



## **United Group of Companies breaks ground on first phase of \$140 million City Station project**

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The United Group of Companies has begun construction on the first phase of its City Station Project, a \$140 million development that aims to connect the Rensselaer Polytechnic Institute Campus with the Downtown Troy Business District.

The first phase, known as City Station West, is a \$13 million mixed-use development deal that will feature 17,000 s/f of retail space along the newly constructed Sixth Ave., and 48 student apartments consisting of 184 beds on the upper floors of the five story structure.

To finance this project, UGOC created two \$50 million investment funds to assist in high demand student housing projects along the East Coast. The first project to use these funds, which launched on January 1st, will be City Station West.

Previously, a \$20 million Income Fund that paid investors 9% annually, and a \$30 million equity fund with a projected higher rate of return were established and made available to accredited investors. Local Financial Advisory Firms and CPA's began recommending these funds, and additional interest developed from pension funds and other financial vehicles. All told the company raised more than \$21 million to complete three projects at SUNY Cortland, SUNY Brockport, and SUNY Plattsburgh. The first two funds closed at the end of 2010 and now the two new \$50 million funds have been created to assist United with its \$500 million pipeline of new projects, including the groundbreaking City Station.

"City Station is a project very close to our hearts," said Michael Uccellini, CEO of UGOC, based on the Rensselaer Tech Park on Troy. "We originally won the rights to develop this land during a Request for Proposal process in 2005. Since then we have acquired the necessary lands, worked with Troy to develop a master plan, and waited patiently for road and infrastructure improvements to be completed before we started. It's been a total team effort to get us to this point, and we are thrilled."

Late last year the City of Troy completed the infrastructure work throughout the entire corridor, a \$7 million project that was funded initially with grant monies from the New York State Department of Transportation, though it was eventually approved to be an American Recovery and Reinvestment Act project.

The target market for the student housing units is graduate students at Rensselaer. Each unit features either three or four bedrooms, each bedroom featuring a private bathroom. The apartment units feature full kitchens and are delivered fully furnished. In addition, the apartments showcase washers and dryers, spacious accommodations, and the rent for each unit includes all utilities, cable and Internet connections.

With the growing number of beds that the United Group manages, under its subsidiary, United Realty Management Corp., AMO, it was recently named one of the Top 25 Managers of Student

Housing in the nation by Student Housing Business.

To ensure a successful lease up of the retail space, United has engaged the services of the Cameron Group, LLC out of Syracuse. United is targeting retailers that look forward to the challenge of being urban pioneers. With a built in customer base of nearly 200 students, Uccellini said that the lease up of retail space needs to be concise and market driven.

"Because this has been such a labor intensive development process, we are extremely cognizant of the need to make a remarkable first impression," Uccellini said. "This development process will have at least five phases, and we want to send a message that it will be a high quality place to do business. It will be a destination when finished, and we need to work towards that goal from day one."

Uccellini also said that during many public hearings with residents and business owners in Troy, one of the overwhelming themes was the hope that City Station would add to the growing retail and housing base in Downtown Troy and not try to poach different businesses that may already be successful.

UGOC is also counting on one of its past partnerships to complete the project by an August 1st deadline so that graduate students may live in the community for the 2011-2012 school year. BBL Construction, which has partnered with UGOC on a number of other local developments, is the contractor for City Station West.

"There isn't a more capable and efficient partner to have on a project like this," Uccellini said. "BBL is a professional group that understands exactly what it takes to get the job done, and we're thrilled to be working with them."

The second phase of City Station is scheduled to break ground later this summer.

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