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CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

PUBLIC MEETING

July 19, 2012

21 Lodge Street

Albany, New York 12210

12:00 p.m.

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

ANTHONY J. FERRARA - CHAIRMAN

WILLARD A. BRUCE - VICE CHAIRMAN

HON. KATHY SHEEHAN - TREASURER

MARTIN DALEY - MEMBER

MICHAEL J. YEVOLI - CEO

ERIK J. SMITH - CFO

A. JOSEPH SCOTT, III, ESQ. - COUNSEL

JOHN REILLY - AGENCY COUNSEL

BRADLEY CHEVALIER - ECONOMIC DEVELOPMENT
SPECIALIST

C. ANTHONY OWENS - MEMBER

PUBLIC:

Scannell Properties
Daniel H. Slote, NAI Platform

 ORIGINAL

1 CHAIRMAN FERRARA: Good afternoon. I
2 would like to open the public hearing of the
3 Albany Industrial Development Agency in regard to
4 the project of Scannell Properties #145, L.L.C.
5 Have the proper notifications been filed, Joseph?

6 MR. SCOTT: Yes, the notice has been
7 published in the *Times Union* and the notice has
8 been mailed to the appropriate entity under the
9 IDA statute.

10 CHAIRMAN FERRARA: Very good, thank you.
11 Anyone wish to speak on behalf of this project?

12 MR. SLOTE: Yes, I do.

13 CHAIRMAN FERRARA: Okay. Good
14 afternoon.

15 MR. SLOTE: Thanks, Board Members, for
16 seeing us today. My name is Dan Slote from NAI
17 Platform. My partner Jim Harder and I are
18 working with Scannell Properties, who is out of
19 Indianapolis. Scannell Properties, most recently
20 in the area, just completed the FedEx project
21 across the river, 250,000 square foot. They're
22 privately owned 20 years by Bob Scannell, and
23 they do, on average, about 400 million a year in

1 build-to-suit projects throughout the country.

2 They have a tenant who we've introduced
3 them to in regards to 55 Commerce. The tenant is
4 American Tire Distributors. American Tire
5 Distributors wishes to lease the facility that
6 I'll describe. They would lease a ten-year lease
7 base term, with two five-year extensions under a
8 triple-net lease.

9 The proposed project would include the
10 acquisition of 7.8 acres of land. Demolition of
11 the existing dairy facility, which everybody
12 knows has been vacant for about four years. It's
13 about 45,000 square feet. And construction of a
14 new 125,000-square-foot tilt-up concrete
15 construction building. If any of you have driven
16 towards Boston lately and seen the new FedEx
17 facility, this facility will look almost
18 identical in the construction materials. So it
19 is a very good looking building, as far as
20 industrial buildings go.

21 The building will be expandable to
22 155,000 square feet, and I already discussed the
23 lease terms. The zoning of the current parcel is

1 M1 Industrial and the development costs are
2 approximately seven and three quarter million
3 dollars. The construction will be tilt-up, as
4 discussed, and would commence in September of
5 2012, pending approvals, and projected completion
6 and opening of the facility will be May of 2013.

7 There's 4,440 square feet of office and
8 120,560 square feet of warehouse, with 28-foot
9 clear heights to accommodate their 25-foot
10 racking system.

11 American Tire Distributors is a
12 wholesale tire distributor company that is also
13 privately held. They do about three billion a
14 year in business and they strictly supply only
15 retail outlets; car dealerships and mom and pop
16 tire shops. So Grand Premiere Tire or anybody
17 you might go to that's a local gentleman or
18 woman-owned business that does your tire work.
19 So they don't have any public traffic at all on a
20 daily basis. The only people that might come,
21 would be from any of their distributed vendees
22 that would come in in the need of making a
23 special trip to get tires on a quick need basis.

1 The approximate employee count would be
2 25 to 30 employees at this location, and if you
3 would like, I would discuss the total impact of
4 the project. It's quite a narrative and I don't
5 know whether or not you would like me to go
6 through all that. It's entirely up to you.

7 Just a quick narrative about the total
8 impact to the project being much larger in its
9 breathe than the site specific fiscal impacts.
10 The most significant benefits to the community is
11 the increase in earnings and employment positions
12 that the project will bring to Albany County.
13 The project is part of a major nationwide
14 expansion by American Tire Distributors, and the
15 additional 25 employment positions created by the
16 project, will translate into an additional 17
17 indirect induced opportunities in regards to
18 construction over the first year, this coming
19 year for the construction. The approximate
20 indirect induced earnings is about 700,000.

21 In addition to the employment impact,
22 the project will increase the tax base, even with
23 the IDA real estate tax abatement, if we're

1 fortunate enough to be given so. From an annual
2 rate break now for a vacant derelict building, if
3 anybody has been by, from 66,000 to 125,000 in
4 year one, with a net increase of 59,000 and
5 change. Additionally, this will increase
6 annually for the first five years by
7 approximately 24,000 per year, and by year six
8 the taxes will be approximately 258,000, which is
9 a net increase of 192,000 plus a year.

10 If you would like me to talk about the
11 site and the changes in particular. Currently,
12 there was a 45,000-square-foot building.
13 Actually, it's two buildings. It is a small
14 5,000-square-foot office component and it is also
15 a 40,000-square-foot warehouse. The impervious
16 of the lot is about 55,000 square feet, 7.8
17 acres. What they are actually doing, is they are
18 reducing. Not by much, but it's almost the
19 stagnant line of a half percent reduction in the
20 impervious. Impervious actually goes up by 1
21 percent. The total change to the entire site
22 comes in the size of the building. It doesn't
23 really change the scope and aspect of the

1 property much more than what is currently there,
2 except in size of the building, so.

3 CHAIRMAN FERRARA: Okay.

4 MR. SLOTE: If anybody else has any
5 questions, I am happy to try to answer.

6 MR. BRUCE: I think you answered this
7 during your last presentation, but. It is
8 completely warehousing? There's no re-treading
9 or any fabrication or anything?

10 MR. SLOTE: No. It's strictly a
11 wholesale distribution of new tires. There's no
12 re-treading whatsoever.

13 MR. BRUCE: All right. Thanks.

14 MS. SHEEHAN: Are you anticipating any
15 environmental issue with the site? Have you done
16 phase two?

17 MR. SLOTE: We have not gone to phase
18 two. We've done some borings with the phase ones
19 that we completed. We didn't perceive that there
20 would be any problems, but as everybody knows,
21 that site was part of the old railroads. So we
22 don't anticipate -- I think, if anything, we will
23 run into what would be some geo problems, and

1 we're going to have to do some deep soil
2 compaction. We thought we might have to put in
3 some specialized piers regarding the foundation,
4 and those piers actually would have made the
5 project cost not financially or fiscally
6 possible. So we had some groups come in and look
7 at that deep compaction, and that should allow us
8 to be able to get away with not having to do what
9 could be a project that would be dead in the
10 water.

11 Just so you know, we did -- my associate
12 Jim and I, we represented Crowley for many years
13 and we had a lot of viable offers on this
14 property. And Crowley, some of the offers were
15 higher, and they refused to take those offers,
16 and some of the proposed projects, in light of
17 the geo that needed to be done, left and went to
18 other locations, because they absolutely needed
19 to get the piercing done for the specialized
20 foundations for a building of this size. In
21 fact, one of those companies was Jetro, which is
22 Restaurant Depot, which has now left and going to
23 Colonie. Not that much further away, but it's

1 going to Colonie on Warehouse Road where Price
2 Chopper Gold used to have a warehouse. And they
3 were the ones that identified the possible geo
4 problems.

5 CHAIRMAN FERRARA: Any other questions?
6 Okay. Thank you very much.

7 MR. SLOTE: Thank you.

8 CHAIRMAN FERRARA: Anyone else wish to
9 speak in regards to the project?

10 Did anyone raise a hand? No? No.
11 Okay. If not, I will officially close the public
12 hearing of the Albany Industrial Development
13 Agency. Thank you.

14 (Whereupon the public hearing is
15 concluded at 12:11)

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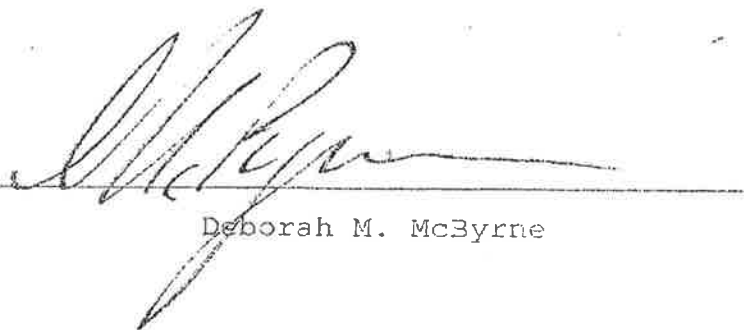
I, Deborah M. McByrne, a Shorthand Reporter and Notary Public of the State of New York, do hereby certify that the above and foregoing is a true and correct transcript of the proceedings as mentioned in the heading hereof, to the best of my knowledge and belief.

Deborah M. McByrne

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Deborah M. McByrne