

1                   **CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY**

2                                   **PUBLIC HEARING**

3                                   **RE: 412 Broadway Realty, L.L.C.**

4  
5                                   December 19, 2013

6                                   200 Henry Johnson Boulevard

7                                   Albany, New York 12207

8                                   11:35 a.m.

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

11                   ANTHONY J. FERRARA - CHAIRMAN

12                   SUSAN PEDO - SECRETARY

13                   LEE ECK - MEMBER

14                   C. ANTHONY OWENS - MEMBER

15                   DARIUS SHAHINFAR - MEMBER

16                   MICHAEL J. YEVOLI - CEO

17                   ERIK J. SMITH - CFO

18                   JOHN REILLY - CORPORATION COUNSEL

19                   BRADLEY CHEVALIER - SENIOR ECONOMIC DEVELOPER

20                   SARAH REGINELLI - DIRECTOR OF ECONOMIC DEVELOPMENT

21                   A. JOSEPH SCOTT, III, ESQ. - COUNSEL

1                   CHAIRMAN FERRARA: I'd like to open the  
2 public hearing meeting of the Industrial  
3 Development Agency. We have several items on the  
4 agenda. First one is 412 Broadway Realty, L.L.C.  
5 Anyone?

6                   MR. PAQUIN: Thank you, Mr. Chair. I am  
7 Mark Paquin, Managing Member of 412 Broadway  
8 Realty, L.L.C. Our project, a brief outline, it  
9 is located at the bottom of State Street. 412  
10 Broadway was formerly the headquarters for  
11 Einhorn Yaffee Prescott. They left the building  
12 two-and-a-half years ago to move to the Nano  
13 College. The building has been vacant. Since  
14 that time we've actively marketed this site since  
15 then with little success.

16                   We purchase the building in 2006. We  
17 have successfully marketed and renovated another  
18 former vacant building at 49 Sheridan Avenue  
19 recently and have designed a conversion project  
20 at 412, to convert the existing structure into 32  
21 market-rate apartments on the upper four floors  
22 and maintain the commercial space for retail  
23 tenants on the first floor.

1                   The 32 apartments would include 24  
2                   one-bedrooms; two one-bedroom one-and-a-half bath  
3                   townhouse units; five two-bedroom, one bathroom  
4                   units, and one two-bedroom, two-bath units.  
5                   These would be consistent in finish with what we  
6                   did at the Monroe. It will be a little smaller  
7                   in square footage and be slightly less in price.  
8                   We believe that will meet the market demand, as  
9                   we've learned at our other project, and we're  
10                  confident that the market will bear the unit  
11                  supply that we're putting out there in this  
12                  project.

13                  We're asking the IDA to assist us with a  
14                  mortgage tax abatement, a sales tax exemption and  
15                  a PILOT agreement in order to help us with the  
16                  project. You know, the cost of converting  
17                  buildings, you know, one of these was originally  
18                  constructed in 1851. The balance of them are  
19                  constructed in 1888. So it's not inexpensive to  
20                  make these conversions occur, and the cost absent  
21                  of assistance would be prohibitive for us to do  
22                  this. So that's why we're making this request.  
23                  So, in essence, that's what our project is.

1                   CHAIRMAN: Okay. Anybody? Thank you  
2 very much. Anyone else?

3                   MS. STEFFENS: Yes. So I just wanted to  
4 speak in support of 412 Broadway. My name is  
5 Georgette Steffens. I'm the Executive Director  
6 of the Downtown Albany Business Improvement  
7 District. We have worked with Mark Paquin on the  
8 Monroe. While it's technically, unfortunately,  
9 one building just outside of the district, this  
10 had huge implications to the BID with the  
11 addition of the residents in his building. It is  
12 a great product and the residents are happy in  
13 his building.

14                   But, we're seeing a 24 percent vacancy  
15 rate, commercial vacancy rate in downtown in our  
16 central business district, and last year alone,  
17 of the properties that challenged their  
18 assessments, they dropped an average 30.6  
19 percent, and that's a huge impact for us. That's  
20 a total of \$7 million in assessments that were  
21 lowered in the BID district last year alone. And  
22 with the, really, the best and highest use for  
23 some of these old office buildings is really for

1 residential conversions.

2 We're seeing the major impact of  
3 residents in downtown. I know that I've said  
4 this number before when I supported another  
5 project, but for every \$1 a daytime worker  
6 spends, a resident will spend seven, and we're  
7 seeing that really change the retail and  
8 restaurant offerings that are in downtown. We  
9 currently have a wine shop that is going through  
10 the licensing process to have their liquor  
11 license in downtown, we have a doughnut shop that  
12 is negotiating -- a locally-owned doughnut shop  
13 that is negotiating a lease. We have a new  
14 florist, a new shoe store in downtown. Rite Aid  
15 is recently renovated and is probably the most  
16 exciting thing I've seen since I've been here  
17 since 1999. I don't know if you've seen the  
18 interior and the exterior of Rite Aid, but they  
19 are also opening their pharmacy on Sunday. So  
20 these are all impacts on the new residents that  
21 are coming into downtown.

22 So our organization would like to lend  
23 our support to Mark and his project and the

1 impact of market rate that's having in downtown.

2 CHAIRMAN: Thank you. Anyone else want  
3 to speak on behalf of this project?

4 (Whereupon the above-entitled matter was  
5 concluded at 11:41 a.m.)

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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.

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Deborah M. McByrne

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**DOWNTOWN ALBANY**  
Business Improvement District

40 North Pearl Street  
Suite 1  
Albany, NY 12207  
p 518.465.2143  
f 518.465.0139  
www.downtownalbany.org

December 19, 2013

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

Georgette Steffens  
EXECUTIVE DIRECTOR

Mark Holtzman  
CHAIRPERSON

Brad Rosenstein  
VICE-CHAIRPERSON

Michael Gulotty  
TREASURER

James Hart  
SECRETARY

Re: 412 Broadway

Dear Mr. Yevoli:

I am writing in support of the residential conversion project located at 412 Broadway. This building has been vacant for two and a half years. 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 32 units this project would add an estimated 84 new residents increasing our Downtown population by 13%.

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 412 Broadway 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](mailto:gsteffens@downtownalbany.org).

Sincerely,

Executive Director