March 9, 2018

City of Albany Planning & Development
200 Henry Johnson Blvd
First Floor, Suite #3
Albany, NY 12210

Attn: Chris Spencer, Commissioner

Re: 224 South Pearl Street
Area Variance Application

Dear Mr. Spencer:

On behalf of Pinnacle Business Ventures, we are providing additional information related to the application. Information included herein is intended to address comments made by City staff at February 21, 2018 meeting.

1. Public Support
Enclosed is a letter from Honorable Samuel Fien, County Legislature for the 6th Legislative District supporting the applicants request to place the gas islands in the front yard. Further, enclosed is a petition from December 2017 signed by almost 100 residents from the City of Albany that indicates that installing fuel pumps in the front yard would “Not Be Out of Character with the Neighborhood”. (Section 365-5(21)(C)(1) A.1).

2. Project Costs
Enclosed is an updated breakdown identifying construction costs associated with maintaining the existing building in its current location, which would place the gas islands in the front yard versus constructing a new building, which would place the gas islands to the rear of the property. The investment in new construction would place the project at an operating deficit of more than $100,000 after 5 years of operation. The financial breakdown demonstrates construction of a new building is not a feasible option for the project. (Section 365-5(21)(C)(1)A.2).

3. Applicant’s Ownership of Property
Pinnacle Business Ventures took ownership of the property in November 2016, approximately 8 months prior to the adoption of Rezone Albany in June 2017. The applicant took ownership of the property at the time the City’s zoning allowed the gas islands in the front yard. This supports the applicant’s position that the requested variance is not a self-created hardship (Section 365-5(21)(C)(1)A.5).

Most the signatories are residents of the South End including Trinity Place, South Pearl Street, Green Street, Madison Ave, Second Ave, Grand Street, Morton Ave., South Ferry Street and other nearby streets, which are all located within several hundred feet of the project.
Please review the enclosed information. We request to be placed on the next available Zoning Board of Appeals agenda to discuss the project further.

If you have any questions or require any additional information, please contact this office at (518) 438-9900 or at steven.wilson@bohlereng.com.

Sincerely,

BOHLER ENGINEERING MA, LLC

Steven R. Wilson
<table>
<thead>
<tr>
<th>Item</th>
<th>Renovation 2,200 SF Structure</th>
<th>Renew/Replace 2,200 SF Structure</th>
<th>New Construction 2,200 SF Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure Cost</td>
<td>$200,800</td>
<td>$396,531</td>
<td>$573,600</td>
</tr>
<tr>
<td>Pump Installation</td>
<td>$389,842</td>
<td>$389,842</td>
<td>$389,842</td>
</tr>
<tr>
<td>Pedestrian / Landscaping Infrastructure</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Demolition</td>
<td>$0</td>
<td>$0</td>
<td>$50,000</td>
</tr>
<tr>
<td>Additional Land Required</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Cost</td>
<td>$0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Design Fees</td>
<td>$13,250</td>
<td>$13,250</td>
<td>$21,500</td>
</tr>
<tr>
<td>Estimated Time for Construction</td>
<td>1 Month</td>
<td>1 Month</td>
<td>3 Months</td>
</tr>
<tr>
<td>Contigencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deli Case / Hood / Meet Slicer / Sandwich Table / Deli Counter / Microwave etc.</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
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<tr>
<td>New Utility Connections</td>
<td>$0</td>
<td>$0</td>
<td>$15,000</td>
</tr>
<tr>
<td>Hazardous Materials Removals, Testing or Abatement Delays caused by hazardous material removal</td>
<td>$0</td>
<td>$0</td>
<td>$10,000</td>
</tr>
<tr>
<td>Phasing of project to keep the store and gas open during construction / Loss of Business</td>
<td>$0</td>
<td>$0</td>
<td>$10,000</td>
</tr>
<tr>
<td>Fire protection sprinklers, Fire alarm monitoring &amp; Lottery terminal connection</td>
<td>$0</td>
<td>$0</td>
<td>$10,000</td>
</tr>
<tr>
<td>Unsuitable soil replacement</td>
<td>$0</td>
<td>$0</td>
<td>$5,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$100,000</td>
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<tr>
<td>Allowances</td>
<td>$64,700</td>
<td>$64,700</td>
<td>$64,700</td>
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<tr>
<td>Estimated Cost</td>
<td>$743,592</td>
<td>$939,323</td>
<td>$1,224,642</td>
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<tr>
<td>Total Cost Variation</td>
<td>$195,731</td>
<td>$481,050</td>
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<tr>
<td>Down Payment for Redevelopment (20%)</td>
<td>$148,718</td>
<td>$187,865</td>
<td>$244,928</td>
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<td>Down Payment Cost Variation</td>
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<td></td>
<td>$39,146</td>
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<tr>
<td>Loan Remaining</td>
<td>$594,874</td>
<td>$751,458</td>
<td>$979,714</td>
</tr>
<tr>
<td>Monthly Mortgage Payments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existing Property Mortgage (240K @ 15yrs)</td>
<td>$2,025</td>
<td>$2,025</td>
<td>$2,025</td>
</tr>
<tr>
<td>Redevelopment @ 6.0% 15 yrs ($594,874, $751,458 vs. $979,714)</td>
<td>$5,020</td>
<td>$6,341</td>
<td>$8,267</td>
</tr>
<tr>
<td>Tax Estimate (Structure + Pumps)</td>
<td>$676,642</td>
<td>$872,373</td>
<td>$963,442</td>
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<tr>
<td>County Tax @ 3.723941</td>
<td>$210</td>
<td>$271</td>
<td>$304</td>
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<td>City Tax @ 14.058500</td>
<td>$793</td>
<td>$1,022</td>
<td>$1,148</td>
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<td>School Tax @ 21.958341</td>
<td>$1,238</td>
<td>$1,596</td>
<td>$1,795</td>
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<tr>
<td>Lib tax @ 1.628544</td>
<td>$92</td>
<td>$118</td>
<td>$133</td>
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<tr>
<td>Estimate =</td>
<td>$9,378</td>
<td>$11,373</td>
<td>$13,672</td>
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<tr>
<td>Monthly Cost Variation =</td>
<td></td>
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<td>$1,996</td>
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## Cost Break Down

<table>
<thead>
<tr>
<th>Item</th>
<th>Renovation</th>
<th>Renew/Replace</th>
<th>New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Commission @ .05 / 85K Gallons per Month</td>
<td>$4,250</td>
<td>$4,250</td>
<td>$4,250</td>
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<tr>
<td>Inside Sales @ .20 / $54K per month ($1,800 Daily)</td>
<td>$10,800</td>
<td>$10,800</td>
<td>$10,800</td>
</tr>
<tr>
<td>Deli Sales @ .50 / $15K ($500 Daily)</td>
<td>$7,500</td>
<td>$7,500</td>
<td>$7,500</td>
</tr>
<tr>
<td>Rental Units ($2,000 + $1,500)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$22,550</td>
<td>$22,550</td>
<td>$22,550</td>
</tr>
<tr>
<td>Monthly Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly c-store employee salary</td>
<td>$6,156</td>
<td>$6,156</td>
<td>$8,892</td>
</tr>
<tr>
<td>Electricity</td>
<td>$1,652</td>
<td>$1,652</td>
<td>$1,652</td>
</tr>
<tr>
<td>Telephone/Internet</td>
<td>$199</td>
<td>$199</td>
<td>$199</td>
</tr>
<tr>
<td>Maintenance / Misc. Fees (Landscaping, Garbage Disposal, etc.)</td>
<td>$1,300</td>
<td>$465</td>
<td>$465</td>
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<tr>
<td>Flood Insurance</td>
<td>$750</td>
<td>$500</td>
<td>$600</td>
</tr>
<tr>
<td>Pollution Legal Liability Insurance ($10,000)</td>
<td>$833</td>
<td>$833</td>
<td>$833</td>
</tr>
<tr>
<td>Property Insurance</td>
<td>$333</td>
<td>$250</td>
<td>$292</td>
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<tr>
<td>Credit Card Transaction Fees</td>
<td>$1,250</td>
<td>$1,250</td>
<td>$1,250</td>
</tr>
<tr>
<td>Bookkeeping/Taxes/Payroll Accountant Fees</td>
<td>$250</td>
<td>$250</td>
<td>$250</td>
</tr>
</tbody>
</table>

### Year 1 Monthly Profit
- $449
- ($379)
- ($5,555)

### Year 2 Monthly Profit
- $2,704
- $1,876
- ($3,300)

### Year 3 Monthly Profit
- $3,944
- $3,116
- ($2,060)

### Year 4 Monthly Profit
- $5,246
- $4,419
- ($757)

### Year 5 Monthly Profit
- $6,614
- $5,786
- $610

### Net:
- $227,471
- $177,824
- ($132,733)
INSTRUMENT #: R2016-27462
Receipt#: 20160098586
Clerk: DK
Rec Date: 11/21/2016 11:34:04 AM
Doc Grp: D
Descrip: DEED
Num Pgs: 4
Rec’d Frm: PINNACLE BUSINESS VENTURES LLC
Party1: MET AND JOHN LLC
Party2: PINNACLE BUSINESS VENTURES LLC
Muni: ALBANY CITY

Recording:
Cover Page: 5.00
Recording Fee: 35.00
Cultural Ed: 14.25
Records Management - Coun: 1.00
Records Management - Stat: 4.75
TP584: 5.00
RP5217 - County: 9.00
RP5217 All others - State: 241.00

Sub Total: 315.00
Transfer Tax: 1200.00
Transfer Tax - State: 1200.00

Sub Total: 1200.00

Total: 1515.00

***** Transfer Tax *****
Transfer Tax #: 2637
Transfer Tax: 1200.00
Consideration: 300000.00
Transfer Tax - State: 1200.00
Total: 1200.00

THIS PAGE CONSTITUTES THE CLERK’S ENDORSEMENT, REQUIRED BY SECTION 316-a (5) & 319 OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK.

Record and Return To:
BOX 8

Bruce A. Hidley
Albany County Clerk
WARRANTY DEED

THIS INDENTURE

Made the 15th day of October, 2016

BETWEEN

MET AND JOHN LLC,
having an address at 175-18 147th Avenue, Jamaica, NY 11434,
parties of the first part, and

Pinnacle Business Ventures LLC,
having an address at 1 Peachtree Lane, Albany, NY 12205,
parties of the second part,

WITNESSETH that the parties of the first part, in consideration of One Dollar and 00/100 ($1.00) lawful money of the United States, and other good and valuable consideration paid by the parties of the second part, do hereby grant and release unto the parties of the second part, their heirs and assigns forever,

ALL THAT TRACT, PIECE OR PARCEL OF LAND, situate in the City and County of Albany, State of New York, more particularly bounded and described on SCHEDULE A DESCRIPTION attached hereto and made a part hereof.

BEING the same premises conveyed to the parties of the first part by deed dated May 16, 2012 and filed in the office of the Albany County Clerk on May 17, 2012 in Book 3034 of Deeds at page 60.

TOGETHER with the appurtenances and all the estate and rights of the parties of the first part in and to said premises.

TO HAVE AND TO HOLD the premises herein granted unto the parties of the second part, their heirs and assigns forever.

AND said parties of the first part covenant as follows:

FIRST, that the parties of the second part shall quietly enjoy the said premises;

SECOND, that said parties of the first part will forever WARRANT the title to said premises.

[Signature]

[Stamp]

[Notary Public]
THIRD, that, in compliance with Sec. 13 of the Lien Law, the grantors will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

IN WITNESS WHEREOF, the parties of the first part have hereunto set their hands and seals the day and year first above written.

IN PRESENCE OF

MET AND JON LLC

By: 
Name: Metin Nerkis
Title: Member

STATE OF NEW YORK )

COUNTY OF ALBANY )

On the 24th day of October, 2016, before me, the undersigned, personally appeared Metin Nerkis, personally knew to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned.

ROBERT A. PANASCI
Notary Public, State of New York
Qualified in Albany County
No. S6940C1101
Commission Expires March 11, 2019

Notary Public
Fidelity National Title Insurance Company
Issued by
SNEERINGER MONAHAN PROVOST REDGRAVE
TITLE AGENCY, INC.
SCHEDULE A DESCRIPTION

All that tract, piece or parcel of land, situate lying and being in the City and County of Albany, State of New York, more particularly bounded and described as follows:

BEGINNING at the point of intersection of the revised easterly line of South Pearl Street with the southerly line of South Ferry Street, said point being located 517.58 feet, more or less distant, measured in a westerly direction along said southerly line of South Ferry Street from its intersection with the westerly line of Greene Street; thence in a southerly direction along the revised easterly line of South Pearl Street, making an interior angle of 88° 33' 08" with said southerly line of South Ferry Street, a distance of 100.0 feet, more or less, to a point; thence, in an easterly direction, along a line parallel with the southerly line of South Ferry Street, making an interior angle of 91° 26' 52" with the last described course, a distance of 100.0 feet, more or less, to a point on the southerly line of South Ferry Street; thence in a westerly direction, along said southerly street line, making an interior angle of 91° 26' 52" with the last described course, a distance of 100.0 feet, more or less, to a point being the point and place of beginning.

Schedule A – Legal Description – Page 1 of 1
Fidelity National Title Insurance Company – Sneeringer Monahan Provost Redgrave Title Agency, Inc.

Date: September 30, 2016