



BOARD OF DIRECTORS MEETING

March 27, 2017

3:15 PM

NFE 2107

AGENDA

1. Call to order
2. Chair's Report:
 - Approval to authorize President to enter into lease agreement and expend associated fit-up costs
3. New Business
4. Public Comment
5. Next quarterly Board of Directors meeting: June 15, 2017
6. Adjournment



To: Board of Directors of Fuller Road Management Company

Re: Proposed Lease Agreement- Park Systems Inc.

Date: 3/24/17

- 1) **Description of Property:** 257 Fuller Road, Albany, NY; NanoFab East Building. First Floor office space in the East Wing.
- 2) **Tenant:** Park Systems Inc. 3040 Olcott St. Santa Clara, CA 95054. Park Systems is based in Korea with a US office in Santa Clara, California. The company was founded in 1997 after years of research and innovation in the Atomic Force Microscopy (AFM) field. Park has the longest history of AFM business in the industry. The company has developed a global sales network of over 30 countries and has more than 1000 AFMs in use around the world. It is the fastest growing AFM company with more than 120 full time employees.
- 3) **Lease Term:** 2899 sq. ft.; \$51/ sq.ft. years 1-2 and \$24/sq. ft. years 3-5 for a total of Five (5) years
- 4) **Fair Market Value:** The proposed lease represents 1.2% of the total building therefor an appraisal of the fair market value of the asset is not practical. Staff has determined that lease meets fair market value based on other existing leases in the building and comparison to other local real estate.
- 5) **Associated Costs for Site Preparation:** FRMC will pay for the fit-up costs to construct 2899 sq. ft. of office space and will also make improvements to common space that will facilitate multiple tenants on the East wing of NFE. Currently this first floor area is an open floor plate of more than 14,000 sq. ft. that has been vacant for a number of years since the previous tenant vacated the building. Contract has been competitively bid and the low contractor bid was \$176,000. Park's lease terms have an escalated rent the initial two years to off-set the cost of the fit-up. FRMC will be paying for common area space equal to approximately \$18,000.
- 6) **Associated Costs of Lease:** Lease is all-inclusive of utilities and some janitorial services.
- 7) **Use of Space:** Park Systems Inc. is based in Korea with a US office in Santa Clara, California. This new location at SUNY Polytechnic would be their East Coast headquarters. Out of this location the company would provide technical and application support for commercial Atomic Force Microscopy (AFM) products. These include industrial automated AFM's and research AFM's. This location will also include sales and marketing staff.

- 8) **Additional Information:** Currently this first floor area is an open floor plate of more than 14,000 sq. ft. that has been vacant for a number of years since the previous tenant vacated the building. We feel the investment by FRMC to sub-divide the space for this tenant is a smart business decision for the short-term in attracting this tenant, but also in the long-term for future smaller tenants. In addition, with their location on campus Park Systems will provide internship and employment opportunities for SUNY Poly students and have already begun discussions with faculty to facilitate these.