

**C. Hempstead - Restore III - Elmont Hempstead Turnpike Commerical Renovations
(W858)**

December 16, 2010

General Project Plan

Grantee: Town of Hempstead (the “Town”)

ESD Investment: A grant of up to \$2,412,000 to be used for a portion of the cost of reconstructing 12 mixed-use vacant and occupied properties.

Project Location: Hempstead, Nassau County

2 Claridge Avenue	357 Hempstead Turnpike
325 Hempstead Turnpike	361 Hempstead Turnpike
333 Hempstead Turnpike	375 Hempstead Turnpike
351 Hempstead Turnpike	401 Hempstead Turnpike
353 Hempstead Turnpike	1 A Holland Avenue
355 Hempstead Turnpike	2 Savoy Avenue

Project Completion: February 2013

Grantee Contact: George L. Bakich, Commissioner
200 North Franklin Street
Hempstead, New York 11550
Phone: (516) 538-7100 Fax: (516) 719-7966

Project Team: Project Management Jill Wolfeld
Affirmative Action Helen Daniels
Environmental Rachel Shatz

Project Description:

Background

The Town of Hempstead is located in Nassau County and it is the most populous town in the United States with a population of approximately 755,924 people according to the 2000 census. It is comprised of twenty-two incorporated and thirty-four unincorporated communities encompassing 143 square miles.

The community of Elmont is the northern gateway to the Town of Hempstead from Queens, New York. It has a population of approximately 33,657 people according to the 2000 census. This community, in recent years, has experienced a loss of viable businesses, high vacancy rates, unemployment and neighborhood blight.

The project is being developed in accordance with the Elmont Community Vision Plan, and will rehabilitate and reconstruct existing business and mixed use properties and demolish obsolete properties that will be architecturally consistent with nearby properties. It is believed that these improvements will attract new business development and investment

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resulting in new employment opportunities.

The Project

The project entails the rehabilitation, reconstruction and demolition of 11 vacant or occupied buildings (12 properties) to allow for the development of apartments and commercial space to attract new development and or expansion of current businesses located on the lots. More specifically, two buildings which are currently being used as mixed-use properties that are occupied or partially vacant will be rehabilitated in addition to the completion of asbestos abatement, roof repair or replacement and handicap accessibility. An additional building, used as a warehouse and office space for an eyeglass company, will be rehabilitated along with the completion of asbestos abatement, roof repair or replacement and handicap accessibility resulting in business expansion by the current occupant. Seven buildings that are obsolete and vacant will be demolished and acquired or leased to another company, developed by the owner or reconstructed by a developer following a Request for Proposal (“RFP”) process spearheaded by the Town. Furthermore, one mixed-use building which is occupied by a laundromat and contains two apartments on the upper level will undergo asbestos abatement, façade renovation and roof repair or replacement followed by the demolishment of the apartments so that the laundromat can expand its operations. Finally, one building which houses an automobile repair shop will be rehabilitated with asbestos abatement, roof repair or replacement, handicap accessibility and façade improvements.

The current buildings are owned by 325 Hempstead Turnpike Corporation, Eastern States Eyewear, 351 Hempstead Owners LLC, Hazel A. Del and Megnauth Raman and Melody Development Inc. Work is expected to commence March 2011 with rehabilitation, demolition and reconstruction and will be completed by February 2013.

Financing Uses	Amount	Financing Sources	Amount	Percent
Demolition	\$82,318	ESD Grant	\$2,412,000	60%
New Construction	1,210,045	Town Equity	300,000	7%
Reconstruction	1,603,451	CDGB Grant	450,000	11%
Streetscaping	731,207	HOME Grant	240,000	6%
Environmental Cleanup & Assessment	254,498	CDBGR Grant	605,519	15%
Professional Services/Consultants & Legal Fees	96,000			
Building Permit Fees	30,000			
Total Project Costs	\$4,007,519	Total Project Financing	\$4,007,519	100%

*Source of equity are funds from the buildings’ owners.

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Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Town will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Town will be obligated to advise ESD of a materially adverse change in its financial condition prior to disbursement.
3. The Town will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$2,412,000 will be disbursed to Grantee during the course of the project upon completion of each building, in compliance with ESD's Design and Construction requirements, 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 \$2,412,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Town 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:

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- (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.

Design and Construction:

Design & Construction staff will review construction documents, visit the sites at it option during construction and upon completion. Staff will review payment requests by the Town and recommend payment when its requirements have been met.

Environmental Review:

The Town of Hempstead, 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 found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on October 8, 2010. ESDC 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.

Affirmative Action:

ESD’s Non-discrimination and Affirmative Action policy will apply. The Town of Hempstead agrees to use its best efforts to achieve a Minority Business Enterprise participation goal of 10% and a Women Business Enterprise participation goal of 5% 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.

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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 demolition, rehabilitation, or reconstruction of 12 properties.
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 a site that the Town has included in the Elmont Community Vision Plan which calls for rehabilitation and reconstruction of existing businesses and mixed use properties, the demolition of obsolete buildings and the creation of new jobs.
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 Town published a property assessment list and held a public hearing on the project at the time of application. The Town 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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Hempstead (Nassau County) – Hempstead - Restore III - Elmont Hempstead Turnpike
Commerical Renovations – Restore NY Communities 08-09 – Determination of No
Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Hempstead –
Restore III - Elmont Hempstead Turnpike Commerical Renovations Project, the Corporation
hereby determines that the proposed action will not have a significant effect on the environment.

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