purchases and labor costs to hold to budget. Dollars allocated for finishing the project will be advanced to pay the taxes and the project will slow down. Funds are not bottomless and with that the pressure to finish and meet the lenders' requirements....The Warren-Washington Industrial Development Agency should consider...the application for relief as Washington Square will help to relieve the known housing shortage....and, over the long-term, this property will add substantial dollars to the tax base. The land is currently a

large swath of unused parking lot and abandoned buildings and this new construction will revitalize a very visible and sad area...[and] be a part of the downtown revitalization.”

COMMUNITY IMPACT SUMMARY and OVERALL RECOMMENDATION

The community and economic benefits of the proposed Patten Washington Square project over ten years:

1. Create 54 new one-bedroom housing units to support the community’s growing demand for housing, especially for employees of local businesses, in response to the regional housing shortage.
2. Generate an estimated 120+ construction jobs valued at over \$4.13 million.
3. Generate construction materials sales with an estimated value exceeding 4.13 million, with 56% sourced in Warren County and 95% sourced from New York State.
4. Complements the Glens Falls Downtown Revitalization Initiative.

In conclusion, approving the Patten Property Management, LLC application and supporting the construction of fifty-four new apartments at Washington Square in the City of Glens Falls would be in the best interests of the community and economy of Warren and Washington Counties.



5 Warren Street, Glens Falls, NY 12801

IDA Project Applicant: Patten Property Management, LLC

Project Name: Washington Square Apartments

Project Type: Housing

Project Street Location: 399 Glen Street and 10 Harlem Street, Glens Falls, NY

Project Municipality: City of Glens Falls

Parcel Identification: 302.20-16-1, -2, -13, -14 and -15

Project Description: Construct 54 new one-bedroom apartments with parking

Total Project Investment: \$10,225,945

Project Material Terms: Construct an apartment complex on ~2-acre site

IDA Benefits Provided: PILOT
Sales Tax Exemption
Mortgage Tax Exemption

Estimated Community Benefits Over Ten Years:

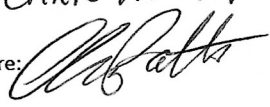
- a. Increase local housing by 54 apartments
- b. Generate local \$4.15M construction labor activity
- c. Generate local \$4.15M construction supplier activity
- d. Compliment the Glens Falls Downtown Revitalization

Appendix

PATTEN WASHINGTON SQUARE APARTMENTS INCENTIVES ESTIMATION

50% INCENTIVE YEAR 1, 5% DECREASE PER YEAR

08 21 2025

Land-Only Base Value Five Lots 2025	Estimated New Infra. & Construction Cost	Estimated New Assessed Value	2025 County Tax Rate / 1000	2025 GF City Tax Rate / 1000	Village Tax Rate /1000	2024-25 GF School Tax Rate / 1000			
\$536,300	\$6,562,000	\$7,098,300	\$3.48500	\$8.094650		\$15.526040			
3 of 4 buildings to be demolished.		Without remaining 369 Glen Street office building.							
PILOT YEAR	% PAYMENT	COUNTY PILOT	CITY PILOT	VILLAGE PILOT	SCHOOL PILOT	TOTAL PILOT	FULL PAYMENT w/o PILOT	ESTIMATED NET EXEMPTION	
1	50%	\$11,434	\$26,559	\$0	\$50,941	\$88,934	\$177,868	\$88,934	
2	55%	\$12,578	\$29,214	\$0	\$56,035	\$97,827	\$177,868	\$80,040	
3	60%	\$13,721	\$31,870	\$0	\$61,129	\$106,721	\$177,868	\$71,147	
4	65%	\$14,865	\$34,526	\$0	\$66,223	\$115,614	\$177,868	\$62,254	
5	70%	\$16,008	\$37,182	\$0	\$71,317	\$124,507	\$177,868	\$53,360	
6	75%	\$17,151	\$39,838	\$0	\$76,411	\$133,401	\$177,868	\$44,467	
7	80%	\$18,295	\$42,494	\$0	\$81,505	\$142,294	\$177,868	\$35,574	
8	85%	\$19,438	\$45,150	\$0	\$86,600	\$151,187	\$177,868	\$26,680	
9	90%	\$20,582	\$47,805	\$0	\$91,694	\$160,081	\$177,868	\$17,787	
10	95%	\$21,725	\$50,461	\$0	\$96,788	\$168,974	\$177,868	\$8,893	
Totals		\$165,797	\$385,099	\$0	\$738,644	\$1,289,540	\$1,778,675	\$489,136	
FULL ANNUAL PAYMENT		\$22,869	\$53,117	\$0	\$101,882	====>	\$177,868		
Estimated Tax Exemptions:		Assumptions		Estimated Cost Benefit Ratio:		<i>I have read and reviewed the Section V information completed by the WWIDA.</i>			
Property	\$489,136	See Above		Estimated Total Project Cost	\$10,225,945	Name:	CHRIS PATTEN		
Sales & Use 7%	\$289,126	\$4,130,375		Gross Benefit All Incentives	\$880,521	Signature:			
<u>Mortgage 1.00%</u>	<u>\$102,259</u>	\$10,225,945		Gross Benefit / Cost Ratio	8.6%	Date:	8/22/2025		
Gross Benefit	\$880,521			Net Benefit All Incentives	\$774,053				
IDA Fee	(\$91,469)	See below		Net Benefit / Cost Ratio	7.6%				
<u>IDA Legal Est.</u>	<u>(\$15,000)</u>								
Net Benefit	\$774,053								

WWIDA Fee	% Project \$	Project \$	Fee \$
First \$10M	0.90%	\$10,000,000	\$90,000
Next \$10M	0.65%	\$225,945	\$1,469
Next \$30M	0.40%	\$0	\$0
Over \$50M	0.25%	\$0	\$0
TOTAL		\$10,225,945	\$91,469