

Sheridan Hollow Adaptive Reuse

222 – 268 SPRUCE STREET ALBANY, NEW YORK

11-09-2018

A solid teal horizontal bar at the bottom of the page.

Henry Johnson Blvd.

- Western side of building bordered by elevated highway
 - Separates building from community
 - Has limited access and parking
 - Is difficult for truck staging and maneuvering
 - May be a public safety concern
- Most suitable for periodic, low traffic uses:
 - Storage:
 - Dry Storage
 - Climate controlled storage
 - Indoor recreation
 - Active
 - Passive



Elk Street

- Southern side of building is most accessible to foot traffic
 - Community-facing
 - Best option for façade improvement
 - Street parking limited during the day
 - Derelict buildings
- Most suitable for retail and community uses:
 - Public Market:
 - Food service & retail
 - Community activities
 - Commissary w/last mile delivery
 - Food & Beverage
 - Catering
 - Bakery



Lark Street

- Northern side of building is most accessible for truck traffic
 - On and off-street docks
 - Street parking limited
 - Off-street parking
- Most suitable for warehousing and light manufacturing:
 - Warehousing:
 - Dry
 - Climate controlled
 - Repack/pick and pull
 - Light manufacturing
 - Food
 - Beverage
 - Wood products
 - Metal work



Sheridan Hollow

- Physically separated by downtown Albany due to its location inside of a ravine
- Historically low-income community since the 18th century
- Exceptionally high unemployment rate of 11.4% in 2017
- State employees utilize free street parking in Sheridan Hollow to leave their vehicles while at work
 - Limited daytime parking availability
 - State employees already in community might be incentivized to visit facility



Site Description

According to the Phase 1 Site Assessment conducted by Ambient Environmental, Inc., the former Freihofer bakery at 268 Spruce Street is:

- 1.55 acres
- Approximately 101,460 square feet
- Composed of 3 buildings and a garage, all attached
- Vacant, unused, and in various states of disrepair
- In a predominantly commercial/residential area

Previous Uses have included a blacksmith, brewery, restaurant, carpenter's, and auto parts repair, and manufacturing, among others

Intended Facility Use

Full value chain development with multiple industry involvement

- Compatible with modern food safety requirements
- Leveraging existing structures to naturally separate spaces
- Integrating commercial uses with community use
- Bridging the divide between the Hollow and surrounding communities by providing a more open walkway from Henry Johnson bridge.

Community integration and engagement

- Job creation
- Youth and senior engagement opportunities
- Community use space and incubation and accelerator spaces for community projects

Identified Uses

Multi-use Facility

- Fruit processing
- Uber-style kitchen
- Year-Round Market Area
- Manufacturing Space
- Makers Space
- Retail Space
- Community Space
- Storage
- Wholesale
- Offices



Within a 5-minute walking radius of 222 Spruce Street...

- Unbalanced wealth distribution, indicating pockets of wealth in overall poverty:
 - Median household income of \$30,759
 - Average household income of \$53,952
- 19.6% vacant housing units
- 68% renter-occupied housing units
- 11.4% unemployment rate (National average 4.3% in 2017)
- Diversity index* of 69.7 (US is 64)

* The **Diversity Index** represents the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. Ethnic diversity, as well as racial diversity, is included in our definition of the Diversity Index ([ESRI](#))

Site Analysis

Benefits

- \$3,046,086 leakage in grocery store sales
- Thriving prepared food industry:
 - \$8,412,671 in sales in food services and drinking places in 2017, and therefore \$4,885,765 of dollars spent from individuals outside of the community, coming into Sheridan Hollow
 - Likely driven by state employees in downtown Albany, whose population doubles during the weekday.
- State employees utilizing Sheridan Hollow to park are potential customers who already enter the community daily.

Drawbacks

- Limited daytime street parking may prohibit customer flow from outside of the community and impact mobility of tractor trailers and food delivery vehicles.
- Sheridan Hollow is relatively isolated from downtown Albany
 - Bridge entrance from Henry Johnson might help overcome this isolation
- Phase 1 site assessment indicated a costly and potentially lengthy clean up due to human and animal waste, lead, asbestos, and PCBs.

Site Analysis, Continued

Community Context

- Nearly \$5 million in outside dollars spent in Sheridan Hollow restaurants
- Success of Central Ave restaurants
- Uber-style kitchen addressing downtown Albany's desire for additional lunch options (daytime population doubles)
- Bright, inviting entrance to the facility directly from Henry Johnson Blvd

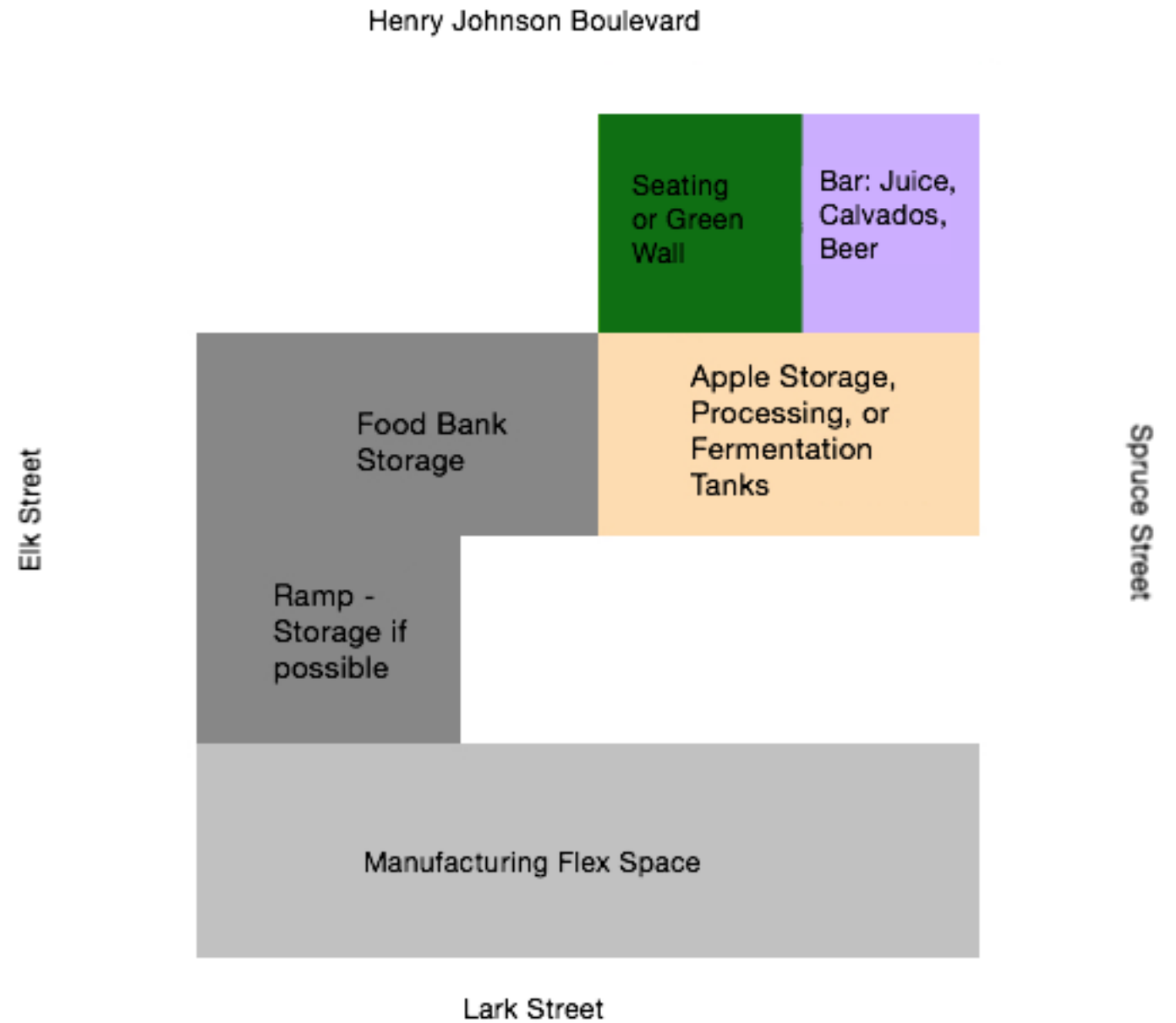
Demand far outweighing supply

- \$3 million spent in grocery stores outside the community
- \$2 million spent at food and beverage stores outside the community
- Nearly \$400,000 spent at specialty food stores outside community

Main Customer Entry



Spruce St Elevation



For-Profit Operations

- Fruit processing
- Manufacturing
- Uber-style kitchens
- Commissary kitchen
 - Long-term contract (5 years)
 - Short-term contracts (Events)
- Craft Beverage
- Food service

Fruit Processing

- Private company operated by building owner
- Apple juice, applesauce, and calvados
- Collaborates with non-profit branch to provide job opportunities

Flex Manufacturing

- Accelerator format
- Utilizes license agreement to maximize flexibility
- Brings in own equipment
- Collaborates with in-house non-profit to provide job training
- Collaborates with community partnerships in welding, carpentry, plumbing, and electrical technician training

Commissary Kitchen Space

- Host growing businesses with long term leases (5-years) and short term leases (1 day to 6 months) depending on needs of hosted business
- Long-term Uses:
 - Caterers, meal-prep services, growing local businesses including granola and hummus producers
 - Food trucks utilizing space for prep work consistently renting short time slots
- Short-term Uses:
 - Competition with local culinary students to get 1-2 in-house food vendor spaces with kitchen access, 6-month short-term lease with possibility for more permanence
 - Short-term catering events (evenings, weekends)
 - Community businesses looking for temporary placement in between locations

Uber-Style Kitchens

- Preparation and packaging for delivery-only restaurant models
- Location selected for drivers to efficiently enter and exit both the kitchen facility and the building
- Delivery options target the daytime state employee population in Albany and young professional “Metro Renter” demographic

Food Service

- Operated by correlated job training non-profit
 - Focuses on youth employment training opportunities, job training for transitional populations and involves Seniors from nearby senior living facility through volunteer and employment opportunities
- Operates in-house hot and cold food bar
- Maintains tables and seating (cleanliness, placement) throughout dining area
- Implements and conducts informal food safety inspections

Non-Profit Operations

Job training

- Targeted towards unemployed Sheridan Hollow residents
- Culinary skills development and certification
 - Food preparation, food safety certification (Safe Serv, Good Manufacturing Practices, Better Process Control), sales, and maintenance
- Employment opportunities running and operating hot and cold food section in-house:

Business Incubation

- Bakery, butcher, hot and cold packing, beverages, and distribution

Management Entities

Non-profit management for:

- Community space
- Job training
- Grant management

Real Estate Management

- Manages tenant rent for: commercial kitchen space, Uber-style kitchen, pop-up/stall space, flex manufacturing
- Coordinates tenant usage and time of day operations
- Manages and regulates building permitting, licensing, and building safety.

Independent Operators

- Manage own operations within the context of Real Estate Management guidelines and rent
- Responsible for own food safety certification compliance

Community Composition

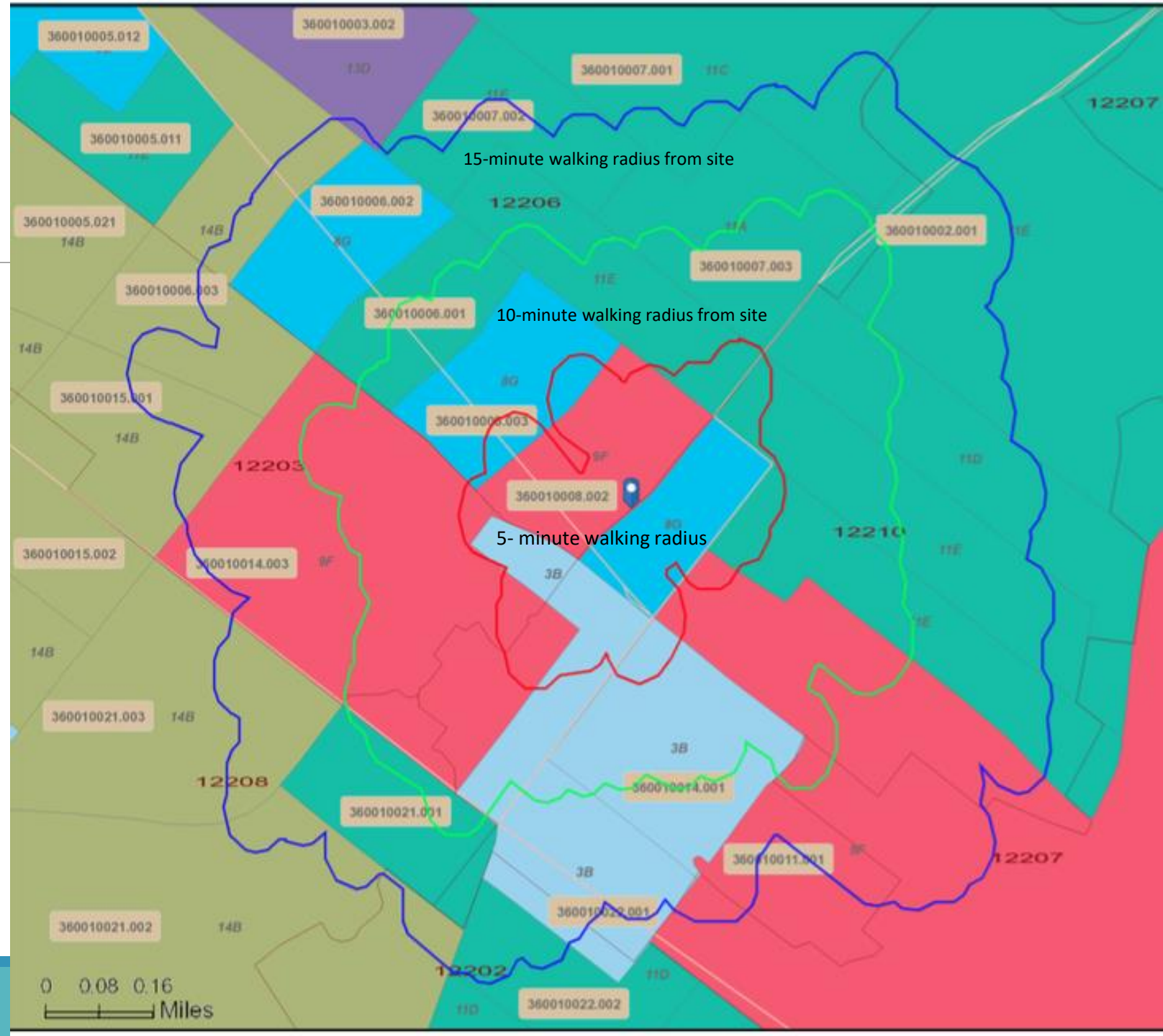
Community Perspective

To the outside community, Sheridan Hollow is viewed as:

- “Unsafe, at times” – [All Over Albany](#), Rezone Albany
- “[On Spruce Street] mostly vacant buildings remain” – Phase 1 Site Assessment
- “Strategic location downtown, proximity to the central business district, and availability of underutilized properties” – A Survey of Mixed-Use Buildings in Sheridan Hollow, University of Albany Department of Geography and Planning
- A secure, affordable place to park for state employees – Free street parking heavily utilized by state employees, thus indicating that the perceived unsafety of Sheridan Hollow might be insignificant

Tapestry Segmentation of Sheridan Hollow ESRI Business

- Light Blue: Metro Renters
- Pink: Social Security Set
- Blue: Hardscrabble Road



Dominant Tapestries

Metro Renters (47.1%)

- Well-educated consumers
- \$67,000 median income
- Like to shop at Trader Joe's, Wholefoods

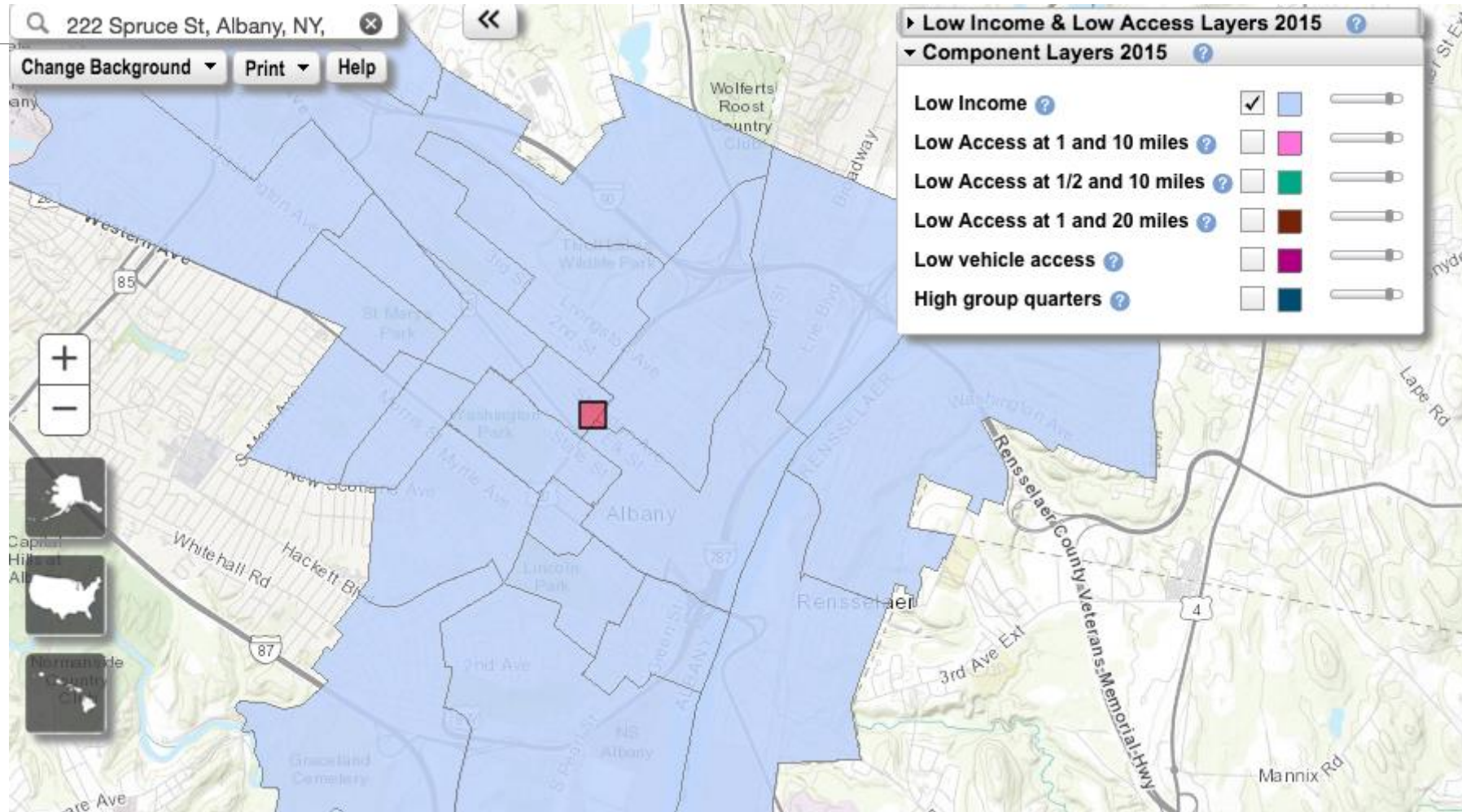
Social Security Set (33.3%)

- Fixed income
- Elderly population
- Risk-averse

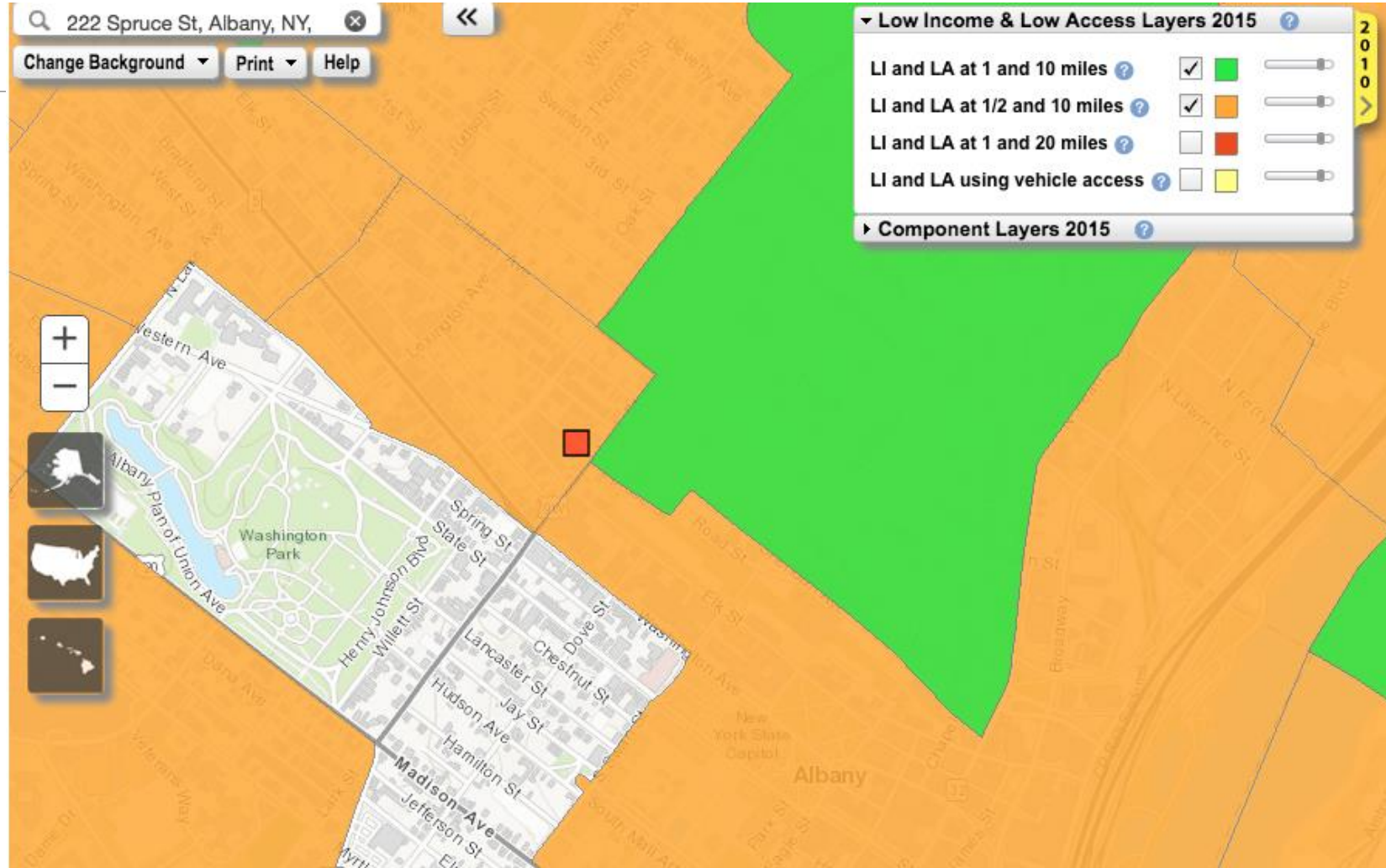
Hardscrabble Road (19.6%)

- High unemployment
- Young families
- Cost-conscious consumers

Low Income



Low Access



Integrating Community Interests

Intersection of different demographic groups

- Low income families,
- Single-person households,
- Higher income singles,
- Low income seniors,
- Daytime state employees who use Sheridan Hollow for free parking

It is imperative to effectively integrate the different interests of each segment:

- Affordable groceries for low-income populations
- Prepared and delivered meals for higher income daytime population and young residents (Metro Renters)
- Community gathering space for Sheridan Hollow residents
- Occasional events to attract visiting state employees

Job Availability per Square Foot

- Grocery (Wholesale): 1,550 ft²/employee
- Grocery (Retail): 1,000 ft²/employee
- Frozen fruit/juice production: 1,500 ft²/employee
- Brewery Tasting Room: 2,000 ft² /employee
- Retail: 400 ft² /employee
- Industrial: 450 ft²/employee
- Warehouse: 1500 ft²/employee
- Fast Food: 50 ft² /employee
- Non-Fast Food Restaurant: 150 ft²/employee
- Micro brewery: 5 to 15 employees per 10,000 barrels of yearly production

143 Full Time Equivalent Employees

The Spruce Street facility will create 143 full time equivalent employment opportunities for Sheridan Hollow generating over \$4.8 million in payroll. This includes employment activities as estimated below:

Job Category	Employment	Total Wages
Management	8	\$500,960
Production	55	\$1,720,640
Retail	26	\$660,120
Operations & Maintenance	13	\$422,740
Warehousing	41	\$1,549,110
ALL	143	\$4,853,570

Sources: ACDS, LLC Internal Studies and <https://labor.ny.gov/stats/lswage2.asp#51-0000>

Labor

32 percent of residents within a 5-minute walking radius of 222 Spruce Street have a high school diploma or equivalent. In New York, this reflects a:

- \$34,500 mean wage
- \$28,400 median wage

In New York: nearly 20% increase in job growth between 2009 and 2014 for merchant wholesalers and manufacturing of nondurable goods (New York Department of Labor)

In Sheridan Hollow:

- 11.4% unemployment in immediate vicinity of facility (2017) reflects a community in need of more employment opportunities
- 2,134 individuals employed in Sheridan Hollow in 2016, up from 1,866 in 2015, 1,914 in 2014, and 1,788 in 2013.

Face Rent Analysis

Sheridan Hollow is unique in its proximity to downtown Albany and its relative wealth, but has been effectively isolated due to its substantially lower elevation than Albany.

Comparable locations in downtown Albany are primarily single-use structures, compared to this multi-use, multi-tenant facility, and are also much smaller square footage.

- 79 N Pearl St has 1,000 square feet available at \$17/SF for office spaces over a craft beer and live music venue
- 50 Beaver St has 50,125 at \$18.50-\$19.95/SF for Class A downtown office space
- 24 Lishkill Rd in the neighboring Town of Colonie has 5,358 SF of warehouse space at \$7.50/SF with 2 drive-in bays
- 2 Lark St is a 6,150 SF bar going for \$20 or \$30/SF. The location has been deemed “very walkable” and contains 2 retail facilities

Revenue-Generating Activities

Rent-Generating Spaces:

- Flex manufacturing space
- Commissary Kitchen
- Graduate Space for Incubator companies
- Uber-style kitchen space rent
- Stall rental for market place
- Storage

Other Revenue-Generating Activities:

- Food service sales through in-house non-profit

Due to the lack of development surrounding the Spruce Street facility, rent will have to be substantially lower to encourage further investment

Outside Partnerships

Community Loan Fund

- Conducts 8-week-long business incubation classes through their subsidiary company, Albany Center for Economic Success.

SUNY Hudson Valley

- Technical programs for construction, electrical construction, and photovoltaic installation

BOCES

- Offers carpentry, building, electrical, and culinary arts and hospitality programs

General Budget

Phase 1 – White shell (Magnitude of Cost +/-50%)

Cost per Square Foot	Square Feet	Use	Total Cost
\$17.00	101,460	Facility Rehabilitation	\$1,724,820.00

Phase 2 – Build Out by Area (Magnitude of Cost +/-50%)

Cost per Square Foot	Square Feet	Use	Total Cost
\$33.90	10,800	Warehouse/Flex manufacturing	\$366,120
\$130.99	12,760	Restaurant/Kitchen	\$1,671,432.40
\$101.45	8,330	Retail - Food	\$845,078.50
\$91.97	7,000	Retail - General	\$643,790.00
\$70.69	3,500	Office and Community Space	\$247,415.00

Funding Opportunities

Private Investment Opportunities include:

- Capitalize Albany Corporation Real Estate Loan Program
- NYSERDA Smart Loan Fund
- Albany Community Development Agency
- United Way
- Brownfield Tax Credits

Private investment will have to be leveraged with public investment for funding because of the project's focus on community development.

Immediate Occupancy Options

Industrial & commercial occupancy options requiring few facility upgrades:

- Self-storage
- Dry storage of non-perishable items
- Inventory of reclaimed architectural items
- Indoor parking
- Office rental
- Pet daycare
- Pop-up retail
- Light manufacturing of wood and metal products
- Construction staging and assembly
- Recycled metal sorting

Recreational & community occupancy options requiring few facility upgrades:

- Senior adult activities, such as;
 - Arts, crafts music, writing, storytelling
 - Exercise (indoor and outdoor)
 - Continuing education
- Youth after school activities, such as:
 - Entrepreneurship center
 - Tutoring center
 - Arts, dance, and music
 - Athletics: Gymnastics, martial arts
- Commercial recreational activities, such as:
 - Futsol
 - Kabaddi
 - Billiards/Snooker
 - Urban Golf
 - Dodgeball