

In The Matter of:

COPY

ALBANY INDUSTRIAL DEVELOPMENT AGENCY

Stenographic minutes of a Public Hearing held at the Albany Industrial Development Agency, 21 Lodge Street, Albany, New York, on the 20th day of January, 2011, at approximately 12:07 p.m.

PRESENT:

Anthony J. Ferrara, Chairman
Willard Bruce, Vice-Chairman
Martin Daley
Susan Pedo
Praire Wells
Maria Pidgeon
Jeff Sullivan

Also Present:

Erik Smith CFO - ALDC
Michael Yevoli CEO - ALDC
Kathy Sheehan, Treasurer
John J. Reilly, Esq., Corporation Counsel
Joseph Scott, Esq., Hodgson Russ, LLP
Debra J. Lambek, Esq. Segel, Goldman, Mazzotta & Siegel, PC
Richard Rosen, Columbia Development
Wendy Berry
Oksana Ludd

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CHAIRMAN FERRARA: Since it's seven minutes after 12:00, I'd like to open the public meeting of the Albany Industrial Development Agency in regard to the Columbia 455 LLC project. Anyone here wish to speak on behalf of the project or not in favor of the project?

MR. ROSEN: I'll do a quick introduction.

CHAIRMAN FERRARA: Give us your name.

MR. ROSEN: Good afternoon, everyone. My name is Dick Rosen with Columbia Development and we're here today to talk about 455 Patroon Creek. I'm going to hold this up quickly.

Everyone's very familiar with the project. We've been in front of you guys before. Currently out at Patroon Creek we have one vacant piece of dirt to develop which is this site right here. Currently, right now, this is

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First Niagara Headquarters, 555
Patroon Creek, and the new project
that we're proposing is 455 Patroon
Creek. It's will be a three story
36,000 square foot facility.

MR. BRUCE: Is Alexander's on
there?

MR. ROSEN: This is Alexander's.
This is CDPHP. So this is the last
piece of the puzzle out here on this
piece of dirt that we acquired a few
years back from the state.

And the project's roughly 12 and a
half million dollar project. We have
obtained financing with First Niagara.
So we do have our financing.
Currently, right now what we're
basically waiting for is the critical
mass as far as tenants are concerned.
We're out here marketing this property
heavily. There's been a lot of --
going around. We've been trying to
respond to attract new businesses and

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new tenants into this facility. We've all the site plan approvals.

(Discussion was held off the record.)

MR. ROSEN: Thank you. So that is the site. And as far as occupancy and such out at Patroon Creek, 400 Patroon Creek has a 500 square foot vacancy which is a small interior space we are currently using as storage. It was a piece of the puzzle left over after trying to put together all the puzzle pieces of the tenants in an almost acre footprint.

555 is a single tenant occupancy. It's occupied by First Niagara totally. Even though we didn't do the project, the Alexander, I think their occupancy rate is up in the 90s. So this is a very attractive location for businesses to locate to, and we're in the last, final stages here of raw pieces of dirt to develop. So we are

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trying very diligently to develop this site and to build this 62,000 square foot facility.

Here's a rendering of what the proposed building would be, front elevation. When we went back through and when we got our original site plan approval, we didn't contemplate a bank drive-thru. We went back and got approvals for a bank drive-thru in case we do attract a lending institution that would look to have a branch bank at the facility.

So the project is really T-ed up. It's what I would call shovel ready. It's just a matter of getting to that critical mass of tenants to lease space to.

CHAIRMAN FERRARA: You said you're getting financing from First Niagara?

MR. ROSEN: Yes. That's correct.

CHAIRMAN FERRARA: And they're going to allow you to put another bank

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in there?

MR. ROSEN: They are.

CHAIRMAN FERRARA: Boy, times have changed.

MR. ROSEN: They're the commercial lender. Obviously they're at 100 percent occupancy next door. They've been acquiring a lot of banks. Actually, I don't know if you folks are aware, with the recent acquisitions in the northeast, in New England and Pennsylvania, they're a top 30 bank now as far as volume and size. And the banks are trying to diversify and become more competitive in this market. They're expanding into insurance and things like that.

Obviously, one of the people that we are talking to about this building would be expansions of existing tenants out of Patroon Creek that have outgrown their space needs.

MR. DALEY: You said you've got

1 all your site plan approvals?
2 MR. ROSEN: Correct.
3 MS. SHEEHAN: It doesn't look like
4 we're being asked to take any action
5 on this today?
6 CHAIRMAN FERRARA: No. No. No.
7 This is just the public hearing.
8 MR. YEVOLI: This is just a
9 resolution.
10 MS. SHEEHAN: I mean, often times
11 a resolution follows our regular
12 meeting after the public hearing.
13 MR. YEVOLI: That's right. And
14 you might want to explain.
15 MR. SCOTT: As Michael indicated,
16 it is a public hearing. What we have
17 asked the Chair to consider is instead
18 of closing the public hearing at the
19 end of this event here, that we
20 adjourn it and reconvene at the
21 February meeting and take final action
22 at the February meeting.
23 MS. SHEEHAN: Okay.

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MR. SCOTT: And the reason for the reconvening is that, and I apologize to the staff for the inconvenience or potential inconvenience, is there was an internal miscommunication on the mailing of the notice for this project.

The notice was in the newspaper at the proper time, ten days before this hearing. But a notice needs to be mailed to the mayor, Albany County and school district ten days also. And due to a miscommunication, it was mailed nine days. And the statute does say ten days.

Our recommendation, as counsel, is to adjourn the public hearing. Reconvene it at the February meeting. We'll effectuate the proper mailing between now and then, and then you'll be in a position to take final action or at least consider final action, the SEQUA resolution, the pilot approval

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resolution, and the final approval resolution at the February meeting.

MR. YEVOLI: And the extra costs and time expense to re-notice the hearing, so we keep it open.

MS. SHEEHAN: Okay.

MR. SCOTT: And we'll re-notify the people.

CHAIRMAN FERRARA: Joe, do we have to have a motion to adjourn the meeting?

MR. SCOTT: No, unless there's an objection on the matter on the part of the members.

CHAIRMAN FERRARA: Okay. Any questions? Anyone who wants to speak on behalf of the project?

MR. DALEY: You had mentioned that you think it's a real attractive place for people already looking. Do you think that the tax break is what's needed to get over a slight hump?

MR. ROSEN: Absolutely. What

1 we're running up against right now,
2 there's a lot of RFPs out there. And
3 I don't want to be specific and I'm
4 going to talk in generalities, and
5 hopefully you can rely on me being
6 somewhat of an expert as far as
7 commercial office space.

8 A lot of the RFPs are starting to
9 come in from companies and brokers
10 from New York City, out of town
11 companies that are looking for space
12 and they're looking for sites to
13 qualify. And, you know, they're all
14 over the map. With what's going on up
15 north in Malta and what we have,
16 hopefully some of the energy and
17 momentum here in Albany.

18 To market new construction right
19 now we need to be as competitive as
20 possible. A lot of these RFPs can
21 only be serviced and satisfied through
22 new construction because of the size
23 and the type of construction they want

1 lends itself to new construction where
2 trying to renovate or, you know,
3 re-develop an existing property would
4 be very difficult.

5 What we are proposing to do is
6 take any benefit this project would
7 receive and pass them through directly
8 to the tenants so it would help them
9 the first early years they ramp up as
10 far as the tax break is concerned
11 because we would do, almost like a
12 triple net rent where expenses and
13 operating costs are a direct pass
14 through as well as the real estate
15 taxes.

16 We're hoping to take any benefit
17 we can get through directly to the
18 tenants which will help make the site
19 more attractive and more competitive
20 as we go up against other sites and
21 buildings and developers as far as the
22 other properties.

23 MR. DALEY: The term is ten years?

1 MR. ROSEN: Yes. It was a ten
2 year pilot.

3 MS. SHEEHAN: Well, it was also
4 value.

5 MR. YEVOLI: I don't know which
6 one you're talking about. Is this
7 First Niagara?

8 MR. ROSEN: This is 445.

9 MR. SMITH: This is a ten year
10 term with proposed fixed value of the
11 property.

12 MR. ROSEN: Correct.

13 MR. YEVOLI: The benefit, you
14 know, to the developer and the project
15 to get it leased, is that gives
16 assurances of what the taxes will be
17 in the lease and they'll be able to,
18 you know, the broker or the tenant is
19 going to have an assurance it's not
20 going to raise and fluctuate. And
21 it's a very powerful leasing tool.
22 And I think we're going to see more
23 and more of this in the City of

1 Albany. And, unfortunately, the
2 situation is when you look at our
3 commercial tax rate and take out the
4 cities like Rensselaer, Troy and
5 Schenectady, we're sometimes twice as
6 high, our taxes, you know, the payment
7 of taxes on comparable space is almost
8 twice as much.

9 MR. DALEY: We're a better city.
10 People want to work here, and there's
11 a cost to that.

12 MS. SHEEHAN: I'd like to have a
13 discussion around that but it's
14 probably more appropriate to have it
15 in our meeting as opposed to the
16 public hearing.

17 MR. ROSEN: Any other questions?

18 MR. DALEY: I would like that on
19 the record, that we're a better city.

20 MR. YEVOLI: You get what you pay
21 for.

22 CHAIRMAN FERRARA: Anyone else
23 wish to speak in regard to this

1 project? Okay. Thank you very much.

2 MR. ROSEN: Thank you.

3 CHAIRMAN FERRARA: If there's no
4 objection, I would like to adjourn
5 this public hearing to our February
6 meeting and continue the public
7 hearing at that time when we have the
8 additional information that we need.

9 Okay. Thank you.

10 (Whereupon the public hearing was
11 adjourned at 12:16 p.m.)

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C E R T I F I C A T E

STATE OF NEW YORK

COUNTY OF ALBANY

I, Mary Ellen Tardiff, shorthand reporter, a notary public within and for the State of New York, duly commissioned and qualified, do hereby certify that the within and foregoing public hearing was reduced by me to stenotype and subsequently transcribed into English text and that the foregoing is a true and accurate transcript of the public hearing.

I do hereby certify that the public hearing was taken at the time and place as specified.

I do hereby further certify that I am not a relative, counsel or attorney of any party or otherwise interested in the outcome of this action.

Witness my hand this 25th day of January, 2011.



MARY ELLEN TARDIFF

My commission expires 11/07/2014.
No. 01TA4943991

In The Matter of:

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CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

Stenographic minutes of a Public Hearing held at the City of Albany Industrial Development Agency, 21 Lodge Street, Albany, New York, on the 17th day of February, 2011, at approximately 12:08 p.m.

PRESENT:

Anthony J. Ferrara, Chairman
Willard Bruce, Vice-Chairman
Martin Daley
Susan Pedo
Maria Pidgeon
Gary Simpson
Prairie Wells

Also Present:

Megan Daly, Staff
Erik Smith CFO - City of Albany IDA
Michael Yevoli CEO - City of Albany IDA
Kathy Sheehan, Treasurer - City of Albany IDA
Josh Poupore - Capitalize Albany Corporation
Jeff Sullivan - Capitalize Albany Corporation
John J. Reilly, Esq., Corporation Counsel
A. Joseph Scott, Esq., Hodgson Russ, LLP

CHAIRMAN FERRARA: Good afternoon, everyone. I'd like to open the public hearing of the Albany Industrial Development Agency. We have one item on the agenda for this public hearing and that's the Columbia 455, LLC.

Has the notice of -- proper notices been filed?

MR. SCOTT: Yes, Chairman. The notices were sent. And as we indicated at the last meeting, there were some issues about the mailing of the letters. The letters have been mailed. That's why we held that meeting open until this hearing. So from legal counsel's perspective, I would suggest you open it up for any comment, if there is anyone here, and take the comment and move forward.

CHAIRMAN FERRARA: Is there anyone here that wants to speak on behalf of the Columbia 455, LLC, for the project or against the project? Anyone wish

to speak? No one here?

MR. SCOTT: We got the presentation for the developer at the last meeting.

MS. SHEEHAN: They're not here for our questions, or will they come back for our questions?

MR. SCOTT: There is no agenda item for this project today, and they'll come back when we move forward on agenda items for them, yes.

MS. SHEEHAN: Okay.

CHAIRMAN FERRARA: Okay. Thank you. Then I officially will close the public hearing of the Albany Industrial Development Agency.

(Whereupon the public hearing was closed at 12:02 p.m.)

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C E R T I F I C A T E

STATE OF NEW YORK


COUNTY OF ALBANY

I, Mary Ellen Tardiff, shorthand reporter, a notary public within and for the State of New York, duly commissioned and qualified, do hereby certify that the within and foregoing public hearing was reduced by me to stenotype and subsequently transcribed into English text and that the foregoing is a true and accurate transcript of the public hearing.

I do hereby certify that the public hearing was taken at the time and place as specified.

I do hereby further certify that I am not a relative, counsel or attorney of any party or otherwise interested in the outcome of this action.

Witness my hand this 21st day of February, 2011.


MARY ELLEN TARDIFF

My commission expires 11/07/2014.
No. 01TA4943991