

**B. «Project_Name» («Project_Number»)
«Approval_Date»**

General Project Plan

- Grantee:** City of Yonkers (“Yonkers” or the “City”)
- ESD Investment:** A grant of up to \$5,434,000 to be used for a portion of the cost of environmental remediation, demolition and renovations.
- Project Location:** 5-7 Main Street, Yonkers, Westchester County
- NYS Empire Zone (or equivalent):** Yonkers Empire Zone
- Project Completion:** October 2011
- Grantee Contact:** Mario Caruso, Principal Planner
87 Nepperhan Avenue, Room 319
Yonkers, NY 10701
Phone: (914) 377-6562 Fax: (914) 377-6672
- Project Team:**
- | | |
|--------------------|----------------|
| Project Management | Brendan Healey |
| Affirmative Action | Denise Ross |
| Environmental | Soo Kang |

Project Description:

Background

Yonkers, which was incorporated in 1872, is located in the southwestern corner of Westchester County in the Mid-Hudson Region of New York State. The City is 18.3 square miles in area and is the fourth largest city in New York State. It has a current population of approximately 200,000 residents. Yonkers thrived during New York’s industrial age; but in the mid-twentieth century the city entered a period of slow, steady decline, especially in its older, urbanized southwestern quadrant. Major manufacturing firms such as Otis Elevator and Alexander Smith Carpet Mills, which once employed a combined total of 7,500 people, left the city. Getty Square, once one of Westchester’s busiest retail districts, steadily lost businesses to a new generation of suburban malls. However, since the early 1990’s, Yonkers has begun to reverse this trend and a dramatic renaissance has been occurring in the downtown waterfront area and the City as a whole. Revitalization efforts have included a new riverfront library, a ½ mile public waterfront esplanade, a refurbished public pier, new apartments, a concentration of new restaurants and a restored train station.

Yonkers has embarked on an ambitious redevelopment plan for its downtown, with the development team of Streuver Fidelco Cappelli (“SFC” or “Developer”) proposing to build 1,386 housing units, 483,000 square feet of retail space, 90,000 square feet of restaurant space, approximately 475,000 square feet of office space, 80,000 square feet of cinema, a

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150 room hotel, a 6,500-seat ballpark and a 1,100 linear foot riverwalk, all of which is in close vicinity to the project.

The project is complementary to the City's downtown redevelopment initiatives and is consistent with the Yonkers Comprehensive Plan, which was adopted in September 2000. Goals of the Yonkers Comprehensive Plan that are achieved by the project include strengthening and enhancing local and regional shopping areas, promoting tourism as a new industry and improving the overall appearance of Yonkers. Yonkers requires Restore NY funds in order to bridge a financing gap in order to allow the project to proceed.

In 2006, Yonkers was awarded a \$2,167,000 grant in the first round of Restore NY for the demolition of the Mulford Gardens Municipal Housing Complex. Demolition has been completed and it is anticipated that a first phase of construction, containing 100 units of housing, will be completed in December 2010.

The Project

The project will rehabilitate the former Library, which is currently vacant and surplus property owned by the City. The former Library is a 58,000-square-foot building and contains three stories and a basement. SFC will purchase the former Library from the City in order to carry out the project.

The project will create retail and/or restaurant space on the first floor and basement floor, predominantly for the relocation of businesses that will be displaced along New Main Street as a result of SFC's proposed downtown development. The second and third floors will be converted into office space, which will be used in the short-term as a field office by SFC. The former Library's Mill Street entrance will be enlarged and one or more of its restaurants will create outdoor dining opportunities. The City will work with and encourage private owners who adjoin Mill Street, a dead end street that forms a courtyard behind many distinctive buildings fronting on North Broadway, Warburton Avenue and Main Street, to revitalize the space with restaurants and outdoor dining venues. The City will also work with local artists to create a water feature or work of art to visually entice people into the area.

The project will be managed by SFC and the various consultants it has engaged to design and implement the project. ESD's funds will be used for environmental remediation, demolition and renovation. The project will begin in May 2010 and be complete in October 2011.

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Financing Uses	Amount	Financing Sources	Amount	Percent
Land	\$1,725,000	ESD Grant	\$5,434,000	39.9%
Renovation	4,981,031	City Equity*	2,529,597	18.6%
New Construction	2,282,185	Bank Financing	4,665,383	34.3%
Infrastructure/Site Preparation/Remediation	2,508,158	City Capital Improvement Program	40,000	0.3%
Soft Costs	1,045,009	City Community Development Block Grant	200,000	1.5%
Contingencies	1,077,597	U.S. Dept. of Energy Block Grant	250,000	1.8%
		NYS EFC Green Innovation Grant	500,000	3.7%
Total Project Costs	\$13,618,980	Total Project Financing	\$13,618,980	100.0%

*Source of equity is \$1,725,000 in-kind contribution of land by Developer and \$804,597 from Developer.

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 materially adverse change in its financial condition prior to disbursement.
3. The City will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$5,434,000 will be disbursed to Grantee upon documentation of project costs totaling \$10,816,383 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 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 \$5,434,000, 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.

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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 therefore, 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 City of Yonkers Department of Planning and Development, 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 would not have a significant effect on the environment. ESD staff reviewed the 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 grantee is encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of

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3% and a Women Business Enterprise participation goal of 2% 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 and reconstruction of a vacant and surplus commercial building, 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 and reconstruction of a site that the City has included in its comprehensive plan, which was adopted in September 2000. The project satisfies the comprehensive plan's goals of strengthening and enhancing local and regional shopping areas, promoting tourism as a new industry and improving the overall appearance of the City.
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 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.

January 21, 2010

Yonkers (Westchester County) – Yonkers - Restore III - Former Library Restoration –
Restore NY Communities – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Yonkers - Restore III - Former Library Restoration Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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