The University at Albany is asking state economic development officials to include two off-campus sites -- both inside privately-owned office buildings -- in the START-UP NY tax-free incentive program for businesses.

Officials from the Albany, New York school this week submitted the request on behalf of two firms considering leasing space at 418 Broadway in downtown Albany and 2 Tower Place Executive Park behind Stuyvesant Plaza in Guilderland.

The request is the latest example of how the newly-created tax-free program, which is touted in national TV ads by the administration of Gov. Andrew Cuomo, could impact commercial real estate beyond university and college campuses.

Businesses deemed eligible for START-UP NY qualify for various state and local tax exemptions, a considerable savings for the owners and their employees.

Despite the lure of the incentives, many business people are still trying to understand the details of the program. It's a sentiment that Michael H. Shimazu, who is coordinating START-UP NY applications on behalf of the University at Albany, can appreciate.

"This program has been implemented very quickly, and we're trying to build the plane as we land it," Shimazu told several dozen people at a breakfast meeting today hosted by Commercial and Industrial Real Estate Brokers Inc., a local trade group.

The University at Albany already has identified three buildings on its main campus in Albany and its East Campus in Rensselaer, along with two parcels of land, where businesses could
University at Albany looks to add two private office buildings in START-UP NY tax incentive program - Albany Business Review

qualify for START-UP NY tax benefits. The school can also request that up to 200,000 square feet beyond its boundaries be added to the zone.

The school is asking for 2,800 square feet at 418 Broadway and 5,552 square feet at 2 Tower Place Executive Park be included in the program. Both addresses are near university-owned property, a requirement of the program.

The names of the firms that could lease the space were not disclosed in the application. However, the applications says they would be in keeping with the university's four research clusters: climate and environmental science; biotechnology; forensic sciences and cybersecurity; and advanced data analytics.

Tracy Metzger, a commercial real estate broker who owns 418 Broadway, said the prospective tenant has a presence in the region and is considering an expansion. She declined to reveal the firm's name because she wasn't sure if the owners want it disclosed.

"This is the first opportunity I've had to work with a company looking to be certified through START-UP NY," Metzger said. "But I'm talking to others."

2 Tower Place Executive Park is located behind the Stuyvesant Plaza shopping center. Both properties are owned by The Swyer Cos.

Janet Kaplan, vice president of real estate at The Swyer Cos., said an information technology firm that leases about 7,000 square feet at 2 Tower Place Executive Park is considering moving employees from Florida to fill an additional 5,552 square feet across the hallway.

She didn't want to identify the firm unless she is given permission by its owners.

The University at Albany also is asking state officials to add three on-campus areas to its START-UP NY zone: 15,720 square feet at the East Campus main lab; 1,823 square feet at the East Campus cancer research center; and 1,360 square feet to the Uptown Campus Life Science building.

DeMasi covers real estate, construction, retail and hospitality.