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January 21, 2019

City of Albany Board of Zoning Appeals
c/o Department of Planning and Development
200 Henry Johnson Boulevard
Albany, New York 122110

Re: Area Variance Requests for 15 Corporate Circle, Albany, New York

Dear Chairman Berkley and Members of the Board of Zoning Appeals:

Please be advised that the undersigned and Hershberg & Hershberg represent NPI Realty LLC ("NPI"), an applicant for an Area Variance pursuant to Section 375-4(a) for a rear setback from 20 feet to 0 feet and side setback from 10 feet to 0 feet. In addition, I was in attendance at the ZBA Workshop Meeting held on January 9, 2019. I write this letter to address several of the issues raised by the members at January 9, 2019 meeting.

BACKGROUND HISTORY

The subject property was initially developed with the construction of the existing one-story building containing approximately 30,850 SF that is reflected on the proposed subdivision map as Proposed Parcel No.: 1-15 Corporate Circle ("15 CC"). On or about August, 1988, Newkirk Products, Inc. ("Newkirk") purchased that building and the related land area to house its business operations. Newkirk was a vertically integrated publisher of financial and employee benefit material that actually wrote the employee benefit and retirement publications. After the completion of a written publication, Newkirk printed the publications through offset printers and laser printing equipment and distributed the same for their clients. In addition, Newkirk would produce the publications and warehouse the copies for many of their clients, the bulk of which were in the financial services industry.

As Newkirk's business grew, additional space was required to accommodate their staff, additional printing and binding equipment and warehouse storage needs. As a result, in 1995 Newkirk constructed the building known as 17 Corporate Circle which is a two-story building containing approximately 44,188 SF ("17 CC"). The bulk of first floor in 17 CC is open floor plate space which housed Newkirk's printing equipment and storage areas for finished goods and raw paper inventory. The second floor of 17 CC was used as office space for Newkirk's employees. 17 CC was constructed as a four-sided building with separate fire walls, utilities and entrances. 17 CC was NOT constructed as a three-sided building that relied upon the 15 CC exterior wall for support and closure. In fact, the sole connection between the 15 CC and 17 CC buildings is an approximately 10' x 10' roll up door. See Photograph 1 attached hereto. As a result, 17 CC is a relatively unique structure.

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In 2011, Newkirk was sold to DST Retirement Solutions LLC ("DST"). In connection with the sale, DST did not acquire the buildings and real estate that was formerly owned by Newkirk. As part of the sale, the real estate known as 15 Corporate Circle (SBL #41-2-67) was transferred to NPI Realty LLC, which is owned by the principals of Newkirk, and DST leased all of the buildings for six years. Following the sale of Newkirk and consistent with the general contraction in the printing industry, DST consolidated portions of the Newkirk business. Since much of the information formerly produced by Newkirk on its offset and laser printers is now distributed through the internet, there has been a reduction in employment and less need for building space. As a result, in 2019, DST only occupies the second floor of 17 CC and the balance of the buildings are vacant.

In light of the configuration of the buildings and the lack of demand in the market for buildings in excess of approximately 54,000 SF, NPI determined that it is in their best interest to subdivide the subject property along the firewall between 15 CC and 17 CC. This proposed subdivision has the advantage of not disturbing the fire wall and relying upon the existing separated utility service that is in each building as well as the separate handicap and ADA compliant features in each building.

NPI has entered into a contract to sell 15 CC, as subdivided on the plan submitted to the ZBA. The contract is subject to all required municipal approvals including the subdivision approval. As part of the subdivision, the parties have agreed to a cross easement agreement for the reciprocal use of the common driveway.

CHARACTER OF NEIGHBORHOOD

The Karner Road Industrial Park which contains all of the buildings on Corporate Circle is the preeminent business park in the City of Albany as it is the home to Transworld Entertainment, AMRI and Hoffman Enterprises. The area is zoned industrial and has many attractive buildings in an attractive setting with adequate greenspace and surrounded by the Pine Hills Preserve. The proposed area variance does not affect the existing buildings so that the subdivision of the property will not be out of place with the existing neighborhood.

ALTERNATIVES CONSIDERED

In light of the configuration of the buildings, the only other possible alternatives are: (a) no subdivision and separation of the buildings so that it remains in its existing state; or (b) subdivision inconsistent with the existing firewall. If option (a) is selected, the result is a long-term vacancy since the market for large buildings in the existing configuration is limited. The proposed subdivision line takes advantage of the existing firewall between 15 CC and 17 CC, the handicap and ADA compliant features of each building and the existing separate entrances and loading docks.

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SUBSTANTIALITY

Although the zero lot maybe considered substantial on a numerical basis, it is respectfully submitted that the requested area variances are not substantial considering that the respective buildings were constructed as physically separate buildings with the sole connection being the 10' x 10' rollup door connection. In addition, the requested area variances are not substantial when one considers that there is no impact on any of the building improvements or the overall neighborhood. The undersigned has processed several zero lot subdivisions similar to the instant request such as the separation of the Kmart building in the Town of Clifton Park in the Northside Shopping Center at Exit 9 on the Northway.

IMPACT ON ENVIRONMENT

Since the proposed subdivision does not affect the existing building improvements, it is not expected that there will be any impact on the environment no physical change to the building improvements will be undertaken.

SELF-CREATED HARDSHIP

The design and physical construction of the buildings was self-created since it was designed to accommodate a single occupant user that needed to expand. However, it is respectfully submitted that certain aspects of this request resulted from circumstances outside of the control of the principals of NPI. Specifically, the contraction of the print and financial publication business has adversely impacted the business conducted by Newkirk. Specifically, a substantial amount of the content formerly produced by Newkirk is now distributed through the internet and is not printed. As a result, the business of Newkirk has contracted and DST does not require the space formerly occupied by print and warehouse functions in each building.

Should you have any questions or comments, do not hesitate to contact me. I am,

Very truly yours,

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Paul J. Goldman

PJG/am

Enc.