

OFFERING  
MEMORANDUM

## Downtown Troy

Capital Region

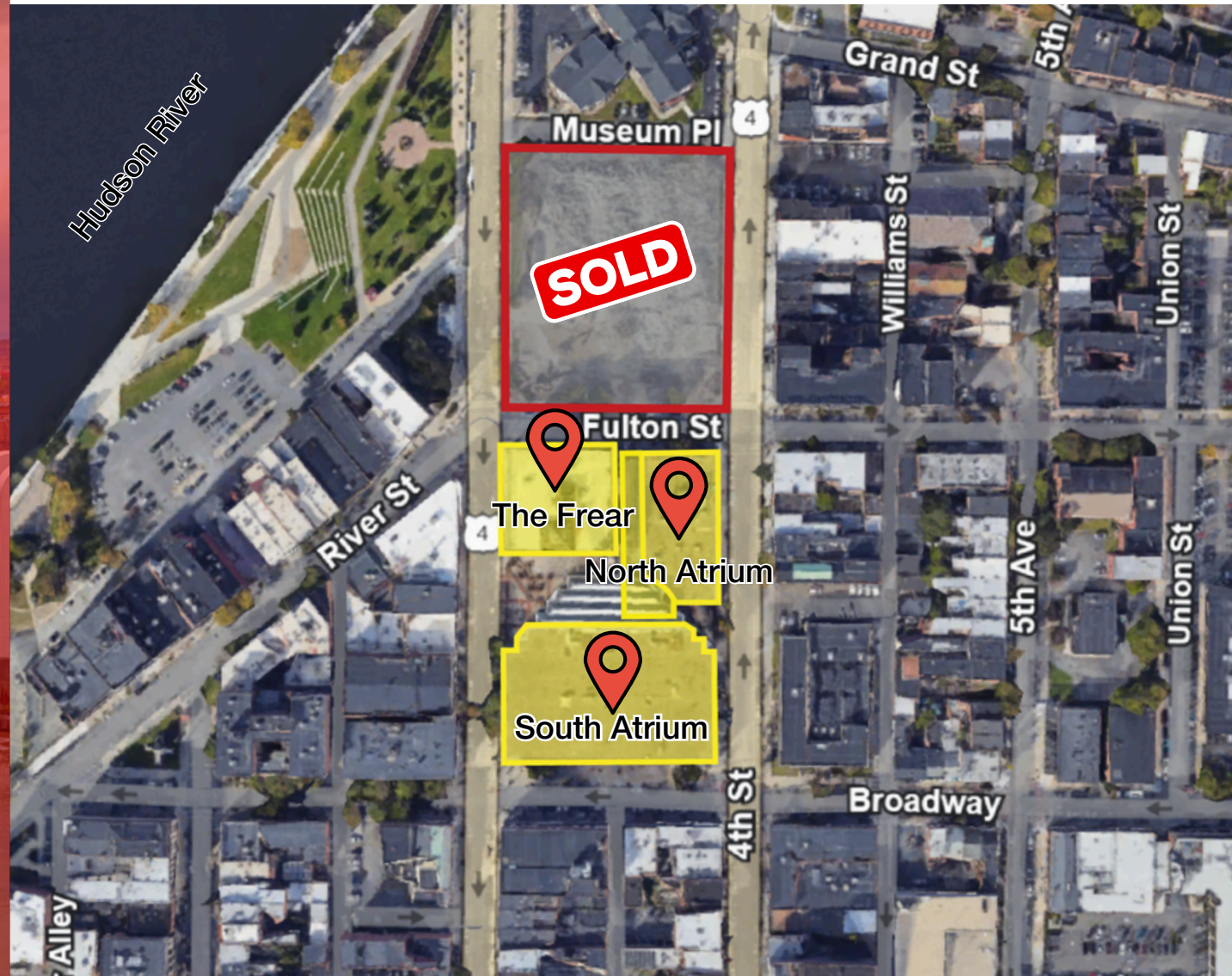
\$7.5M

**NAI Platform**

14 Corporate Woods Boulevard Suite 100  
Albany, New York 12211

# 160,000 SQFT LARGE SCALE DEVELOPMENT OPPORTUNITY

2 3rd Street, 49 4th Street, 350 Broadway | Troy, New York 12180



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**Anton Pasquill**

Real Estate Salesperson

Commercial Specialist

+1 518 779 0107

+1 518 465 1400 ext. 231

[anton@naiplatform.com](mailto:anton@naiplatform.com)

[www.TheZoningGuy.com](http://www.TheZoningGuy.com)

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**THIS OFFERING REPRESENTS  
THE LARGEST  
RE-DEVELOPMENT  
OPPORTUNITY IN THE  
QUICKLY GROWING  
DOWNTOWN OF THIS  
UPSTATE NEW YORK  
TECH-HUB.**



**COMMERCIAL /  
RETAIL  
DEVELOPMENT**



**MULTIFAMILY  
DEVELOPMENT**



**CAMPUS/CIVIC/  
INSTITUTIONAL  
DEVELOPMENT**



**MIXED-USE  
DEVELOPMENT**

## THE OFFERING

Presented in this memorandum is a tremendous opportunity for investment in downtown Troy. The offering includes three structures across two tax lots with the potential for adaptive re-use or demolition and new construction.

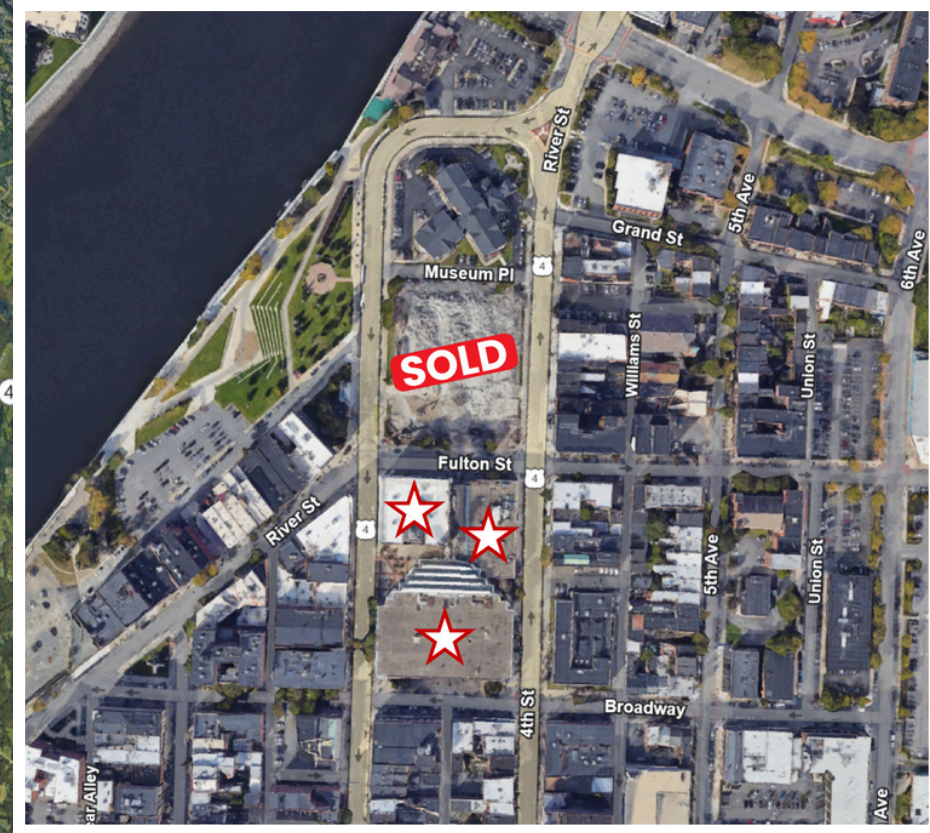
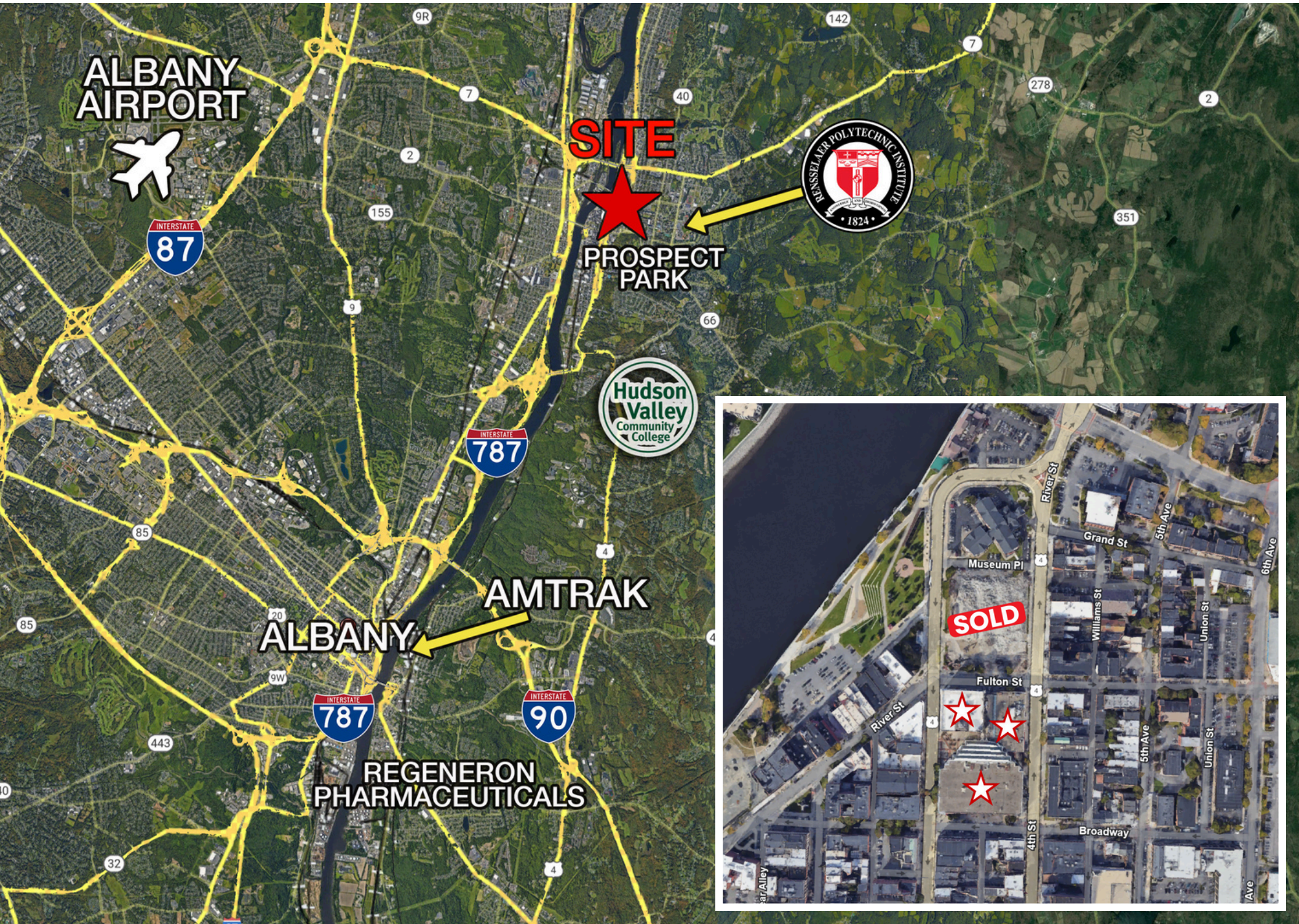
Historic downtown Troy offers a bit of everything for both residents and workers—restaurants, retail, river-front parks, top colleges (Rensselaer Polytechnic Institute and Russel Sage), and beautifully preserved historic structures.

The city recently underwent a complete overhaul of their zoning code, with a great deal of work and attention poured into the downtown mixed-use district in which these properties reside. This concerted effort on the part of the city shows that it is ready and willing to work with developers to achieve the highest and best use of these properties.



Interior

REGIONAL MAP



# PROPERTY HIGHLIGHTS

## Lot 1

### 2 3rd St (The Frear Building)

- 4-Story structure
- ±50,000 SF class B office/retail
- 90% Leased
- ±\$475k Projected 2025 net income
- Opportunity for valued-add via Historic Tax Credits and NYSERDA

### 49 4th St (North Atrium)

- ±40,000 SF class C office/retail
- Vacant, ready for adaptive re-use or rehabilitation
- 2-Story structure with potential for added height
- Potentially eligible for Historic Tax Credits

## Lot 2

### 350 Broadway (South Atrium)

- ±73,000 SF existing 2-story class B office/retail
- Vacant, ready for adaptive re-use or rehabilitation
- 2-Story structure with potential for added height
- Potentially eligible for Historic Tax Credits
- 0.84 acre tax lot
- 7 stories in permitted building height
- Potential to develop 200,000+ SF if existing structure demolished

The Frear Building



## AREA HIGHLIGHTS

### Rich History

Troy was once a focal point of the industrial revolution in the 1800s, boasting an economy greater than New York City. Intersecting waterways fueled industrious shipping, textile, banking, and steel mill industries. Many of these artfully adorned bank buildings, factories, and department stores, along with hotels, row houses, and townhomes, endure to this day, remaining a testament to the city's past grandeur.



### Business & Employment

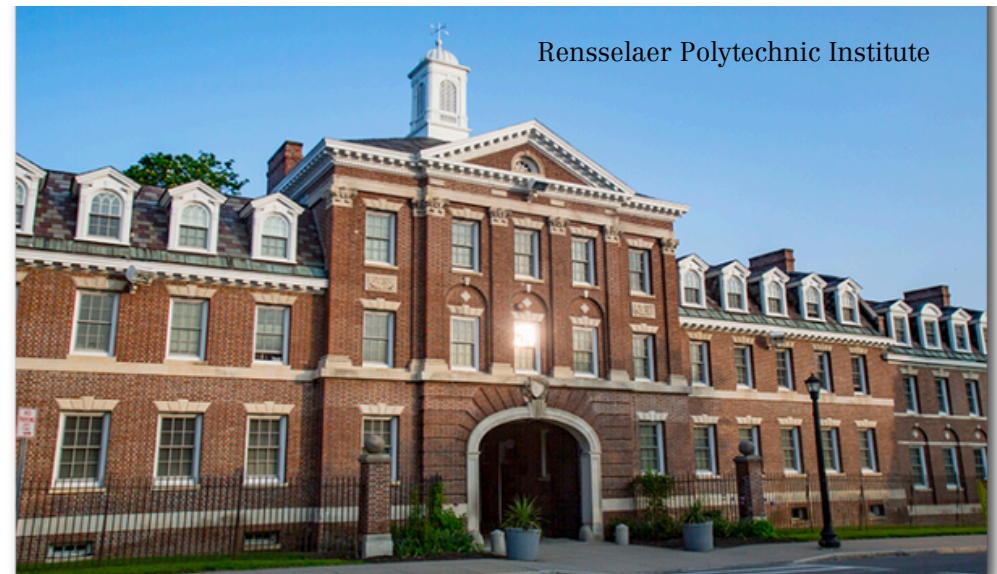
Like many successful former rust-belt cities, the Troy of today has reinvented itself as a regional and burgeoning national tech hub, with entrepreneurs, fast-growth companies, and forward-thinking developers being fueled by local top tier colleges and universities. Companies such as a Regeneron, Warner Brothers, Velan Studios, AMRI, and WSP Global have tapped into the skilled labor force and regularly make front page national headlines with their innovations.

### Culture & Recreation

The city of Troy is home to the Capital Region's Art Center, Troy Savings Bank Music Hall, Capital Roots Urban Grow Center, and the Tech Center of Gravity (incubator/makerspace). The city's riverbank parks, most of which are adjacent to this offering, have a yearlong calendar of festivals. The region's most attended farmer-market is held in the city-owned portion of the Atrium building, which is part of this offering memorandum, and is attended by over 100 vendors from across NYS & New England.

### Education

- 36% of residents within a one-mile radius of downtown Troy hold a Bachelor's or Graduate/Professional degree, nearly double the national average.
- Troy is home to Rensselaer Polytechnic Institute, with an annual enrollment of approximately 7,000 students.
- Russel Sage College, located in Troy, has an annual enrollment of about 2,000 students.
- Hudson Valley Community College, also in Troy, enrolls approximately 9,000 students annually.
- Additional nearby institutions include SUNY Albany (17,000± students), SUNY Polytechnic (2,000± students), and over a dozen others in the metro area.



# RENTAL MARKET DATA

Market Conditions: Balanced

The following information is based on analysis and reports by the United States Department of Housing and Urban Development. According to government analysis, rental market conditions in the Albany (Capital Region) Housing Market Area (HMA) have moved from soft to balanced since 2020 due to relatively low levels of multifamily construction activity and steady population growth.

Apartment market conditions in the Capital Region are tight. During the first quarter of 2022, the apartment vacancy rate was 2.3 percent, down from 3.8 percent during the first quarter of 2021. The apartment vacancy rate has declined during each of the past 3 years from a recent high of 6.5 percent during the first quarter of 2019 due to limited multifamily construction activity and continued net in-migration. The apartment rent in the HMA averaged \$1,398 during the first quarter of 2022, up 8 percent from a year ago, representing the fastest first quarter year-over-year rent increase during the past 20 years.

Rental market conditions are significantly impacted by the presence of approximately 33,000 students who live off campus and account for an estimated 8% of renter households, the majority of whom come from SUNY at Albany and Rensselaer Polytechnic Institute.

## Forecast

During the 3-year forecast period, demand is estimated for 5,550 new rental units in the market. Demand is expected to rise modestly during the second and third years of the forecast period due to continuing population and household growth and rising and/or plateauing interest rates making homeownership more difficult. The 1,400 units under construction will satisfy some of the demand during the first year of the forecast period, leaving a deficit of ±4,100.

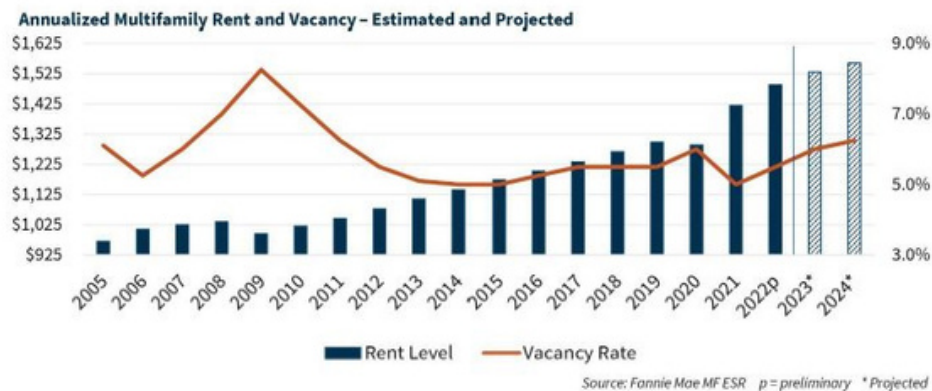
### Downtown Troy Average Rental Rates

Class A Office ±\$22.50/SF  
 Class B Office ±\$15.47/SF  
 Class A Retail ±\$22.50/SF  
 Class B Retail ±\$19.22/SF

1-Bedroom Apartment ±\$1,487/month at ±804 SF  
 2-Bedroom Apartment ±\$2,180.00/month at ±1,157 SF  
 \*(based on recent broker CMA)

3-Year Housing Demand Forecast			
		Sales Units	Rental Units
Albany HMA	Total Demand	4,950	5,550
	Under Construction	350	1,400

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2022. The forecast period is April 1, 2022, to April 1, 2025.  
 Source: Estimates by the analyst



## DEVELOPMENT DETAILS



### Building 1

#### **The Frear**

2 Third St, Troy 101.45-6-1

Zoning: DMU (Downtown Mixed-Use)

Downtown II Development Intensity Zone

Resilient Waterfront Overlay

Historic District [Overlay]

Building: Approx. 50,000± SF in the original structure

Built: 1900

- Listed on the National Register of Historic Places
- Four-story masonry structure
- Frear structure erected approx 1900, shares tax lot, egress, utilities, and similar with 1977 North Atrium expansion

### Building 3

#### **South Atrium**

350 Broadway, Troy 101.53-4-2.1

Zoning: DMU (Downtown Mixed-Use)

Downtown II Development Intensity Zone

Resilient Waterfront Overlay

Historic District [Overlay]

Building: Approx. 73,000± SF

Built: 1977

Lot: 36,680± SF or .84 acres

Max Lot Coverage: 85%

Max Height: 88' or 7 Stories

- Listed as 'Contributing' on the National Register of Historic Places
- Two-story brick & glass over steel frame structure.
- Shares ingress/egress, utilities and similar with City-owned portion of the structure.
- Presently vacant, can be leased or redeveloped.
- Potential for 200,000± SF of commercial, multifamily, or mixed-use development.

### Building 2

#### **North Atrium**

49 4th St, Troy 101.45-6-1

Zoning: DMU (Downtown Mixed-Use)

Downtown II Development Intensity Zone

Resilient Waterfront Overlay

Historic District [Overlay]

Building: Approx. 40,000± SF

Built: 1977

- Listed as contributing on the National Register of Historic Places
- Two-story masonry structure
- Shares tax lot, egress, utilities, and similar with neighboring Frear building

# ZONING DISTRICT

## Zoning, Land Use and Development Ordinance §285-40

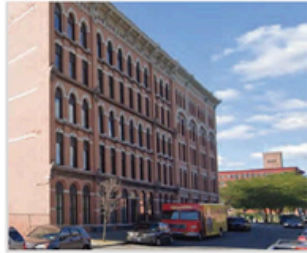
# DOWNTOWN II

DEVELOPMENT INTENSITY ZONE

## City of Troy, New York

### INTENT

The Downtown II Development Intensity Zone represents the areas in the City's downtown where the scale of buildings has historically been more significant and where opportunities for infill development at an increased scale may be compatible due to topography or historic build-out.



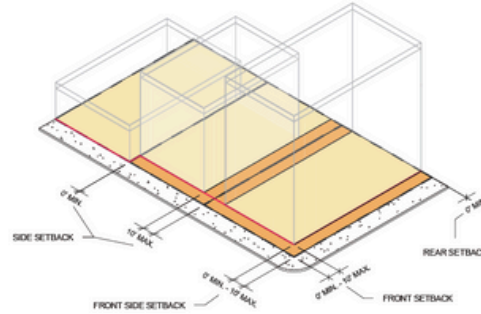
### BUILDING PLACEMENT ZONE

#### SETBACKS

- Front Setback: 0' min. - 10' max.
- Front Side Setback: 0' min. - 10' max.
- Side Setback: 0' min. - 10' max.
- Rear Setback: 0' min.

**Note 1:** The minimum/maximum front and front side setback shall be met or the average setback on the block as established by at least 50% of the properties.

**Note 2:** See also the Resilient Waterfront Overlay for additional shoreline setback requirements.



### COVERAGE REQUIREMENTS

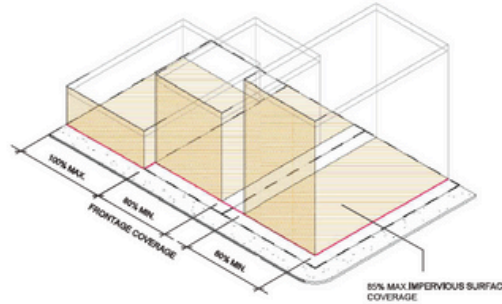
#### IMPERVIOUS SURFACE COVERAGE

Max. Coverage %: 85%

#### BUILDING FRONTAGE

Min. Coverage %: 80%  
Max. Coverage %: 100%

**Minimum building frontage:** The percentage of building façade coverage along main lot frontage/primary façade.



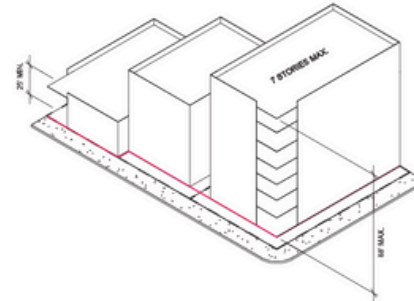
### BUILDING HEIGHT

- Min. Height: 25'
- Max. Height: 88'
- Max. Stories: 7 Stories

**Height:** Height is measured by the vertical distance from the highest point of vertical eaves or roof deck to the lowest point of either the natural or finished grade.

**Stories:** Stories shall be a minimum height of 9' except that buildings with nonresidential uses in the first story should have a minimum height of 12'. (Applicable to new construction only.)

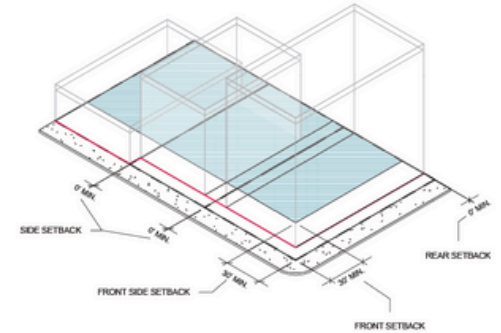
**Height bonus for a riverfront multi-use path:** See §285-45 B.



### ACCESSORY USES/STRUCTURES AND PARKING ZONE

- Front Setback: 30' min.
- Front Side Setback: 30' min. (Corner Lot)
- Side Setback: 0' min.
- Rear Setback: 0' min.

(Depending on building type and use)  
On street perimeter block parking is encouraged.

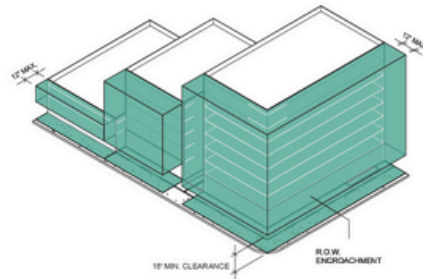


### BUILDING FRONTAGE TYPES/LOCATION

	R.O.W	SETBACK
Arcades	X	X
Awnings	X	X
Balconies	X	X
Bay Windows	X	X
Canopies	X	X
Colonnades	X	X
Marquees	X	X
Porches		
Porticoes	X	X
Projected Signs	X	X
Stoops	X	X

### BUILDING FRONTAGE ENCROACHMENT ZONE

#### RIGHT-OF-WAY ENCROACHMENT ZONE



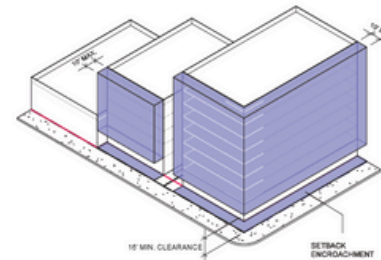
#### RIGHT-OF-WAY ENCROACHMENT:

- Max. Depth: 12'
- Min. Clearance: 16'

#### SETBACK ENCROACHMENT:

- Max. Depth: 10'
- Min. Clearance: 16'

#### SETBACK ENCROACHMENT ZONE



#### ENCROACHMENT FRONTAGE

**Encroachment Frontage:** is the width of the permitted encroachment in relationship with the overall façade width.

**Encroachment Setback:** the encroachment setback is measured from the build-to-line towards the ROW (right-of-way) or property line.

## PERMITTED USES

### DMU (Downtown Mixed-Use Zoning District)

- Multi-Family Dwelling
- Office
- Dormitory
- College/University
- Retail/Shopping Center
- Day Care Center
- Hotel
- Library
- Medical Office/Clinic
- Bar/Cafe/Restaurant/Banquet Facility
- Cannabis Dispensary & Retail Sales
- Fitness/Health/Club/Spa
- Grocery Store
- Light Industrial or Artisan Industrial
- Parking Structure (Special Use Permit)



The South Atrium



Troy, New York

Anton Pasquill  
Real Estate Salesperson  
Commercial Specialist  
+1 518 779 0107  
+1 518 465 1400 ext. 231  
anton@naipatform.com  
www.TheZoningGuy.com

## HUDSON RIVER



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