

## F. Gowanda - RESTORE III - Historic Hollywood Theater (W866)

December 18, 2009

### General Project Plan

- Grantee:** Village of Gowanda (“Gowanda” or the “Village”)
- Beneficiary:** Gowanda’s Historic Hollywood Theater
- ESD Investment:** A grant of up to \$660,000 to be used for a portion of the reconstruction costs for Gowanda’s Historic Hollywood Theater.
- Project Location:** 39 West Main Street, Gowanda, Cattaraugus County
- NYS Empire Zone (or equivalent):** Cattaraugus County Empire Zone
- Project Completion:** October 2011
- Grantee Contact:** Richard Klancer, Mayor  
27 East Main Street  
Gowanda, NY 14070  
Phone: (716) 532-2938 Fax: (716) 532-2938
- Beneficiary Contact:**
- Project Team:**
- |                       |                  |
|-----------------------|------------------|
| Project Management    | Marguerite Greco |
| Affirmative Action    | Lavern Poole     |
| Environmental         | Soo Kang         |
| Design & Construction | Dennis Conroy    |

### **Project Description:**

#### Background

Gowanda, first settled around 1810, is located in southeastern New York State (“NYS”). Gowanda enjoyed a diversified mix of manufacturing and governmental jobs until the 1970’s when two of the three manufacturing facilities and the NYS-owned Gowanda Psychiatric Center were closed. NYS opened the Gowanda/Collins Correctional Facility in 1994, which alleviated some of the area’s employment needs.

In 1999, the Village of Gowanda Master Plan (the “Plan”) was adopted, which involved a strategy to encourage commercial, residential, retail, industrial, development, as well as promote tourism. In 2001, the Village of Gowanda Business Development and Downtown Revitalization Study indicated that the restoration and revival of Gowanda’s Historic Hollywood Theater (the “Theater”) would be a key catalyst for economic development. The 12,600-square-foot Theater, constructed in 1926, operated as a movie and performing arts theater until 1992, after which it remained vacant. The Theater is listed on the National

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Register of Historic Places and a complete rehabilitation of the building respecting the historic fabric was deemed necessary. However, the Village lacked the financial resources proceed with the project. The Restore NY III grant will help fill this financing gap, which will allow this project to go forward.

On August 13, 2008, ESD Directors approved a \$1.5 million Restore NY II Communities grant to assist the Village with the reconstruction of Academy Place into a mixed-use commercial/residential structure.

The Project

The \$2.16 million project includes design, engineering; partial interior demolition, and interior renovations including water and sewer upgrades, plumbing, electrical, security and sprinkler systems, necessary to allow the Theater to re-open as an active historic landmark. The project will be financed by ESD’s grant; a NYS Member Item grant; a NY Main Street Program grant; Office of Park, Recreation & Historic Preservation (“Parks”) grants; philanthropic donations; a loan from Community Bank, N.A.; and Theater equity. In addition, the Theater will expend \$2,840,000 for additional phases of renovation, which include upgrading and renovations to the dressing rooms, back stage area and balcony.

The Theater will manage the project. Engineering, design and construction firms have been selected by competitive bidding and approved by SHPO. The project has started and is scheduled to be completed by October 2011.

Financing Uses	Amount	Financing Sources	Amount	Percent
Reconstruction Costs	\$2,160,000	ESD Grant	\$660,000	31%
		EPF Grant	500,000	23%
		NY Main Street Program Grant	100,000	5%
		Community Projects Fund Grant	70,000	3%
		Community Development Block Grant	100,000	5%
		Philanthropic Donations	430,000	20%
		Village Equity**	300,000	14%
<b>Total Project Costs</b>	<b>\$2,160,000</b>	<b>Total Project Financing</b>	<b>\$2,160,000</b>	<b>100%</b>

\*\*Source of equity is the Theatre

**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.

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3. The Village will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$660,000 will be disbursed to Grantee, no more frequently than monthly, project substantially as described in these materials and documentation of project costs totaling \$2,160,000 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 Restore New York Legislation was enacted.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$660,000, 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;

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- (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

### **Environmental Review:**

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

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 7% and a Women Business Enterprise participation goal of 3% 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 involves the rehabilitation of a vacant historic theater 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 overall Master Plan which involves a strategy to encourage commercial, residential, retail and industrial development, as well as promote tourism.

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.

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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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Gowanda (Cattaraugus County) – Gowanda – RESTORE III – Historic Hollywood Theater  
– Restore NY Communities 08-09 Capital Grant – Determination of No Significant Effect  
on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Gowanda - RESTORE III - Historic Hollywood Theater Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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