

1 CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

2 PUBLIC MEETING

3 January 17, 2013

4 21 Lodge Street

5 Albany, New York 12210

6 12:00 p.m.

7
8 A P P E A R A N C E S:

9 ANTHONY J. FERRARA - CHAIRMAN

10 JOHN R. VERO - VICE CHAIRMAN

11 HON. KATHY SHEEHAN - TREASURER

12 SUSAN PEDO - SECRETARY

13 MARTIN DALEY - MEMBER

14 TRACY METZGER - MEMBER

15 C. ANTHONY OWENS - MEMBER

16 MICHAEL J. YEVOLI - CEO

17 ERIK J. SMITH - CFO

18 BRADLEY CHEVALIER - SENIOR ECONOMIC DEVELOPER

19 SARAH REGINELLI - DIRECTOR OF ECONOMIC DEVELOPMENT

20 AMANDA VITELLO -
21 COMMUNICATIONS AND MARKETING ASSISTANT

22 JOHN REILLY - COUNSEL

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

1 CHAIRMAN FERRARA: Good afternoon,
2 everyone. I would like to open up the
3 public hearing of the Albany Industrial
4 Development Agency in regards to the Albany
5 Medical Science Research, LLC project.

6 Joe, have the proper notifications
7 been filed?

8 MR. SCOTT: They have, and I've got
9 copies for our files.

10 CHAIRMAN FERRARA: Anyone wish to
11 speak on behalf of the project or against
12 the project?

13 MR. DUBROW: Yes. I'm David Dubrow,
14 representing the new owner of the building
15 in question.

16 The history, a brief history of this
17 building, as people may know, is that it was
18 owned by a different owner who built the
19 building and developed it originally. The
20 building ran into problems mainly because
21 its anchor tenant, which occupied about
22 50 percent of the building, was not able to
23 maintain itself as a viable financial entity

1 and ended up filing for bankruptcy and
2 liquidating, and that caused the owner at
3 that time to default on its debt.

4 So the bondholders who had purchased
5 the bonds, which financed the building
6 through the bond trustee, Fargo, decided to
7 start a foreclosure action, and then we were
8 able to workout an arrangement with the
9 existing owner because everyone thought it
10 made the most sense, that the existing owner
11 decided to dissolve through the
12 not-for-profit process, and the Attorney
13 General's Office oversees that process.

14 So in conjunction with the Attorney
15 General, it was supported. What occurred,
16 all of the assets of the owner were
17 transferred to my clients and a new entity
18 was setup just to own the building.

19 So ownership was transferred, and now
20 we are in the process -- we have hired a
21 real estate broker and we're in the process
22 of working to lease up the building.

23 There was a temporary tenant for about

1 a year, a little less than a year I guess,
2 that took part of the place -- Ordway took
3 one of the floors. Ordway had about -- I
4 think it was about two and a quarter floors.
5 That was the University of Florida.

6 They have since left the building, so
7 the building is presently about 50 percent
8 vacant, and again, needs to be leased up, so
9 we are working to lease it up.

10 Our goal is to stabilize the building
11 so it can function the way it was intended
12 to function, as a premier medical research
13 laboratory center. And so have --
14 previously, since a none-for-profit owned
15 the building, it was inherently tax
16 exempted. We have applied for this pilot,
17 which we have asked for a ten-year pilot,
18 because in running -- basically the
19 economics of the building, it is not a
20 viable enterprise with paying full taxes.

21 So what this will do is give us a
22 period of time to allow it to hopefully
23 stabilize and function. And our goal is, as

1 we've said, our intent is to lease it up and
2 then look for a longterm owner who would --
3 my clients are not in the business of owning
4 buildings like this -- who would continue to
5 operate the building.

6 Right now it is being operated by the
7 same group of people who were operating it
8 previously, which is important to us, only
9 because it's a building that has a lot of
10 research going on, so you need to have a
11 knowledgeable group with expertise to
12 operate the building. We feel like we have
13 that and we tend to keep that group there to
14 make sure it's operated properly and in
15 accordance with all applicable laws.

16 So that's the reason we have applied
17 for the pilot and that's our intent in terms
18 of the building.

19 CHAIRMAN FERRARA: Thank you very
20 much.

21 Anyone else wish to speak in regard to
22 this project?

23 MR. SCOTT: Also, for the record,

1 Chairman, I am not aware of any written
2 comments that we've received with respect to
3 this public hearing.

4 CHAIRMAN FERRARA: Fine.

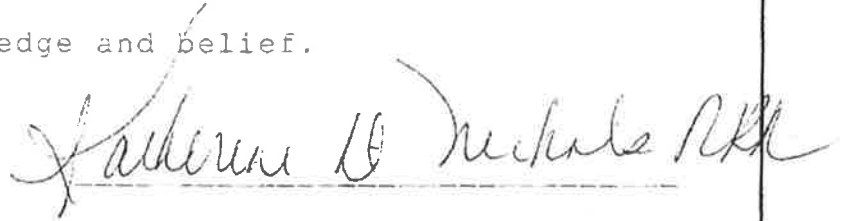
5 Okay. If there is no one else who
6 wishes to speak and no one else coming up to
7 the group here, I will officially close the
8 public hearing of the Albany Industrial
9 Development Agency.

10 (Whereupon, in the matter of Albany
11 Medical Science Research, LLC, the public
12 hearing was closed at 12:20 p.m.)
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C E R T I F I C A T I O N

I, KATHERINE D. NICHOLS, RPR, do hereby
certify that I recorded stenographically the
foregoing testimony taken at the time and place
herein stated and the preceding testimony is a
true and accurate transcript hereof to the best
of my knowledge and belief.



KATHERINE D. NICHOLS, RPR.