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Received by ABO
10/17/2023

MEMO

TO: New York State Authorities Budget Office
Office of the State Comptroller
Director of Budget
Commissioner of the Office of General Services
New York State Senate Finance Committee
New York State Assembly Ways and Means Committee

FROM: City of Schenectady Industrial Development Agency (“Agency”)

DATE: October 17, 2023

RE: Explanatory Statement in Accordance with Public Authorities Law
§2897(6)(d)

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Subject Property: One parcel totaling approximately 121,968 square feet (+/- 2.80 -acres) of land located at 1675 Watt Street (the “Property”) in the City of Schenectady, Schenectady County

Interest to be conveyed: Fee Simple

Current Owner: City of Schenectady Industrial Development Agency (“Agency”)

Transferee: The Bahlmann Group LLC., or an affiliated entity acceptable to the Agency

Estimated Fair Market Value: \$225,000 in the aggregate for the Property, based on an appraisal by The Appraisal Company Inc., dated September 19, 2023, a copy of which is available upon request.

Sale Price: \$225,000 due and payable at closing to the Agency

Type of disposition: Disposal by Negotiation

Expected Sale Date: Anticipated January 15, 2024

Justification: The Property consists of one parcel which serves as a vacant parking lot proximate to Interstate-890 in the City of Schenectady. The parking lot has limited value to the Agency and has served as a storage facility for the City of Schenectady IDA's and Schenectady Metroplex Development Authority's winter maintenance program, including storage of equipment, road salt and other materials.

The Bahlmann Group, LLC. ("Purchaser"), has expressed interest in owning and controlling the Subject Property, which is near 450 Duane Avenue, the former SuperPower building, which The Bahlmann Group is currently under contract to purchase and convert into a self-storage facility. The Purchaser plans to convert the 2.80-acre lot into traditional garage style self-storage and potential flex space.

The Subject Property has limited use to the Agency, since it does not collect parking revenues currently and there are on-going costs of maintenance and repairs, including snow plowing, litter and trash pick-up, utility expenses, and general lot maintenance. The Agency further determined that the Subject Property is not marketable to any entity other than The Bahlmann Group, LLC,

The sale of the Subject Property to Transferees was considered by the Agency's Board of Directors on September 20, 2023, via Resolution 661-23. The Resolution made a series of findings to justify the sale and conveyance of the Subject Property at less than fair market value. The Resolution contained the following findings:

- (i) The Property is not needed by the Agency for its purposes.
- (ii) Due to its location, the Property is of limited value to a purchaser other than Bahlmann.
- (iii) It is in the best interests of the Agency to dispose of the Property.
- (iv) Sale of the Property to the Bahlmann will reduce blight in the surrounding neighborhoods and promote economic development.

The Agency contact with respect to the transaction is David J. Hogenkamp, Executive Director.