



NEWS RELEASE

For Immediate Release

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**SENATOR SCHUMER JOINS SCHENECTADY COUNTY LEGISLATURE CHAIR SUSAN SAVAGE TO
ANNOUNCE MAJOR REDEVELOPMENT AT FORMER ALCO SITE**

**PREFERRED REAL ESTATE INVESTMENTS TO TRANSFORM 60-ACRE WATERFRONT SITE AS
MIXED-USE COMMERCIAL DEVELOPMENT WITH NEW OFFICES,
HOUSING AND WATERFRONT ACCESS**

February 26, 2007, Schenectady, N.Y. -- Susan E. Savage Chair of the Schenectady County Legislature today joined with Senator Charles Schumer to announce plans to redevelop the 60-acre former American Locomotive (Alco) site as a mixed-used commercial office and residential development. Preferred Real Estate Investment, Inc. (Preferred), a Pennsylvania-based developer, plans to invest more than \$50 million to transform the site, creating a major waterfront development in Schenectady County that will connect the Stockade and Front Street neighborhoods, the Alco site and the new riverfront restaurant and marina in Glenville. In total, the goal is to create a vibrant riverfront community stretching along 1.5 miles of waterfront property in Schenectady County.

Susan E. Savage, Chair of the Schenectady County Legislature said, "This project will transform Schenectady County and usher in a new era of revitalization. This important piece of land which meant so much to our community and to our families will cease to be merely a part of our history. It will link our glorious past to a bright new future as we work to reinvent Schenectady County."

Senator Charles Schumer said, "Today is an historic day for Schenectady and all of the Capital Region. This will change the face of Schenectady and revitalize the waterfront. This project will be critical to advance economic development downtown and will be an economic engine for a generation. We are kick starting this process today and I am proud to join the community and government leaders in the coordinated effort to make this project a reality."

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Senator Hillary Rodham Clinton said, “This is yet another example of the innovative efforts underway in Schenectady to revitalize and renew the community. This is great news for Schenectady and Mayor Stratton and is a real tribute to the tireless efforts of the County Legislature under the leadership of Susan Savage and Metroplex to mobilize private and public investment in the future of the community. I am proud to support these efforts and look forward to continuing to work in partnership with the community to spur economic development,” said Senator Clinton. “I am proud that two efforts begun under the Clinton Administration, Brownfields and Renewal Communities, are a key part of this effort. I have worked in the Senate to preserve and expand these critical engines of local economic development and I will continue to work to bring these needed resources to our communities.”

Michael O’Neill, CEO of Preferred Real Estate Investments, Inc. said, “We’re thrilled to be working with such a great County and City whose vision for renewal of sites like this one is so clearly matched with our own. We are truly impressed by the focus, direction and commitment demonstrated by Schenectady County, the Schenectady Metroplex team, Senator Schumer, Senator Clinton, Congressman McNulty, the City and others – their dedication and willingness to work collaboratively makes it that much easier for us to make the kind of private investment that will make this project successful.”

Vince DiCerbo, Deputy Chair of the Schenectady County Legislature said, “Alco is a fantastic waterfront site that holds tremendous promise. The County Legislature is totally committed to the success of this project and we will work closely with Preferred, an outstanding nationally known company, to make this site play a key role in Schenectady’s future just as it played a key role in our past.”

Mayor Brian U. Stratton said, “Preferred Real Estate has the best track record in the country of redeveloping older industrial sites into vibrant new office and community space. We are so pleased that the County’s aggressive economic development efforts have encouraged this major developer to select Schenectady for their next project. On the very grounds where the workers of the American Locomotive Company for decades assembled steam and diesel engines, we will do what others said could never be done – reclaim our magnificent waterfront and with it a bright future for Schenectady.”

Preferred is a nationally recognized developer based in Conshohocken, Pennsylvania. Founded in 1992, Preferred is a diversified investment company with a unique specialization in transforming obsolete or excess corporate and industrial real estate into vibrant mixed-use environments. The company owns more than 12 million square feet of commercial real estate valued at more than \$1.5 billion.

Preferred is currently leading the redevelopment of several prominent sites and the company is frequently cited in national publications as a leading developer of commercial and industrial sites. The company’s current major projects include the redevelopment of the former Bell Labs site in Holmdel, New Jersey, a 472-acre site with more than 2 million square feet of space; the Hudson Valley Technology Campus, a 1 million square foot, 160-acre site formerly owned by IBM; and National Commerce Park, a 1.5 million square foot, 100-acre site formerly the headquarters and distribution center for Giant Foods.

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Preferred has active projects underway in New York, Pennsylvania, Massachusetts, New Jersey, Maryland and Washington, DC.

Preferred has a long track record of successfully redeveloping sites very similar to the Alco property including the 75-acre former Edward G. Budd Company headquarters in Philadelphia. Budd was a builder of subway cars and rail equipment for transit agencies. Preferred also successfully redeveloped the former Baldwin Locomotive Plant in Eddystone, Pennsylvania.

Alco operated at the Schenectady site from the late 1840's to 1969. The company was once the leading locomotive builder in the United States. Former Alco plants in Richmond, Virginia and Providence, Rhode Island are currently being renovated as mixed-use sites.

The Schenectady plant was Alco's largest facility and served as company headquarters. Since 1970, the site has been owned by the Schenectady Industrial Corporation (SIC), a privately owned company. Most of the 700,000 square feet of space at the site is currently vacant.

As required by the State Environmental Quality Review Act (SEQRA), Metroplex has declared itself lead agency; the first step in a thorough environmental review process that will be undertaken before any redevelopment work can begin at the Alco site. Metroplex estimates that the SEQRA review process will take approximately one year to complete.

Pending the outcome of the SEQRA review process, SIC has agreed to transfer ownership of the site to Metroplex for \$1.2 million via a friendly condemnation process. After the SEQRA and condemnation process is completed, Metroplex will convey the property to Preferred and the company will pay Metroplex \$1.2 million.

County officials plan to work with Preferred Real Estate to place the site into the State's Brownfield Program which would enable the developer to receive tax credits based on remediation and development costs at the site. In addition, the site is available for the NYS Empire Zone Program.

Senator Schumer announced steps he has taken and will take at the federal level to make this historic development happen:

Federal Transportation Funding -- Schumer helped secure \$2 million in federal transportation funding for enhancement of Erie Boulevard. Funding for Erie Boulevard was a vital step in the effort to redevelop Alco as the road will serve as a central artery to the site.

Renewal Community Legislation – Schumer said he will renew his efforts to continue and expand the Federal Renewal Communities Program. This program makes projects within much of the City of Schenectady eligible for \$12 million a year in special federal tax deductions. The Renewal Community Program is set to expire in 2009. Senator Schumer is an original sponsor of the Empowerment Zone and Renewal Community Enhancement Act of 2006, legislation that will extend the program through 2015.

Federal Tax Credits – Senator Schumer also announced that he will work with County officials to utilize federal programs to help redevelopment of the site including the New Market Tax Credit Program, Historic Tax Credits, the Federal Brownfield Program and the Federal Renewal Community Program.

Ray Gillen, Commissioner of Economic Development and Planning for Schenectady County and Chair of Metroplex said, “The Alco site is a gem. We will polish this gem by working closely with Senator Schumer, Senator Clinton and Congressman McNulty to utilize all of the key federal and state programs designed to help re-use and bring back to life former industrial sites. The potential here for jobs, investment and new tax base is enormous.”

More information may be found at www.goprei.com or www.schenectadymetroplex.org

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