

## **D. Riviera Theatre Capital (U826)**

July 23, 2009

### Authorization to Amend the Project Scope and Budget

**Grantee:** Riviera Theatre and Organ Preservation Society, Inc. (the “Society”)

**ESD Investment:** \$500,000 approved on December 18, 2006 (New York State Technology and Development Program (Capital Grant)).

**Background/  
Project Status:**

These materials refer to and include, in their entirety, the attached materials presented to and approved by the ESD Directors on December 18, 2006 (the “Materials”). Any substantive changes to the project or terms and conditions are noted below.

The Society operates the Riviera Theatre (the “Riviera” or the “Theatre”). It planned to acquire property adjacent to the Riviera, construct a building connector between the Riviera and the newly acquired building, and complete building improvements to enhance the Riviera; however, the Society is now experiencing significant issues with the Riviera’s existing roof. Without immediate replacement of the roof, the results could be catastrophic, placing the entire Theatre in jeopardy.

The Society acquired the adjacent building in December 2007. The roof replacement is expected to be complete in October 2009.

After taking ownership of the adjacent property, the Society determined that the building was in a far more deplorable condition than originally thought, and the cost to renovate would be significantly higher than the original \$200,000 estimate. The Society therefore determined that it would be more cost-effective to demolish the property and construct a 14,000-square-foot addition specifically designed for the Riviera’s needs, including a full basement “black box theatre”; handicapped bathrooms; expanded dressing room area that will double as a 150-200 person banquet hall; and an outside performance area. The total project cost for the subsequent renovation project is expected to exceed \$1.7 million, and the Society is currently attempting to secure financing to complete the overall project. The expanded renovation project will stimulate construction jobs, allow the Riviera to accommodate an increased variety of productions and increase revenues, as well as provide the City of North Tonawanda with its only banquet facility. The newly installed roof is vital to the Riviera’s future and would be consistent with the planned expansion project.

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**Revised Project  
Scope and**

**Budget:** This request is to amend the project scope to the acquisition of adjacent property and roof replacement.

The revised budget is as follows:

Financing Uses	Amount	Financing Sources	Amount	Percent
Property Acquisition	\$300,000	ESD Grant	\$500,000	75%
Roof Replacement	366,000	NYS Office of Parks, Recreation & Historic Preservation Grant	100,000	15%
		NYS Division of Housing & Community Renewal - NY Main Street Grant	66,000	10%
Total Project Costs	\$666,000	Total Project Financing	\$666,000	100%

**Environmental  
Review:**

The Directors made a Determination of No Significant Effect on the Environment for the proposed acquisition of the adjacent property at its meeting of December 18, 2006. No specific project plan, proposal for development or change in the type or intensity of use of the site ("Specific Project Plan") is currently proposed for the adjacent property. At such time as any future Specific Project Plan is proposed, it will be subject to further environmental review under the New York State Environmental Quality Review Act ("SEQRA") by the local governing entity. In addition, the proposed project amendment to include the Riviera Theatre roof replacement project constitutes a Type II action as defined by SEQRA and the implementing regulations of the New York State Department of Environmental Conservation. Therefore, no further environmental review is required in connection with the proposed project amendment.

Due to the Riviera Theatre's inclusion on the State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required.

**Attachments:** ESD Directors' materials dated December 18, 2006