

**C. Cape Vincent - RESTORE III - Roxy Hotel (W822)
December 18, 2009**

General Project Plan

Grantee: Village of Cape Vincent (“Cape Vincent” or the “Village”)

Beneficiary: Cape Vincent Local Development Corporation

ESD Investment: A grant of up to \$1,532,286 to be used for a portion of the cost of demolition, hazardous material handling and rehabilitation costs.

Project Location: 111 Broadway, Cape Vincent, Jefferson County

NYS Empire Zone (or equivalent): N/A

Project Completion: July 2010

Grantee Contact: Timothy Maloney, Mayor
127 East Joseph St.
Cape Vincent, NY 13618
Phone: (315) 654-2533 Fax: (315) 654-2775

Beneficiary Contact: John DeFrancesco, President
Cape Vincent Local Development Corporation
127 East Joseph St.
Cape Vincent, NY 13618
Phone: (315) 654-2001

Project Team:

Project Management	Ron Stanton
Affirmative Action	Laverne Poole
Design & Construction	Dennis Conroy
Environmental	Soo Kang

Project Description:

Background

The Village was incorporated in 1853 with a population of 1,218 and was considered a bustling town with a railroad, grocery stores, meat markets, a bakery, drug stores, hotels, and clothing stores. The Roxy Hotel (the “Roxy”) is the only hotel built during this time that is still standing today. When the railroad was decommissioned in the mid-20th Century, businesses began to close and the Village began a steady decline in population. Today the Village has a year-around population of about 760. As a waterfront community, summertime brings an influx of vacationers and cottage owners.

As the largest building in Cape Vincent located on the main corner of the business district, a

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restored Roxy would provide the visual impact needed to attract the visitors into the downtown area. Many of the neighboring smaller commercial buildings in the Village have benefited from a 2007 NYS Main Street grant and are in various stages of façade renovations. The Restore award will fill a funding gap to complete this project.

The Project

Restoration of the Roxy will include interior and exterior rehabilitation to the hotel and restaurant, demolition of a motel that sits directly behind the building, and construction of six garden apartments in place of the motel. Restoration of the restaurant and attached tavern are planned for the first floor along with an enhanced and expanded restaurant/bar with a patio or porch for summer dining *al fresco* with a view of the river. For the second and third floors, the plan calls for the refurbishment of approximately 20 hotel rooms, many with a view of the St. Lawrence River. The appearance of the brick façade will remain as when it was built in 1894.

The Village has selected Michael Treanor & Associates as the developer. Michael Treanor and Associates was the developer involved with the Carthage-Restore II-Buckley building in Carthage and is currently renovating the Watertown-Restore II-Riverview Plaza project. Architectural drawings/plans and prints are currently being finalized and the renovation is scheduled to begin in February 2010.

Financing Uses	Amount	Financing Sources	Amount	Percent
Demolition	\$27,660	ESD Grant	\$1,532,286	76%
Renovation costs	1,775,840	Village Equity*	476,214	24%
Hazardous material removal	205,000			
Total Project Costs	\$2,008,500	Total Project Financing	\$2,008,500	100%

*Source of equity is funds from the building's owner.

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 \$1,532,286 will be disbursed to Grantee during the course of the project no more frequently than quarterly, in compliance with ESD's Design and Construction requirements, assuming that all project approvals have been completed and funds are

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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 Restore New York Legislation was enacted.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,532,286, 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 ESDC, 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.

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Design & Construction:

D&C will review the design and construction documents, and monitor the construction with particular attention to historic preservation and compliance to SHPO requirements. Staff will review requisitions for payment and visit the site at its option.

Environmental Review:

The Village of Cape Vincent, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review, which was coordinated with ESD as an involved agency, found the project to be an Unlisted Action which would not have a significant effect on the environment. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the building's inclusion in the National Register of Historic Places, ESD has confirmed that the project sponsor initiated consultation with the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”) pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESD will ensure that consultation is completed with OPRHP.

Affirmative Action:

ESD’s Non-discrimination and Affirmative Action policy will apply. The grantee is encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 3% and a Women Business Enterprise participation goal of 2% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project, and to include minorities and women in any job opportunities created by the project.

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.

The project is located in a blighted neighborhood and involves the rehabilitation of a historic hotel that is a cornerstone in the business district, 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 a site that the Village has included in its Master Plan and Downtown Revitalization Plan to restore historic buildings and promote growth and stability to the area.

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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.

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Cape Vincent (Jefferson County) – Cape Vincent – RESTORE III – Roxy Hotel – Restore NY Communities Capital Grant – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Cape Vincent – RESTORE III – Roxy Hotel Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.