

**E. Batavia - Restore III - Masse Gateway (W802)**

January 21, 2010

General Project Plan

**Grantee:** City of Batavia (the “City” or “Batavia”)

**Beneficiary:** Joseph L. Mancuso & Sons, Inc.

**ESD Investment:** A grant of up to \$1,500,000 to be used for a portion of the cost of demolition, renovation and related site development.

**Project Location:** 26 Harvester Avenue, Batavia, Genesee County

**NYS Empire Zone (or equivalent):** N/A

**Project Completion:** September 2010

**Grantee Contact:** Jason Molino, City Manager  
One Batavia City Centre  
Batavia, NY 14020  
Phone: (585) 345-6330

**Beneficiary Contact:** B. Thomas Mancuso, SIOR, President  
56 Harvester Avenue  
Batavia, NY 14020  
Phone: (585) 343-2800

**Project Team:**

Project Management	Glendon McLeary
Affirmative Action	Helen Daniels
Environmental	Soo Kang

**Project Description:**

Background

The City of Batavia was established as the county seat of Genesee County in 1802 and incorporated as a city in 1915. Located approximately 33 miles west of Rochester and 42 miles east of Buffalo in western New York, Batavia’s population according to the U.S. Census was 16,256 in 2000. The City is considered the birthplace of western New York since it was the core from which the rest of western New York was opened for settlement and development.

Batavia and the local economy benefited from the central location of the administrative headquarters of the Holland Land Company, established by Joseph Elliot in 1802, since all of the land transactions for western New York were done through this office. Batavia became a small industrial city in the heart of an agricultural area and became known for the

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manufacturing of tractors, agricultural implements, sprayers and shoes. The City also was a tool and die making center for industries in other areas. Batavia lost its central location with the construction of the Erie Canal in 1825 which bypassed the City enabling Buffalo and Rochester to grow much faster. Eventually, Batavia regained its advantageous location with the construction of the railroads starting in mid -1800's and today, all western New York State routes lead to the City.

In 2006, the City completed the Batavia Center Corridor Plan (the "Plan") to develop revitalization concepts for several sites between the downtown and the Batavia Industrial Center (the "BIC"). The underlying principle of the Plan was to redevelop vacant and underutilized sites to generate much needed property tax revenue and create jobs. One of the key redevelopment targets of the Plan was the BIC site located east of the Batavia downtown core between Harvester and Swan Streets. The development approach includes the redevelopment of the 30-acre site including demolition and rehabilitation of industrial space and the creation of multiple road entry points and internal circulation systems to provide better external access and internal circulation at the site. This investment is expected to create greater visibility and access to the site, thus increasing its marketability to potential investors and employers. Restore NY funds will be used to demolish portions of three vacant and underutilized industrial spaces on the BIC and provide improved access into the site from Main Street via Masse Place.

Since 2002, ESD awarded a \$25,000 grant for upgrades to Jackson Square in downtown Batavia and a \$50,000 grant for a comprehensive plan and market study for the proposed Swan-Masse Village project in the City of Batavia. Both projects have been completed and the funds fully disbursed.

### The Project

The project includes demolition of approximately 40,000 square feet of blighted, vacant industrial space to allow for the construction of an access roadway into the site. Additionally, approximately 120,000 square feet of obsolete industrial space will be renovated into rental space for commercial, residential and light industrial users. The Mancuso Development Group will manage the redevelopment project working with Smart Design and other local contractors. Mancuso Business Development Group is a subsidiary of Joseph L. Mancuso & Sons, Inc., the owner of the site. Both Mancuso Business Development Group and Joseph L. Mancuso & Sons, Inc. have worked in the real estate development field for more than 50 years. The project is expected to be completed by September 2010.

The project is anticipated to induce more than \$6 million in investments by tenants in the 120,000 square-foot space and could potentially lead to a significant number of jobs when fully occupied. Tax revenues for the City are expected to increase due to the anticipated increase in assessment from under \$300,000 to \$3,000,000 upon final build out. Additionally, the City expects that space at the BIC will be used to continue its business incubator tradition of offering technical and managerial assistance to small business at a low

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cost.

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation	\$630,000	ESD Grant	\$1,500,000	79%
Demolition	230,000	City Equity	197,000	10%
Road work/parking	395,000	Developer Equity	211,900	11%
Water/sewer	65,000			
Environmental cleanup	50,000			
Professional services/consultants	408,900			
Construction interest	130,000			
Total Project Costs	\$1,908,900	Total Project Financing	\$1,908,900	100%

**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 contribute at least a 10% match of the grant amount to the Project.
4. Up to \$1,500,000 will be disbursed to the Grantee upon documentation of project costs totaling \$1,908,900 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 \$1,500,000, 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.
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

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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:

- (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 Council of the City of Batavia, 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 April 27, 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:**

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 7% and a Women Business Enterprise participation goal of 3% 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 involves the demolition and rehabilitation of vacant and underutilized commercial 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 demolition and rehabilitation of a site that the City has included in its overall master development plan to revitalize sites between the downtown and the Batavia Industrial Center to generate property tax revenue and create 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 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.

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Batavia (Genesee County) – Restore III - Masse Gateway – Restore NY Communities 08-09  
Capital Project – 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 Batavia - Restore III - Masse Gateway Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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