

F. Port Jervis - RESTORE II - Downtown Centennial Revitalization (W036)

December 16, 2010

General Project Plan

- Grantee:** City of Port Jervis (“Port Jervis” or the “City”)
- Beneficiary Companies:** Braunagel & Braunagel, Inc. (9 Sussex Street)
The Ruby Group (19-23 Front Street)
- ESD Investment:** A grant of up to \$182,579 to be used for a portion of the cost of the rehabilitation of 2, 3-story, mixed-use buildings.
- Project Locations:** Port Jervis, Orange County
9 Sussex Street
19-23 Front Street
- Project Completion:** 9 Sussex Street – December 2010
19-23 Front Street – April 2011
- Grantee Contact:** Kathleen Hendrickson, Director
17-19 Sussex Street
Port Jervis, NY 12771
Phone: (845) 858-4024 Fax: (845) 858-4027
- Project Team:**
- | | |
|--------------------|-----------------|
| Project Management | Glendon McLeary |
| Affirmative Action | Denise Ross |
| Environmental | Soo Kang |

Project Description:

Background

The City of Port Jervis was first incorporated as a village in 1853, and became a city in 1907. Port Jervis is one of three cities in Orange County located in the far western end of the County at the nexus of New York, New Jersey and Pennsylvania. During the first half of the 20th century, the City’s downtown represented a thriving center of commerce as a busy retail and canal port. During this time, the City was home to manufacturing businesses as well as retail and service establishments that lined the streets of the Port Jervis Central Business District. Port Jervis was also a major transportation center, first as a stop on the Old Mine Road (the first 100-mile road in America), then as a port on the Delaware and Hudson Canal, and finally as a division center for the Erie-Lackawanna Railroad.

Like many older downtown centers across the state, Port Jervis has experienced a severe decline in its downtown center. For more than two decades, the City struggled to overcome the economic obstacles of accelerated investments in outlying suburban malls, particularly in

F. Port Jervis - RESTORE II - Downtown Centennial Revitalization (W036)

December 16, 2010

the bordering states of Pennsylvania and New Jersey, where big box retail continues to grow. In the aftermath, the loss of businesses, jobs, retail activity, and critical tax base has had a devastating impact on the health and welfare of the City's business district.

As a result of years of economic decline, many mixed-used buildings have been vacant and left in disrepair. As a part of the Port Jervis Downtown Strategic Plan, approved by the City Common Council and filed with the NYS Governor's Office for Small Cities in 2003, the City has targeted a 2-block subset of the City's Downtown Strategic Target Area, consisting of vacant, mixed-use buildings on Front and Sussex Streets. Restore NY funds will be used to rehabilitate 2, 3-story, mixed-use buildings with commercial space on the ground floors and affordable housing units on the upper floors. The project is expected to create much needed housing for low to middle income persons and office suites for micro-enterprise businesses that will contribute to the City's tax base.

The Project

9 Sussex Street

The project involved the rehabilitation of a vacant and deteriorated 3-story brick structure built in 1920. Project activities included the demolition of the interior, mechanical and structural repairs, rehabilitation of two new commercial storefronts on the ground floor, and the creation of new housing units on the second and third floors. The building was acquired by Braunagel & Braunagel, Inc. ("B&B") from the City. B&B, who also own and operate a pharmacy and health care business directly across the street from the project site, contracted with All in One Construction, LLC to undertake the project. The project is expected to be complete by the end of December 2010.

19-23 Front Street

The project involves the rehabilitation of a circa 1930, 3-story brick building. Project activities include the removal of code violations, lead paint remediation, installation of fire protection sprinkler and monitored smoke detection systems, upgrades to the first floor commercial space for occupancy by small business tenants, and the creation of new housing units on the second and third floors. The Ruby Group ("RG") acquired the building in a bank foreclosure and will undertake all rehabilitation activities. RG is known for completing high quality projects in the area. RG will work with the Port Jervis Community Development Agency to complete the project on time and on budget. The project is expected to be completed in April 2011.

F. Port Jervis - RESTORE II - Downtown Centennial Revitalization (W036)
December 16, 2010

9 Sussex Street				
Financing Uses	Amount	Financing Sources	Amount	Percent
Rehabilitation	\$485,000	ESD Grant	\$100,000	21%
		NYS Small Cities CDBG	185,000	38%
		Orange County HOME	100,000	21%
		NYS Main Street	100,000	21%
Total Project Costs	\$485,000	Total Project Financing	\$485,000	100%
19-23 Front Street				
Financing Uses	Amount	Financing Sources	Amount	Percent
Acquisition	210,000	ESD Grant	82,579	9%
Rehabilitation	698,957	Orange County HOME	315,000	33%
Soft Costs	58,000	Walden Bank*	500,000	52%
		City Equity**	69,378	7%
Total Project Costs	966,957	Total Project Financing	966,957	100%

*Rate - 6%; Term – 20 years; Lien – Real Estate

**Source of equity is from the Owner.

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the City will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The City will be obligated to advise ESD of a materially adverse change in its financial condition prior to disbursement.
3. The City will contribute at least a 10% match of the grant amount to the Project.
4. Up to \$182,579 will be disbursed to the Grantee in two installments as follows:

9 Sussex Street – Up to \$100,000 will be disbursed to the Grantee upon documentation of project costs totaling \$485,000 and upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available.

19-23 Front Street – Up to \$82,579 will be disbursed to the Grantee upon documentation of project costs totaling \$966,579 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 January 15, 2008 to be considered reimbursable project costs. Previously expended

F. Port Jervis - RESTORE II - Downtown Centennial Revitalization (W036)

December 16, 2010

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 \$182,579, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the City 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.

Environmental Review:

The City of Port Jervis Community Development Agency, as lead agency, has completed environmental reviews of the two properties that are the subject of the proposed grant, 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. These reviews found the projects to be Unlisted Actions, which would not have any significant effects on the environment. ESDC staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

The proposed work for 9 Sussex Street does not currently include façade rehabilitation in its scope. At such time that the façade rehabilitation is to be undertaken, consultation with SHPO will be conducted pursuant to the requirements of Section 14.09 of the State Historic Preservation Act.

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 vacant, abandoned, surplus, or condemned commercial and/or residential buildings, which has been deemed by the City 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 or reconstruction of sites that the City has included in its overall master development plan to revive its Central Business Districts and surrounding downtown neighborhood.
3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

F. Port Jervis - RESTORE II - Downtown Centennial Revitalization (W036)
December 16, 2010

The City published a property assessment list and held a public hearing on the project at the time of application. The City 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.

December 16, 2010

Port Jervis (Orange County) – RESTORE II - Downtown Centennial Revitalization –
Restore NY Communities 07-08 (Capital Grant) - Restore New York – Determination of No
Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Port Jervis –
RESTORE II - Downtown Centennial Revitalization Project, the Corporation hereby determines
that the proposed action will not have a significant effect on the environment.

* * *