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CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

PUBLIC HEARING

RE: 40 Steuben, LLC

December 19, 2013

200 Henry Johnson Boulevard

Albany, New York 12207

11:41 a.m.

A P P E A R A N C E S:

ANTHONY J. FERRARA - CHAIRMAN

SUSAN PEDO - SECRETARY

LEE ECK - MEMBER

C. ANTHONY OWENS - MEMBER

DARIUS SHAHINFAR - MEMBER

MICHAEL J. YEVOLI - CEO

ERIK J. SMITH - CFO

JOHN REILLY - CORPORATION COUNSEL

BRADLEY CHEVALIER - SENIOR ECONOMIC DEVELOPER

SARAH REGINELLI - DIRECTOR OF ECONOMIC DEVELOPMENT

A. JOSEPH SCOTT, III, ESQ. - COUNSEL

1 CHAIRMAN FERRARA: Next one is 40
2 Steuben.

3 MR. ARONOWITZ: Good morning. My name
4 is Mark Aronowitz. I'm a member of 40 Steuben,
5 L.L.C., and we will be purchasing 40 Steuben
6 Place, otherwise known as 58 North Pearl Street.
7 It's right on the corner of North Pearl and
8 Steuben Place. The building is currently a
9 vacant building, with the tenants having moved
10 out within the last year or so of the building.

11 Again, as Mark said, a building that was
12 built probably in the late 1800s and has seen its
13 day as an office building. It's a very old
14 building with functionally obsolete floor plans
15 and in order to repurpose the building, we're
16 looking at converting it into 26 residential
17 units and two retail units facing on North Pearl
18 Street.

19 The apartments will be made up of
20 approximately 19 one-bedroom units and seven
21 two-bedroom units and they will be probably
22 medium to the higher end of the marketplace.

23 We're here today to ask the IDA to

1 consider an exemption on sales tax, as well as
2 the mortgage recording tax and also a 20-year
3 PILOT agreement.

4 CHAIRMAN: Okay. Anyone have any
5 question?

6 MS. STEFFENS: Yes. Can I speak in
7 support again? I'll come up with different
8 statistics, I promise. I also have some other
9 ones. Again, I'm Georgette Steffens. I'm the
10 Director of the Downtown Albany BID, and we would
11 like to support Mark Aronowitz and 48 Steuben,
12 LLC on their project.

13 The one number that I didn't talk about
14 last time, was the impact of the number of
15 residents that these projects will be bringing.
16 And according to Zimmerman Volk, which is a
17 leading residential consulting firm, the national
18 average of persons per dwelling unit is 2.64.
19 With the 26 new units that they are proposing,
20 that would add an additional estimated 68 new
21 residents to downtown and that is about a 10
22 percent increase in the current residents, based
23 on the 250-number unit, or unit number that we

1 use for downtown.

2 So a 10 percent increase, while 26 units
3 sounds small, 10 percent is a big impact to
4 downtown. So that's the new number that I'll
5 share with you and share support for the project.

6 CHAIRMAN: Thank you. Anyone else?

7 Thank you, Mr. Aronowitz.

8 (Whereupon the above-entitled matter was
9 concluded at 11:43 a.m.)

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C E R T I F I C A T I O N

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I, Deborah M. McByrne, a Shorthand Reporter and Notary Public of the State of New York, do hereby certify that the above and foregoing is a true and correct transcript of the proceedings as mentioned in the heading hereof, to the best of my knowledge and belief.

Deborah M. McByrne

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DOWNTOWN ALBANY
Business Improvement District

40 North Pearl Street
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Albany, NY 12207
p 518.465.2143
f 518.465.0139
www.downtownalbany.org

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EXECUTIVE DIRECTOR

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CHAIRPERSON

Brad Rosenstein
VICE-CHAIRPERSON

Michael Gulotty
TREASURER

James Hart
SECRETARY

December 19, 2013

Mr. Michael Yevoli
Albany Industrial Development Agency
21 Lodge Street
Albany NY 12207

Re: ~~58 North Pearl Street~~ AKA 40 Steuben

Dear Mr. Yevoli:

I am writing in support of the residential conversion project located at 58 North Pearl Street AKA 40 Steuben. This building has been vacant for several months as a result of the State's restacking policy. With a commercial vacancy rate of 24% creating an overabundance of office space within the central business district (CBD) and the average decrease of 30.6% in values in 2013 on commercial properties that challenged their assessments for a total reduction of \$7 million, the best and highest use for the building would be converting to residential.

Over that last five plus years \$35 million has been invested in residential conversions in Downtown adding roughly 150 new units for a total of 250 residential units in the BID District. According to Zimmerman Volk, a leading residential consulting firm, the national average of persons per dwelling unit is 2.64. With 26 units this project would add an estimated 68 new residents increasing our Downtown population by 10%.

For every \$1 a daytime worker will spend, a resident will spend \$7 according to a study conducted by Boulevard Strategies. It is those numbers that are attracting new, retaining existing and even changing current retail in the CBD. We have a proposed wine shop going through the licensing process, a restaurateur that opened a second more upscale location, a new florist and shoe store, a locally owned doughnut shop in lease negotiations, and Rite Aid renovating and opening their pharmacy on Sundays all to meet the demands of Albany's newest neighborhood. In the last twelve months alone we have seen twelve retailers/restaurants open or expand in Downtown, many specifically stating the growth in residential as their reason for locating here. Filling currently vacant retail spaces will assist in increasing property values in the District and serve as attraction tools for additional residential development, retail and new office tenants.

In 2009 the Downtown Albany BID updated their Residential Market Potential study conducted by Zimmerman Volk. Significantly up from 2006 when the last update had been completed, the study stated that there is an annual potential of 3,750 new residents to Downtown. 83% of those individuals would be net new to the City of Albany. We are currently seeing close to that number play out at The Monroe and 17 Chapel. We currently do not have the supply to meet that demand and don't want to lose our urban champions to other cities like Troy or Saratoga.

The Downtown Albany Business Improvement District looks forward to the continued momentum we are experiencing due to the residential conversion projects and the positive impacts projects like 58 N Pearl Street AKA 40 Steuben will have on our Capital City. If you have any questions I can be reached at 465.2143 x15 or via e-mail at gsteffens@downtownalbany.org.

Sincerely,

Executive Director

40 Stueben LLC

Sign-in Sheet

Date: December 19, 2013

SIGN-IN

Name	Affiliation/Organization	Are you going to speak? Y/N
1. <i>Argyle Jeffers</i>	<i>DABLD</i>	<i>Y</i>
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40 Stueben LLC

Sign-in Sheet

Date: December 19, 2013

SIGN-IN

Name	Affiliation/Organization	Are you going to speak? Y/N
1. Mark Arovornite	DYN	Yes
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3.		
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