

A. Tannersville - Restore III - Theater District Project (W844)

August 16, 2010

General Project Plan

Grantee: Village of Tannersville (“Tannersville” or the “Village”)

Beneficiary

Companies: Hunter Foundation, Inc. (6041 Main Street)
Catskill Mountain Foundation, Inc. (6042 Main Street)

ESD Investment: A grant of up to \$1,083,996 to be used for a portion of the cost of renovations to 6041 and 6042 Main Street.

Project Locations: 6041 and 6042 Main Street, Tannersville, Greene County

NYS Empire

Zone (or equivalent): N/A

Project Completion: October 2011

Grantee Contact: Lee McGunnigle, Mayor
1 Park Lane
Tannersville, NY 12485
Phone: (518) 589-5850

Beneficiary Contacts: Charlene J. Holdridge, Executive Director – Hunter Foundation, Inc.
P.O. Box 563
Tannersville, NY 12485
Phone: (518) 589-5050

Peter Barker, Executive Director - Catskill Mountain Foundation, Inc.
P.O. Box 924
Hunter, NY 12442
Phone: (518) 263-2000

Project Team:

Project Management	Glendon McLeary
Affirmative Action	Laverne Poole
Environmental	Soo Kang

Project Description:

Background

The Village of Tannersville, located in the east-central section of the Town of Hunter, was incorporated as a Village in 1895. The Village has a total population of approximately 448 according to the 2000 U.S. Census. Tannersville’s leather tanning business collapsed in the

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mid-19th century and was gradually replaced by the summer resort trade, which reached its peak in 1882 when the railroad came to Tannersville. However, the rise of the automobile in the early 20th century led to a steady economic decline in the area, as travelers were no longer rooted to one spot for an entire summer.

Tannersville has experienced a revival in the 21st century. This can be attributed largely to the efforts of the Village, Hunter Foundation, Inc. (the "Foundation"), Greene County, and the Catskills Watershed Corporation which have completed several projects in Tannersville and continue to work to restore Main Street and the Village. One of the projects implemented by the Foundation with the help and support of corporate sponsors and local residents was the town-wide "Paint Project." The Paint Project involved painting downtown buildings in multi-colored pastels, often with cartoon-like pictures on the shutters. It attracted waves of tourists who came to see the dramatic paint schemes. The project received much attention when it was publicized in The New York Times and featured on NBC's Today Show, CNBC, and all three local Albany-based networks.

In 2004, the Town of Hunter retained the services of Cornell's University's Community and Rural Development Institute ("CaRDI") to develop a study of the retail trade industry using demographic analysis to pinpoint the lifestyles and buying habits of visitors. The Hunter Foundation also engaged the services of retail analyst, Rodgers and McCauley, Inc., to inventory existing retail conditions and make recommendations. Based on the findings of these studies, the Catskill Watershed Corporation completed an Economic Development Study of the area which resulted in the adoption of a Revitalization Plan in 2005 by the Village to revitalize the community and transform the area into a year-round tourist destination. An integral part of this goal includes the rehabilitation of 6041 and 6042 Main Street. The buildings are in disrepair and sufficient funds were not available to complete the rehabilitation. With the assistance of Restore NY funds, the Village will rehabilitate these vacant, mixed-use buildings on Main Street to spur economic growth in Tannersville.

The Project

The project involves the rehabilitation of 6041 Main Street, a former bar and ski nightclub into a mixed-use, upscale building with retail, office space and apartments. The building requires extensive foundation work followed by jacking and leveling of the building; a new roof; new clapboard siding and windows; new electric, plumbing and sprinkler system; first floor will be completely gutted and rebuilt; and upper floors will require new walls, ceilings, floors as well as kitchens and bathrooms.

The project also includes the rehabilitation of 6042 Main Street, a two-story, six-unit building into housing for artists and performers for the soon-to-be-reopen Orpheum Theater next door. The rehabilitation of this building will consist of a new roof; new siding, windows and foundation repairs on the exterior; repair or replace interior walls, ceilings and floors; and renovate existing kitchens and bathrooms.

The project began in September 2009 and is expected to be completed by October 2011.

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Financing Uses	Amount	Financing Sources	Amount	Percent
6041 Main Street				
Land/Building Acquisition	\$243,000	ESD Grant	\$601,750	52%
Renovation	836,216	Hunter Foundation	515,376	44%
Infrastructure/Site Preparation	12,400	NY Main Street Grant	51,250	4%
Indirect/Soft Costs	76,760			
Total Financing Uses	1,168,376	Total Financing Sources	1,168,376	100%
6042 Main Street				
Land/building Acquisition	310,000	ESD Grant	482,246	55%
Renovation	511,430	Catskills Mountain Foundation	328,641	38%
Infrastructure/Site Preparation	15,500	NY Main Street Grant	51,250	6%
Indirect/Soft Costs	35,207	Greene County Grant	10,000	1%
Total Financing Uses	872,137	Total Financing Sources	872,137	100%

Financial Terms and Conditions:

1. At the time of disbursement, the Village will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Village will be obligated to advise ESD of a materially adverse change in its financial condition prior to disbursement.
3. The Village will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$1,083,996 will be disbursed to Grantee as follows:

6041 Main Street - Up to \$601,750 will be disbursed to Grantee upon documentation of project costs totaling \$1,168,376 and upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available.

6042 Main Street - Up to \$482,246 will be disbursed to Grantee upon documentation of project costs totaling \$872,137 and upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after May 4, 2009 to be considered reimbursable project costs. Previously expended funds may be applied toward match requirements retroactive to June 23, 2006, when the

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Restore New York Legislation was enacted.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,083,996, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Village and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. If the Grantee is not the owner of the Project, then the Grantee shall prohibit, for five years from the date of the initial disbursement of Grant funds, any transfer of the Project in whole or in part, by sale, lease, or conveyance of any interest in or with respect to the Project except (a) transfers of minor interests in the Project site, such as utility easements and limited rights-of-way, and (b)(i) the arms-length basis sale or lease of individual condominium units in the ordinary course of business for a condominium development and (ii) the arms-length basis residential or commercial lease in the ordinary course of business for a commercial, residential, or mixed-use rental development. In the event that such a prohibited transfer occurs within such five-year period, the Grantee shall pay to ESD, promptly upon ESD's written demand therefor, the applicable amount indicated below.

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

Statutory Basis – Restore NY Communities:

Land Use Improvement Project Findings

1. The area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.

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The project involves the rehabilitation of vacant mixed-use buildings, which has been deemed by the Village to arrest sound growth and development in the area.

2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.

The project involves the rehabilitation of sites that the Village has included in its overall master development plan to revitalize the community and transform the area into a year-round tourist destination.

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

The Village published a property assessment list and held a public hearing on the project at the time of application. The Village will ensure compliance with all applicable local laws and regulations.

4. The requirements of Section 10(g) of the Act are satisfied.

There are no families or individuals displaced from the Project area.

