

News

Harmony Mills poised to start phase II

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By Danielle Sanzone
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COHOES — After five years of delays and waiting, the developer of the Lofts at Harmony Mills is expected to close today on the mill project for the second phase of the deluxe housing development.

The \$21 million project was approved back in 2005, but had been held up over the years with the city's usual planning approval process, reviews from the Housing and Urban Development, and, since the site dating back to 1866 is listed on the National Register of Historic Places and a National Historic Landmark, state and national preservation officials had to look over the project as well.

The main hiccup, however, was the recession which worried many financial backers, said community development director Ed Tremblay.

A final setback in the process was that the architect for the project had a heart attack on Tuesday, when officials planned to close on everything with the financiers. The architect was needed to sign some of the paperwork in this procedure, so someone else at the architect's office had to fly into Buffalo where the transaction was taking place, during a snow squall, said Cohoes Mayor John McDonald.

At the end of the business day on Tuesday, officials expected the project to be financially finalized today.

Following the closing, work by Utica-based Beebe Construction at the North Mohawk Street site is expected to start soon after the New Year holiday. There may be some early openings of units in 2010 but the majority of the apartments will not be finished and available until the end of 2011, said Tremblay.

The recent progress means that the city's tax base will also increase. Kaufman currently pays about \$25,000 in taxes on the Mill 1 property with 96 apartment units, since it has a low assessment.

The tax roll for 2010, however, will include \$200,000 more in taxes from Kaufman with the additional Mill 3 property, said McDonald.

"The \$250,000 being withheld by the government in state aid right now shows that there is no shortage of need for funds like this," he added. It is too soon to say how this could affect the budget and taxes for next year with too many uncertainties but, "we will see a significant increase in taxes collected on that property which will be a major help."

There are two payment in lieu of tax (PILOT) programs on the mill properties now, since there was one for the first phase of the approximate \$12 million loft project as well.

"A lot of people thought the lofts were not successful and that was why the second phase construction was delayed, but that is not the case at all," said Tremblay referring to the development's low vacancy and high rental rates.

Eventually, the developer, Long Island-based Uri Kaufman, had talked about renovating Mill 4 as well.

The project's developer secured a \$20.3 million mortgage insurance agreement with HUD on June 29. At that time, the city thought that work would begin in October 2009 but there were further issues with securing the additional funds for the development.

The second phase development will produce loft apartments ranging in size from 1,000 square feet to 2,700 square feet.

Lease rates will in turn range from \$1,000 per month to about \$2,300. The apartment designs have changes slightly with more utilization of the space above the unit ceilings. An indoor swimming pool will also be installed, said Kaufman.

The first phase, completed in 2006, is called the Lofts at Harmony Mills River View and the new development will be called Falls View, officials said.

Danielle Sanzone may be reached at 270-1292 or by email at dsanzone@troyrecord.com.

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