

Response to Technical Review Committee Report

Thank you for the opportunity to hear the Technical Review Committee's presentation and report on Thursday February 25th. In response to this presentation, Paramount Realty Group, The Community Builders and their consultants have the following comments and clarifications:

1) Financial

The report stated that our financial report valued the lease payments at \$1.2 million. It failed to mention that in our proposal that 50% of the proceeds from parking cash flow would be added to the lease payments. This equates to approximately \$3 million over the course of the lease term. This does not include increases over inflation which could add substantially to that amount. Also, our development team has agreed that the garage would revert back to the City at the end of the lease term.

We have proposed that the City consider instituting a Parking Authority which would have long term control over the operations of the garage, using our development team to provide development, financing and management.

2) North Maple Lot

Our architect is working on a plan to show that the North Maple Lot could be available to create another garage, 3 stories high to take the pressure off of the perceived parking shortage.

This garage does not have to be built immediately. Our development is phased and based on the real need, the garage can be erected to accommodate the additional needed parking. There is no sense in building garage space that may not be necessary. Our development will handle all of the parking necessary to handle the City Center's needs and the initial development of the senior, workforce, and market rate housing, municipal parking, retail and visitor parking.

3) A Comprehensive Housing Program vs. Office Space

As stated during the presentation, High Rock Village includes double the amount of housing in square footage compared to the Hyman Hemispheric/Sequence proposal. This is a point we feel is important to elaborate on. The City has emphasized the need for a variety of types of housing in downtown Saratoga Springs. There are two important elements to the City's housing initiatives, as identified in the 2015 City of Saratoga Springs Comprehensive Plan:

1. There is a great need for housing that is affordable to all Saratogians, and
2. It is important to develop such housing in downtown Saratoga Springs, where residents will have access to necessary resources, such as transportation and economic opportunities. This second point is further supported by the City's and the community's commitment to Smart Growth.

Since the High Rock lot is one of the few remaining parcels in downtown Saratoga left to be developed on, it is critical to incorporate these City housing initiatives into the mixed-use development onsite.

4) Garage Development

Our development team has reviewed the soils report provided by CT Male specifically as it relates to the condition of the soils and rock on the eastern boundary of the lot adjoining High Rock Avenue. Based on the preliminary analysis, it seems clear that no water table exists below grade and there is no bedrock on this portion of the site. We have included in the cost of developing the garage a contingency to cover atypical soil conditions at the site, including excavating loose rock and providing a water foundation-proof membrane with a 3-4 mil rubber membrane surrounding the envelope with a drain and sump pump system to draw water away from the foundation walls.

5) Results of Our Meeting with Mark Baker seeking Cooperation with the City Center

Following the public presentation meeting in the Music Hall where members of the City Council advised meeting with Mark Baker and he indicated a willingness to meet and cooperate, Rich DeVito and Wayne Senecal met with him. Several questions were asked of him and asked more than once to be certain of his replies. A summary of key issues about which he was clearly uncooperative were:

1. He was unwilling to share his "Internal" parking study, (which he confirmed had been conducted), with Paramount's parking consultant.
2. He asserted, when asked for a more detailed event calendar for use by Paramount's parking consultant, that one did not exist on paper, but only his head.
3. He insisted that any cooperation for development of the High Rock site would have to work around his garage design as currently designed and planned, and that he would not work with other designs for the garage.
4. He asserted that the North Maple lot could not support a garage, and that he would be unwilling to present any proposal Paramount might bring to him or to his Board, even if Paramount brought him an architectural/engineering study showing that such a garage could be built there.
5. He asserted that the City Center holds a lease of the North Maple Lot from the City, which Rick Fenton's subsequent FOIL requests to the City and City Center showed does not exist.
6. He asserted, when asked if he would cooperate with a Municipal Parking Authority should the City decide to form one for both the High Rock and North Maple lots, that he would not cooperate with any such Municipal Parking Authority.

Please see the attached email correspondence between Rich DeVito and Mark Baker, further detailing this exchange.

Wayne T. Senecal

From: Mark Baker [markb@saratogacitycenter.org]
Sent: Friday, November 27, 2015 2:15 PM
To: rdevito@rdrealty.com
Cc: Wayne Office; McCann Sue; PetrikHuff Jennica; Addy Kelsey; jdalton@saratoga.org
Subject: RE: High Rock Parking Lot

Rich,
Hope you and your family indeed had a Happy Thanksgiving.
I need to correct and clarify some points in your notes below. Please see below.

Mark E. Baker, President
SARATOGA SPRINGS CITY CENTER
522 Broadway
Saratoga Springs, NY 12866
518-584-0027
markb@saratogacitycenter.org

From: rdevito@rdrealty.com [mailto:rdevito@rdrealty.com]
Sent: Wednesday, November 25, 2015 2:45 PM
To: Mark Baker
Cc: Wayne Office; McCann Sue; PetrikHuff Jennica; Addy Kelsey; jdalton@saratoga.org
Subject: RE: High Rock Parking Lot

Mark,

Thank you very much for taking the time to meet with Wayne and me yesterday to discuss the proposed development of the High Rock Avenue parcel, and the potential of cooperation between the City Center and ourselves in this endeavor.

We came away sincerely disappointed in several respects:

1. We were disappointed to hear that you would not support any alternative development on the site irrespective of its ability to provide the necessary ingredients to support the City Center, e.g. adequate parking; direct access to City Center; and financial and legal structure to make it work. And, that the only way the City Center would consider cooperating with a developer like ourselves, would be if we were to work around your existing proposal and develop out the front parcels, integrating them into your already chosen design. **[Mark Baker]** The "ingredients to support" the City Center were eluded to in very vague and general terms. The real question I posed to you was why you would not design your development to work with what the City Center already had in play?
2. We were also disappointed to hear that you would not support, either you personally, or through your board, any alternative plan which would attempt to make use of the smaller Maple Avenue lot to the North of the High Rock lot, which lot the City Center has under lease from the City. You expressed that you had already looked at, and had dismissed that possibility, and even if we brought you architectural and engineering studies that showed we could develop a garage on that lot for between 200 and 300 cars, you would still not support it. **[Mark Baker]** The north/Maple Ave lot has not been in the scope of the City Center's approach. You did not

bring architectural nor engineering studies but stated you wanted to study this option. I stated there was nothing preventing you from any study of any parcel. But the land mass mentioned was not 60' wide and did not currently hold 120 cars, as you professed. Additionally, from the Authority's assessment it would not adequately handle the necessary parking to address the current needs. The location of the lot is not advantageous.

3. When we advised you that following consultation with our municipal bond investment banker, that we were considering amending our proposal to the City from being a ground lease to us, and changing it to using the project as a catalyst for facilitating the City's formation of a Municipal Parking Authority that would own the land and the garage(s), and for whom we would develop and manage the garage(s), you indicated that you and the City Center would not be interested in cooperating with that effort or that authority, nor would you be willing to make the Maple Avenue lot available to that authority.**[Mark Baker]** What was stated is the City Center Authority, a state designated local authority, would not have an interest in the Municipal Authority you proposed because of the lack of definition and how it would function with the City not just a one-spot development. This Parking Authority needs to be a municipally created and designated entity.

4. We asked you about the Parking Study that you had referred to in the presentation sessions with the City Council on November 10th, as to why that had not been given out with the RFP documents, similar to how the soils studies that you had conducted were. You indicated that was an internal document that you were not willing to share.**[Mark Baker]** What was stated was that any information we have is dated and has only been an "internal work-document" for Authority review. Any of our projects public information has been readily available through the City's web-site (it has its own icon location) and the Land Use Boards.

5. We indicated that we were looking at having an additional parking study conducted, and that it would be helpful, for garage time management purposes, to have more specifics about the actual hourly timing of the events shown in your Calendar of Events that is posted on the City Center's website, not just the days of the events. You advised that you did not have any printed detailed schedule and that those times were, "in your head". We would assume that the consultant who conducted your study earlier would have also asked for that information in order to do an adequate study. Of course any traffic study or parking study that the City will require will need to take this information into account.**[Mark Baker]** You are in charge of your own assumptions. The dates of events of City Center is readily available on the Authority web-site. Paramount's original submittal proposed to meet the needs of the City Center? You must have used some evaluation tool in assessing that need. I stated that the 259 space designed to the City Center were not sufficient. Also, the total 600 space allocation for not the only the City Center and the other development needs did not seem to be adequate.

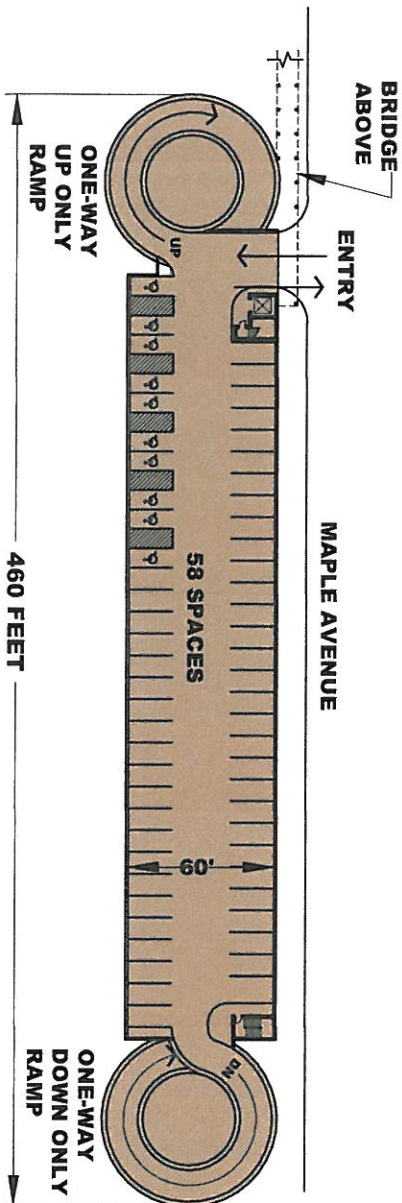
Overall, we are glad that we were able to get together with you so that we have a very clear understanding of your position.

Thanks again for meeting with us and have a nice Thanksgiving.**[Mark Baker]** I will reiterate what I said plainly, repeatedly, that the City Center project is the best solution to meeting the current/projected parking needs for the business community and the City Center. We would encourage Paramount to look into how your development would work in conjunction with the City Center's program and would welcome your support of our project.

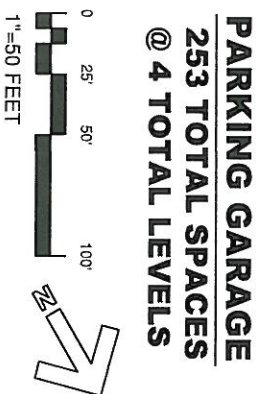
Rich deVito



TYPICAL 2nd. FLOOR , 3rd. FLOOR & ROOF DECK



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Schopfer Architects LLP

1111 JAMES ST.
SYRACUSE, NY 13203

315-474-8501
FAX 315-474-1922

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HIGH ROCK PARKING LOT REDEVELOPMENT

Saratoga Springs
MAPLE AVENUE, SARATOGA SPRINGS, NEW YORK

