

B. City of Syracuse – City-by-City Initiative - Near Westside (WCNY) EOF Capital (V912)
December 16, 2010

General Project Plan

Grantee: City of Syracuse (the “City”)

Beneficiary

Organization: The Public Broadcasting Council of Central New York, Inc. d/b/a WCNY and/or an affiliate/subsidiary to be formed (“WCNY”)

ESD Investment: A grant of up to \$2,000,000 to be used for a portion of the cost of rehabilitation and renovation related costs.

Project Location: 109 Wyoming Street, Syracuse, Onondaga County

Project

Completion: August 2012

Grantee

Contact: Benjamin Walsh, Deputy Commissioner,
Department of Neighborhood and Business Development
City Hall
233 East Washington Street, Room 312
Syracuse, NY 13202
Phone: 315-448-8028 Fax: 315-448-8036

Beneficiary

Contact: Robert Daino, President
506 Old Liverpool Road
Syracuse, NY 13220-2400
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Project Team: Project Management Robin Alpaugh
Affirmative Action Helen Daniels
Environmental Soo Kang

Project Description:

Grantee Background

Syracuse is located in the geographic center of New York State and has been called the “Crossroads of New York State” due to its central location and proximity to the New York State Thruway/Route 81 intersection. The City continues to focus on the revitalization of its urban core in order to remain competitive in attracting and retaining both residents and businesses. It is targeting properties located at strategic intersections to assist in re-establishing the urban core of Syracuse as the hub of commercial, social and cultural activity

City of Syracuse – City-by-City Initiative - Near Westside (WCNY) EOF Capital (V912)
December 16, 2010

in the region. The 109 Wyoming Street project site, which is also a focal point of the City’s Restore NY III (Project #X273) \$5,000,000 funding award, is one of those properties.

The City of Syracuse’s Comprehensive Plan 2025 identified seven “Strategic Economic Areas” that support distinct economic development opportunities. Downtown Syracuse was one of the strategic economic areas. The project is also consistent with a sustainable design assessment team report that recommended a focus on downtown Syracuse as the location where public investment can generate the greatest multiplier impacts as well as the goals of the Syracuse Neighborhood Initiative, a local housing and public improvement program established by the efforts of local officials.

The City-by-City Initiative project, along with Restore NY III funding, is considered integral to the success of the project, as it leverages a significant amount of private and public investment dollars.

Beneficiary Background

In 1962, WCNY television was established as a PBS affiliate and a 501(c)(3) charitable corporation, signing on the air in 1965, followed by creation of WCNY –FM radio in 1971. Currently, the station serves nineteen counties and reaches over 1.8 million viewers offering programs in digital and high-definition format. WCNY features educational videos online with outreach to 5,000 teachers and students, with original documentaries and programming that highlight Central New York. The station also provides award-winning video production and business media solutions to the public. WCNY has taken the lead role among the nine PBS stations around the state by building and operating the interconnect technology that facilitates program sharing in real time.

The 109 Wyoming Street property will be the new home of WCNY, the public broadcasting station of Central New York. WCNY is currently located in the suburbs, and the Near Westside Initiative, Inc. (“NWSI”) is partnering with WCNY to bring its replacement broadcast and operations center to the City’s Near West Side community. NWSI is a not-for-profit organization formed in 2006 to promote the redevelopment and revitalization of the Near West Side and was initially capitalized by Syracuse University. The relocation and creation of a new WCNY headquarters in the Near West Side will bring 75 existing full-time and part-time equivalent employees, as well as five new employees, to this community. In addition, the project will serve as an anchor building for the area.

The Project

The \$2 million ESD grant will be used for rehabilitation and renovation costs associated with the relocation of WCNY into an existing, vacant 220,000-square-foot facility owned by NWSI. The project entails the rehabilitation of 57,900 square feet of space to be leased to WCNY and/or an affiliate/subsidiary to be formed for its new state-of-the-art broadcast facility and education center, with another 12,700 square feet of area reserved for future use

City of Syracuse – City-by-City Initiative - Near Westside (WCNY) EOF Capital (V912)
December 16, 2010

by WCNY. Site and conceptual design work was completed by King and King, Architects LLP (“King and King”). King and King, founded in 1868 and based in Syracuse, is the oldest architectural firm in New York State. The general contractor is expected to be hired during the first quarter of 2011. Future plans for the remaining space in the facility include 17,500 square feet for an adult literacy organization, additional commercial tenant space, approximately seventeen apartment/condominium live/work units, and space for neighborhood-based services and companies. Total costs for the WCNY project are estimated at \$17,500,000 with a projected August 2012 completion date.

Financing Uses	Amount	Financing Sources	Amount	Percent
Acquisition	\$340,000	ESD - City -by-City Grant (V912)	\$2,000,000	11%
Construction	\$8,120,000	ESD - Restore III Grant (X273) **	\$5,000,000	29%
Infrastructure/Site Preparation	\$1,050,000	City Equity ***	10,500,000	60%
Equipment	\$4,470,000			
Soft Costs*	\$3,520,000			
Total Project Costs	\$17,500,000	Total Project Financing	\$17,500,000	100%

* Includes professional services, contingencies, legal, financing fees, engineering, and inspection costs.

** Being presented to the ESD Directors in separate materials

*** Source of equity:

\$4,000,000 – New Market Tax Credits (net benefit)

\$4,000,000 – WCNY Capital Contributions to be bridged by JP Morgan Chase

\$2,500,000 – part of a \$13.5 million loan forgiveness fund between ESD and SU agreed to in August 2007 – SU, as outlined in its reinvestment proposal, will play a major role in an effort to revitalize the Near West Side Neighborhood of the City by transforming a group of former warehouses and commercial structures into residences and workspaces for artists, designers, technologists, and innovators, using advanced environmental concepts and technologies.

Financial Terms and Conditions:

1. At the time of disbursement, 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 material adverse change in its financial condition prior to disbursement.
3. Up to \$2,000,000 will be disbursed to Grantee after (a) Grantee’s execution of a Grant Disbursement Agreement (the “Agreement”), (b) Grantee’s delivery to ESD of documents satisfactory to ESD as required for the advance on Exhibit B, Construction Requirements, of the Agreement, (c) satisfaction of the conditions set forth in Section 3- Conditions Precedent to Disbursement of the Grant, of the Agreement, (d) written confirmation satisfactory to ESD that all real estate and construction documents required by JPMorgan Chase Bank (the “Bank”) for the New Market Tax Credit (“NMTC”) financing of the project have been received by the Bank and are satisfactory

City of Syracuse – City-by-City Initiative - Near Westside (WCNY) EOF Capital (V912)

December 16, 2010

to the Bank for the closing of the NMTC financing for the project, and (e) assuming that all project approvals have been completed and funds are available, and (f) provided Grantee is otherwise in compliance with the terms and conditions of the Agreement. Subject to the foregoing, funds will be wired to the Grantee at the time of closing and funding of the NMTC financing arrangement for the project.

The Bank will be the construction funding disbursement servicer for releases of construction funding, including the grant proceeds, from the disbursement account for project costs. When the grant beneficiary requests a release of the construction funding proceeds, it will submit the required certifications. An independent architect or engineer retained by the disbursement servicer will be responsible for verifying and signing off for each release of funds. Copies of such certifications and verifications and copies of the grant beneficiary's architect, general contractor and other contractor draw documentation shall be provided to the investment fund, the beneficiary and the City of Syracuse, the Grantee, so that the Grantee may provide copies of these certifications, verifications and documentation to ESD. The Grantee shall promptly after receipt of same provide to ESD true and complete copies of these certifications, verifications and documentation.

The Grantee will be obligated to submit to ESD within 90 days of substantial completion of the project satisfactory documentation for eligible expenditures for the project of approximately \$17,000,000, for payment of eligible expenditures. Expenses must be incurred on or after April 1, 2007 to be considered project costs eligible for payment with grant funds.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,000,000, 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 Syracuse, 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 29, 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.

Affirmative Action:

City of Syracuse – City-by-City Initiative - Near Westside (WCNY) EOF Capital (V912)

December 16, 2010

ESD's Non-Discrimination and Affirmative Action policy will apply. The City of Syracuse shall use its best efforts to achieve Minority and Women-owned Business Enterprise participation of not less than 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 meaningful Minority and Female Workforce participation.

Statutory Basis – Section 10 Findings - Empire Opportunity Fund – (Upstate City-by-City Project):

Land Use Improvement Findings

1. That the area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest the sound growth and development of the municipality.

The Near Westside (WCNY) project is rooted in Syracuse's strategic planning efforts to strengthen its downtown core and adjacent neighborhoods. Syracuse's population peaked at 221,000 in 1950, and has experienced a steady decline since, reaching its current population of approximately 146,000. The areas that have experienced the most significant impacts of this economic downturn have been the downtown and the surrounding neighborhoods, creating clusters of highly underutilized or abandoned structures. The Near West Side is one of the poorest census tracts in the country. Downtown Syracuse continues to have a significantly high vacancy rate, with some blocks containing a majority of vacant or underutilized structures.

A strong urban core and healthy neighborhoods are vital to the revitalization of Syracuse. The implementation of the Near Westside (WCNY) project will significantly aid in the further revitalization of both areas and will also greatly succeed in connecting these two distinct places.

2. That 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 City has been working with Syracuse University to develop strategic plans for the Near Westside neighborhood. Specifically, this new vision focuses on an eleven-block area (twenty-eight acres) at the northeast corner of the Near Westside that will include new commercial/residential mixed-use developments in a 3-block area and investments in residential properties in an 8-block area.

3. That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

The project fits the goals of the City's Comprehensive Plan 2025, which was designed to address and guide the revitalization efforts of this neighborhood. In addition to providing

a new public broadcasting network headquarters, additional commercial private sector opportunities will be created in the area surrounding the project.

City of Syracuse – City-by-City Initiative - Near Westside (WCNY) EOF Capital (V912)

December 16, 2010

4. That the proposed facilities or project is consistent with any existing local or regional comprehensive plan.

The City of Syracuse Comprehensive Plan 2025 has provided a basis of support for a strong urban core and revitalized commercial corridors. The plan identifies the City's center core as a "strategic economic area," offering distinct economic development opportunities and recommends a number of actions including development of downtown market rate housing opportunities and the preservation and revitalization of historic structures, consistent with the project. Continued investment in this area will create a stronger City core, thus furthering the stabilization of Syracuse's downtown.

5. The requirements of Section 10(g) of the Act are satisfied.

There are no families or individuals displaced from the project area.

Empire Opportunity Fund Determinations:

The project is in compliance with Chapter 84 of the Laws of 2002 and the Corporation's guidelines established thereunder. Individual project funding does not exceed 25 percent of the total of that project's costs, or if project funding does exceed 25 percent of that project's total costs, the Director of the Division of the Budget has authorized the provision of such amount.

Disclosure and Accountability Certifications:

The Grantee and Beneficiary have provided ESD with the required Disclosure and Accountability Certifications. Grantee's and Beneficiary's certifications indicate that Grantee and Beneficiary have no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

December 16, 2010

City of Syracuse – City-by-City Initiative - Near Westside (WCNY) EOF Capital
– Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the City of Syracuse – City-by-City Initiative - Near Westside (WCNY) EOF Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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