

Portions of Glens Falls, Johnsburg eligible for federal tax credit

GLENS FALLS — A portion of the city of Glens Falls and the town of Johnsburg have been deemed eligible for a federal tax credit to allow people to make investments in projects and not have to pay capital gains taxes.

EDC Warren County President Edward Bartholomew said two census tracts were deemed eligible by the U.S. Department of the Treasury officials as Federal Opportunity Zones. This program was created to create an incentive to encourage investment in economically distressed areas.

Federal officials are in the final stages of drafting some policies. Empire State Development is taking an active role to work with financial institutions and venture capital firms to put together a portfolio detailing existing investments in the area and solicit new ones, according to Bartholomew.

“We will be working with the state and communicating with various investment firms that specialize in these types of tax credits,” he said.

Officials are working with investment firms that specialize in these types of tax credits including one with involvement from former U.S. Rep. Scott Murphy.

The eligible Glens Falls tract covers much of downtown as far north as Sherman Avenue between Glen Street and Western Avenue and goes to the city line. The southern boundary is Broad Street and Hudson Avenue, and the eastern boundary is Glen Street.

The Johnsbury tract covers the hamlet of North Creek and Gore Mountain Ski Center. Gov. Andrew Cuomo could designate up to 25 percent of the eligible census tracts, and he included these two tracts in April.

Bartholomew said Glens Falls officials were able to cite the \$10 million for the Downtown Revitalization Initiative and projects such as SUNY Adirondack's Culinary Arts Center downtown at 14 Hudson Ave.

Bartholomew said in the Johnsbury hamlet of North Creek the investment will be focused on development of lodging and retail to complement Gore Mountain.

During the past three to five years, New York state Olympic Regional Development Authority has received between \$20 million and \$25 million. He will be sitting down with Johnsbury and ORDA officials.

Bartholomew said if people maintain their investment for 10 years, they will not pay any capital gains taxes after they sell it. If they sell it before the 10-year period, they will pay a pro-rated share of the taxes.

Bartholomew said the tax credit is a good tool that has not been used in Warren County since 1995.

"We're very enthusiastic. There is a lot of competition out there, but we're very optimistic we can present some good projects," he said.