

**D. Johnson City – RESTORE III – Brownfield Redevelopment and Revitalization (W798)**

December 16, 2010

General Project Plan

**Grantee:** Village of Johnson City (“Johnson City” or the “Village”)

**Beneficiaries:** Goodwill Theater, Inc.  
Akraturn Manufacturing, Inc.

**ESD Investment:** A grant of up to \$914,000 to be used for demolition and/or reconstruction and rehabilitation of four vacant commercial buildings in the Johnson City Industrial Spine

**Project Locations:** Johnson City, Broome County  
36 Willow Street  
40 Willow Street  
42 Willow Street  
44 Corliss Avenue

**Project Completion:** 36 Willow Street - November 2011  
40 Willow Street - March 2011  
42 Willow Street - March 2011  
44 Corliss Avenue - August 2011

**Grantee Contact:** Daria Golazeski  
Town of Union Code Enforcement  
3111 E. Main Street  
Endwell, NY 13760  
Phone: (607) 786-2921 Fax: (607) 786-2320

**Beneficiary Contacts:** Naima Kradjian, CEO,  
Goodwill Theatre, Inc.  
67 Broad Street, Suite 210  
Johnson City, NY 13790  
Phone: (607) 772-2404 ext. 2 Fax: (607) 729-0785

Douglas Gardner, President  
Akraturn Manufacturing, Inc.  
25 Ozalid Road  
Johnson City, NY 13790  
Phone: (607) 217-7252 Fax: (607) 217-7364

**Project Team:** Project Management Robin Alpaugh  
Affirmative Action Denise Ross  
Environmental Soo Kang

**Project Description:**

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### Background

The Village of Lestershire, incorporated in 1892, was established as a result of the Lester Brothers Boot and Shoe Company's first factory in the village along the rail lines. In 1899, the shoe company was purchased in part by George F. Johnson and became Endicott-Johnson Corporation. In 1916, the Village was renamed Johnson City to honor the community contributions of the Johnson family and the company. As part of the Triple Cities, the Village is situated between Binghamton and Endicott. A once thriving downtown and Main Street area is now struggling due to the relocation of retail and service businesses to the outlying malls. Some of its older, historical and former commercial buildings, which are located just off of the Main Street Central Business District and are part of the Village's designated Brownfield Opportunity Area have fallen into a state of disrepair.

The Village applied for Restore III assistance in an effort to reverse the continuing deterioration of its Brownfield Opportunity Area properties. Due to the high cost of demolishing and/or rehabilitating these buildings, the Village would not be able to take on this project without ESD assistance.

### The Project

The project involves the demolition and/or rehabilitation and redevelopment of four Central Business District properties in Johnson City:

**36 Willow Street** – Rehabilitation of a vacant 25,800 square-foot theater building. The property, owned by a non-for-profit organization Goodwill Theatre Inc, will be the cornerstone of a multistage performing arts complex and training center. Project work consists of exterior and interior stabilization, including some demolition, haz mat clean-up, façade improvements and the design/construction of a canopy. As part of the arts complex, the Schorr Family Firehouse Stage performance venue at 46-48 Willow Street has already hosted over 10,000 visitors since it opened in 2007. Once the redevelopment of the area is completed, it will provide a significant boost to the revitalization efforts of the downtown area. Total project costs of the building for this site are \$1,073,669. The project is expected to be completed in November 2011.

**40-42 Willow Street** – Demolition of two vacant commercial/former municipal buildings totaling 18,562 square-feet. The demolition of the former police station and Amsterdam Hotel will allow for much needed temporary parking in between the Schorr Family Firehouse Stage and Goodwill Theater. This site will eventually contain a newly constructed infill building connecting the 36 Willow Street anchor property to the firehouse building. Total project costs for this site are \$133,145. The project is expected to be completed in March 2011.

**44 Corliss Avenue** – Rehabilitation of a vacant 55,000 square-foot commercial building. The project involves haz mat abatement, construction of a new wall and roof replacement. In March 2009, ESD approved a Restore II grant of \$471,568 to be used for demolition and related debris removal and site remediation costs for the adjoining 46 Corliss Ave. One of

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the shared walls was unable to structurally support the remaining building after the demolition. The property is owned by Akreturn Manufacturing, Inc., which is a contract precision manufacturing operation for milling, CNC machining, sheet metal and fabrication projects. The company is located in the adjacent building with 120 employees and will utilize 44 Corliss Ave as part of an expansion project that will result in approximately 30 new jobs. Total project costs for this site are \$387,374. The project is expected to be completed in August 2011.

The demolition of 40 and 42 Willow Street will allow for expanded reuse and redevelopment of 36 Willow Street, the adjacent Goodwill Theater (a gift from the Johnson family) as a performing arts hub. The rehabilitation of nearby 44 Corliss Avenue, a former manufacturing facility will enable a local company to expand and create new job opportunities. The redevelopment activity of this project is in line with the goals of the recent Town of Union Consolidated Plan (Johnson City is within the Town of Union) including preservation of significant historic properties, enhance job creation opportunities, and facilitating public and private investment.

**36 Willow Street**

Financing Uses	Amount	Financing Sources	Amount	Percent
Rehabilitation	\$336,669	ESD Grant	\$526,626	49%
Demolition	\$375,000	Village Equity*	\$547,043	51%
Indirect/Soft Costs	\$262,000			
Haz Mat Cleanup	\$100,000			
<b>Total Project Costs</b>	<b>\$1,073,669</b>	<b>Total Project Financing</b>	<b>\$1,073,669</b>	<b>100%</b>

\* Comprised of NYS Parks EPF Grant of \$500,000; Village of Johnson City HUD Grant of \$47,043.

**40-42 Willow Street**

Financing Uses	Amount	Financing Sources	Amount	Percent
Demolition	\$123,145	Village Equity*	\$133,145	100%
Infrastructure	\$10,000			
<b>Total Project Costs</b>	<b>\$133,145</b>	<b>Total Project Financing</b>	<b>\$133,145</b>	<b>100%</b>

\* Comprised of Village of Johnson City HUD Grant \$25,145; Town of Union CDBG funds of \$50,000; Village of Johnson City CDBG funds of \$20,000; Gorick Construction in-kind contribution of \$38,000.

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**44 Corliss Avenue**

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction	\$310,000	ESD Grant	\$387,374	100%
Haz Mat Clean-up	\$50,000			
Indirect/Soft Costs	\$27,374			
Total Project Costs	\$387,374	Total Project Financing	\$387,374	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 \$914,000 will be disbursed to the Grantee upon completion of the project substantially as described in these materials, submission of Certificates of Occupancy, and documentation of project costs totaling \$1,594,188 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 \$914,000 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

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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.

**Environmental Review:**

The Village of Johnson City Board of Trustees, 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 a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on April 17, 2009. 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 Goodwill Theatre’s inclusion in the New York State and National Registers 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 in accordance with a Letter of Understanding.

**Affirmative Action:**

ESD’s Non-discrimination and Affirmative Action policy will apply. The Grantee is encouraged to use its best efforts to include minorities and women in any job opportunities created by the project, and to solicit and utilize Minority and Women-owned Business Enterprises for any contractual opportunities generated in connection with 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 involves demolition of two vacant former commercial/municipal buildings, and the renovation and rehabilitation of two vacant, deteriorated privately-owned commercial buildings, which have 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 demolition of two deteriorated buildings and the rehabilitation of two additional buildings in an area that is addressed in the Town of Union Consolidated Plan (Johnson City is within the Town of Union) whose goals include the preservation of significant historic properties, enhancement of job creation opportunities and the facilitation of public and private investment.
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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Johnson City (Broome County) – RESTORE III – Brownfield Redevelopment and Revitalization – 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 Johnson City (Broome County) – RESTORE III – Brownfield Redevelopment and Revitalization Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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