

**255 River Street, LLC**  
**Public Hearing**  
**June 11, 2018**  
**Conference Room, RCED&P Office**

Start: 10:00 am

Hearing Closed: 10:40 am

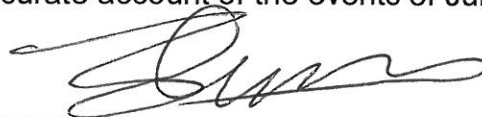
At 10:04 am the Hearing Officer opened the Public Hearing and read the Notice of Public Hearing, which was published May 24, 2018 in the 21<sup>st</sup> Century Media Newspaper, LLC (The Record). The hearing officer stated that the purpose of this public hearing was to illicit comments from the general public in favor of or in opposition to this project. These comments will be transmitted to the members of the Rensselaer County Industrial Development Agency (RCIDA) for their consideration prior to taking any action on this project at the RCIDA's regularly scheduled meeting of June 14, 2018.

Speaker: Libby Coreno stated that she worked in the Saratoga Office of Carter and Conboy, PC and that she was representing Bonacio Construction. She read from the Excel spreadsheet on her iPad and the focus of her argument was the difference in benefits given Bonacio by the City of Troy IDA compared to the benefits requested from the RCIDA by the 255 River Street, LLC developer. Ms. Coreno said she would send me a written copy of her comments by noon today. (Ms. Coreno did not forward her comments. I called her office and her secretary said she hadn't yet arrived but she emailed her a request to contact me and Robin LaBrake, in a separate correspondence, also requested her comments. As of 10:00AM on June 13<sup>th</sup>, this office has not received her comments.)

Other Attendees: None

As no other person appeared at the Public Hearing and no other written statements had been mailed to the office for inclusion in the minutes of the Public Hearing, the Hearing Officer closed the meeting 10:40 AM.

The above is a true and accurate account of the events of June 11, 2018  
Public Hearing



Jay Sherman, Hearing Officer for the RCIDA



Libby Coreno  
Director | Shareholder  
Email: lcoreno@carterconboy.com

June 13, 2018

Mr. Robert L. Pasinella  
Executive Director  
Rensselaer County Industrial Development Agency  
1600 Seventh Avenue  
Troy, NY 12180

*via email and first class mail*

Re: Application for IDA Benefits  
255 River Street LLC  
Our File: 29168

Dear Mr. Pasinella,

We are writing on behalf of Bonacio Construction (“Bonacio”) which was involved through itself and related entities for five mixed-use redevelopment projects in the City of Troy dating back to 2013. We are in receipt of the Application for IDA Benefits (“Application”) submitted by 255 River Street, LLC (“Applicant”) for the McCarthy Building on River Street in Troy. I appeared at the public hearing for this Application on Monday, June 11, 2018 to provide comments and concerns related to the scope of the benefits requested, the lack of supportive information as to the amount of relief, and the potential for direct impact to my client’s existing projects. Please accept this submission as a summary of the comments placed on the record at the public hearing.

I am enclosing a summary of the benefits received by my client’s entities for five projects beginning in 2013 for a total of \$3,299,671 in tax abatement from the City of Troy IDA. Within those five projects, a total of 83 apartments were constructed for an average per unit rate of \$39,755 in abatement (real property tax, mortgage tax, and sales tax). At the time, my client’s applications for relief were based upon the potential for economic benefit to the City of Troy in helping to build an apartment market with an increased rental rate. In the past five years, my client’s projects have generated an average rental price \$1.45 per square foot.

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**CARTER, CONBOY, CASE, BLACKMORE, MALONEY & LAIRD, P.C.**

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Pasinella, Robert  
June 12, 2018  
Page 2

After reviewing the Application from 255 River Street, LLC, it was noted that it seeks a total of \$1,630,000 in tax relief for nineteen (19) apartment units. When calculated on a per unit basis, the Applicant is seeking \$85,790 in tax relief for each apartment. The relief requested is more than two times the tax benefit provided to my client for all of the units that have been constructed. The Application contains no explanation for either the need for such extensive abatement or the benefit offered to the County of Rensselaer at a rate of two times that granted by the City of Troy IDA for similarly situated projects.

It should also be noted that the Applicant has disclosed an acquisition price of \$1.8M which is approximately \$60.00 per square foot for a 30,000 SF building. By way of comparison, similar buildings have been acquired at \$30 a square foot (Hendrick) and \$45 a square foot (Cannon). Therefore, it is notable that the Applicant has a starting investment cost nearly double (or at least 1.5 times) greater than that of its competitors. Perhaps this explains why two times the amount of tax relief has been requested. Regardless, it is important to note that the IDA is tasked with looking at benefits to the community not acquisition costs incurred by the property owner.

The Applicant makes mention in both the Application itself, and its cover letter, that the development project, "will add to the live-work-play revitalization currently underway in Downtown Troy." It is incumbent upon me to note that the revitalization mentioned by the Applicant was substantially impacted by the development projects of Bonacio Construction and the tax benefits it received at one-half the rate sought by the Applicant before such a market existed. As a result, we are concerned that such extensive tax relief will either (1) permit the Applicant to offer rental rates below the market generated by my client's projects or directly impact the investments made to date; or (2) permit unfair recovery or recoupment of investment costs at double the rate that was offered to on similarly situated projects.

In closing, we ask the members of the IDA to look carefully at the financial impact to the delicate and emerging rental market in Downtown Troy. Furthermore, we ask that the Applicant be required to demonstrate, in significantly more detail than currently has been shown, why such extensive IDA relief is warranted and what increased economic impact its project will have as compared to similarly situated projects.

Thank you for time and courtesies in reviewing our position.

Very truly yours,



M. ELIZABETH CORENO

MEC:SRD

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Mixed Use Development - Tax Abatement  
Downtown Troy

Year	Project Name	Real Property Tax	Mtg Tax	Sales Tax	Total	Unit Count
2014	33 2nd	\$ 413,987	\$ 18,690	\$ 202,150	\$ 634,827	14
2013	River Tri	\$ 631,241		\$ 202,150	\$ 833,391	9
2014	Dauchy	\$ 1,134,000	\$ 56,000	\$ 156,800	\$ 1,346,800	29
	HH	\$ 369,600	\$ 55,125	\$ 59,928	\$ 484,653	17
	Keenan	\$ -	\$ -	\$ -	\$ -	14
	<b>TOTALS</b>				\$ 3,299,671	83
	<i>Abatement per unit</i>				\$ 39,753	
2018	255 River Street	\$ 1,426,000	\$ 47,000	\$ 157,000	\$1,630,000.00	19
	<i>Abatement per unit</i>				\$ 85,789	