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ALBANY COMMUNITY DEVELOPMENT AGENCY  
PUBLIC MEETING

June 30, 2011  
21 Lodge Street  
Albany, New York 12210  
12:00 p.m.

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

- TONY FERRARA - CHAIRMAN FERRARA
- ERIK SMITH - CAPITALIZE ALBANY
- MEGAN DALY - CAPITALIZE ALBANY
- BRAD CHEVLAIR - CAPITALIZE ALBANY
- KATHY SHEEHAN - TREASURER
- MARTIN DALEY - MEMBER
- PRAIRIE WELLS - MEMBER
- A. JOSEPH SCOTT, III, ESQ. - COUNSEL

**COPY**

1                                   CHAIRMAN FERRARA: Good afternoon,  
2                                   everyone. I am Tony Ferrara, Chairman of the  
3                                   Albany Community Development Agency. We have  
4                                   four projects to consider today for the hearing.  
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The next project is 60 State Street,  
L.L.C. project.

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MR. HERSHBERG: Mr. Chairman, my name is Daniel Hershberg, from the firm of Hershberg and Hershberg. I am here today representing the Gordon Companies and I might take this opportunity to introduce the Gordon Companies, as opposed to the previous applicant, who you know quite well from previous applications to the IDA.

Gordon Companies is new with regard to this. At the sake of aging myself pretty badly, I've been involved for three generations of Gordons. I actually started with Bernard Gordon, Jeffrey and David's grandfather, when he was a developer in the City of Albany. He developed

1 some shopping centers, commercial places and  
2 residential, and then I was involved with their  
3 father and uncle previous and now with Dave and  
4 Jeff. I've done about a dozen projects recently  
5 with Gordon Development Companies and they  
6 include 52 units of apartments out in Bethlehem.  
7 We just got approved a number of condo projects.  
8 So they have a good track record of completing  
9 projects.

10 On the board here I have some of their  
11 current projects or recent projects. This is  
12 Park Place in Troy. This is a building that was  
13 rehabbed for apartments. It's on Washington  
14 Park. It took the building that was in awful  
15 condition and turned it into market-grade  
16 apartments.

17 This is a project in North Greenbush,  
18 which was -- I'm sorry, this is Lake Placid.  
19 This is a Marriott Courtyard. If you take a look  
20 at internal treatments of this building, they are  
21 not typical Marriott Courtyard. Of course they  
22 were working with the Adirondack Park Agency,  
23 which influenced some of the outside design, but

1           also, this is a step above the normal Marriott  
2 Courtyard, and that's the kind of finishes that  
3 the Gordons have put into most of their projects.

4           In North Greenbush we have done a condo  
5 project, which has recently sold out, and this is  
6 the type of construction that they did there.  
7 These are current pictures.

8           You folks may be aware of the fact that  
9 50 State Street, where their headquarters are  
10 right now, was recently rehabilitated. This is  
11 50 State Street, and if you want to come up and  
12 take a closer look at the internal treatments of  
13 this building, they are definitely high-class  
14 internal treatments. I am telling you that,  
15 because their proposal is to take the national,  
16 the old National Commercial Bank and Trust  
17 Company Building, the 60 State Street building,  
18 which has a beautiful -- anybody who was at the  
19 downtown bid breakfast a few weeks ago, noticed  
20 the beautiful treatment of that main area, the  
21 main bank area with the very high ceiling, with  
22 the beautiful marble walls on it, and that's  
23 going to be entirely retained, and I am going to

1 let Neil Pevone, the architect, talk briefly with  
2 regard to the goal of that project.

3 But this, this issue here is, that they  
4 are going to maintain that, the facade, the front  
5 facade of the building and that entire internal  
6 space that was the National Commercial Bank and  
7 Trust Company until recently, when it became a  
8 Key Bank, but that, that's going to be entirely  
9 maintained. Small areas of more recent  
10 construction will be changed, but the upper three  
11 floors will be turned into residential  
12 apartments.

13 They understand -- the recent study  
14 funded by Capitalized Albany, demonstrated the  
15 need for downtown apartments. They intend to try  
16 to meet that. And I am going to introduce Neil,  
17 who will be able to talk about what this building  
18 is going to look like and what they intend to do.

19 MR. PEVONE: My name is Neil Pevone, I  
20 am an architect working with Gordon Companies on  
21 this project. I am going to show you some images  
22 of the building as it is and then we'll talk  
23 about what we'd like to rehab this use into.

1                   So this board here is the existing  
2                   facade as it is now. This is the main lobby  
3                   space. It takes up about half the footprint of  
4                   the building. It is a three-story space. It's  
5                   covered in marble and exquisite detail and it's  
6                   beautiful. These are images of some of the  
7                   spaces we'd like to retain. This is the lobby,  
8                   as well. This is the president's offices, which  
9                   are in a mezzanine, which we'd like to retain all  
10                  the woodwork and everything else and we'll talk  
11                  about the use in minute. This is also another  
12                  room that we'd like to maintain.

13                  In the basement in about 1920 they built  
14                  an enormous vault in the basement that we would  
15                  like to -- we're working on finding a way to  
16                  repurpose the basement, we have some code issues  
17                  and things like that to work through, but it's  
18                  really an amazing space and we'd like to work on  
19                  getting it back into service. So this is the  
20                  building as it stands. We haven't shown any  
21                  photos of the rear of the building, which were  
22                  offices. They have been rehabbed numerous times  
23                  and they are in rather poor condition. That

1 space has been vacant for about 20 years and  
2 that's the portion, about half of the rear  
3 footprint of the building, to be the lofts, or  
4 the apartments I should say.

5 So this is a concept for the first floor  
6 and the main lobby. What we'd like to do is  
7 have, or we have the hospitality tenant that  
8 would run the restaurant in the main lobby space  
9 and those specialty rooms that we, that you saw  
10 on the first board here. You can come up and  
11 take a look at the renderings or I'll show it  
12 around later.

13 On the back half, the upper floors for  
14 the apartments, we have currently laid out 11  
15 units on three floors. This is what -- and this  
16 is -- these plans show just half of the floor  
17 plan to the rear of the building, which is Norton  
18 Street, which is, essentially, an ally at this  
19 point. There's little or no historic character  
20 left due to the rehabs that have gone on since  
21 the '60s and '80s. This is -- and that's just  
22 the portion that we'd like to rehab into  
23 apartments. The goal is to keep as much as



1 possible of the existing detailing and beautiful  
2 spaces that we have and we're filling in with  
3 apartment use around those spaces.

4 The goal of the apartments is to create  
5 a very unique urban loft style look and feel.  
6 There's some images that we have gathered here  
7 that are from other projects. This is not  
8 exactly what we will be able to achieve, but it  
9 is what we'd like. This is the direction we are  
10 going in. So, again, if you'd like to come up  
11 and take a look at the direction of the project,  
12 that would be great.

13 MR. HERSHBERG: I might want to point  
14 out that the ceiling height is so high on some of  
15 these spaces, even though the floor spaces of  
16 some of these spaces will only be the 650 square  
17 feet, there's space in some of those to put in,  
18 really, sleeping areas or loft areas above the  
19 floor grade, which is, which would increase the  
20 useable space. And I might want to point out  
21 also, that on many that we're currently planning,  
22 is a rooftop deck so that people can get -- don't  
23 have to take so much vitamin D, they can get it

1 naturally.

2 And now I will ask John Harris, the  
3 attorney, to come up and speak briefly about the  
4 project.

5 MR. HARRIS: Sure. Thank you, Dan. I'm  
6 John Harris from Harris Beach. I have been  
7 involved in this project now for about five  
8 months and very excited to be a part of it. The  
9 building, as you can see, is, you know,  
10 incredible historic features, has these huge  
11 ceiling loft apartment potential in the back.  
12 The windows are southern facing, so you've got  
13 southern exposures. You've got a real unique  
14 opportunity here. But with that unique  
15 opportunity comes some significant challenges.  
16 Working in a historic building like this poses a  
17 lot of construction concerns. We have to replace  
18 all the HV/AC systems in the building, they are  
19 100 years old. We've got substantial demolition,  
20 asbestos abatement. The long and short of it is  
21 the construction costs are extraordinary, and in  
22 order to maintain the historic character and the  
23 historic nature of the building, while

1 capitalizing on the urban revitalization and  
2 residential units, it is going to cost a lot of  
3 money. And with those costs, you know, we, when  
4 we look out 20 and 30 years on the horizon, one  
5 of the, one of the operating expenses that is  
6 most concerning to the owners is the potential  
7 for real property taxes to put this project under  
8 water. Without some mitigation on the real  
9 property taxes, this project doesn't happen.  
10 With mitigation on real property taxes,  
11 demolition starts the day after we get IDA  
12 approval on a pilot agreement.

13 MR. HERSHBERG: Any questions for John?  
14 I'd like to close by saying we have made an  
15 application for site plan approval. We made a  
16 building permit application, we were referred for  
17 site plan approval. We made that application.  
18 We completed a full environmental assessment  
19 form. We identified the IDA as an involved  
20 agency, so that you folks should have copies of  
21 it, or, if not, copies will be made available for  
22 you. The Planning Board at their June 23 meeting  
23 declared themselves to be lead agency. We would

1 hope to let this Board consent to letting the  
2 Planning Board become lead agency with regard to  
3 this application. Empire State Development  
4 Corporation is also an involved agency due to the  
5 current grant request that's pending before them  
6 and HR -- we also identified HRC and SHPO as  
7 potentially involved agencies, even though we're  
8 not certain of the level of HRC review that we  
9 will be subjected to or SHPO review. SHPO is in  
10 there because Empire State Development  
11 Corporation will not allow our project to go  
12 forward until we have a SHPO signoff, because  
13 we're in a downtown historic area. Regardless,  
14 even if you are doing a completely historic  
15 rehabilitation, they still have to have a signoff  
16 from SHPO.

17 Is there any questions by the members?

18 MS. SHEEHAN: Could you please explain  
19 to the people here what the ask is, what you are  
20 asking for with respect to the highlight?

21 MR. HERSHBERG: John Harris will do  
22 that.

23 MR. HARRIS: So as of right, the project

1 would be entitled to an abatement over the first  
2 eight years of 100 percent of the increased  
3 assessment, due to the construction activity. So  
4 really what we are asking for, is relief in  
5 years, 9, 10, 11, 12 through 20. The application  
6 requested 100 percent abatement in years 9  
7 through 20. We have had discussions with IDA  
8 staff about moving back from that number, and the  
9 developer is willing to consider moving back from  
10 100 percent abatement, but the application itself  
11 asks for 100 percent abatement.

12 MS. SHEEHAN: For years 1 through 20?

13 MR. HARRIS: Correct. But, again, 1  
14 through 8 would essentially be as of right, in  
15 any event. So it's, the relief is really coming  
16 in years 9 through 20 from the IDA.

17 CHAIRMAN FERRARA: Okay. Thank you,  
18 Mr. Harris.

19 MR. HERSHBERG: There is no other  
20 questions?

21 SPEAKER: Is there any parking?

22 MR. HERSHBERG: No. There is zero  
23 parking. First of all, we are in the C-3 zone,

1           so the City doesn't require any parking. There  
2           are parking spaces which are available, which  
3           will be made part of this package to make them  
4           available for people, but we do not, we do not  
5           intend to construct new parking with it. We do  
6           have accessibility to other parking spaces in the  
7           area that we can make arrangements for, but  
8           there's no new parking in the construction.

9                           CHAIRMAN FERRARA: Thank you,  
10           Mr. Hershberg.

11                           MR. Hershberg: Thank you, Mr. Ferrara,  
12           sir.

13                           CHAIRMAN FERRARA: Okay. Anyone else?  
14           I'd like to officially close the public hearing  
15           in regard to the 60 State Place, L.L.C. project.

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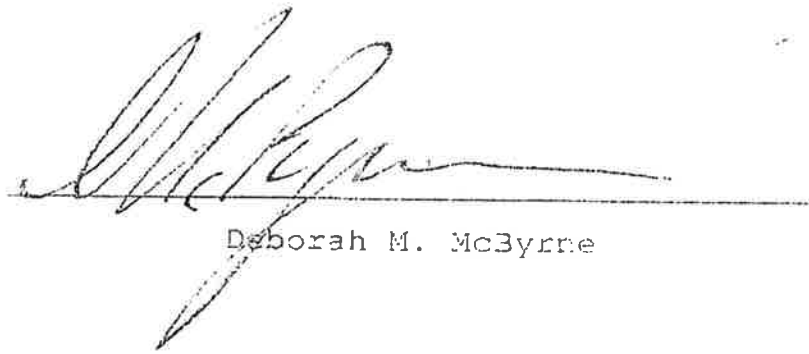
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C E R T I F I C A T I O N

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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