

FOR CONSIDERATION

July 23, 2009

TO: The Directors

FROM: Dennis M. Mullen

SUBJECT: Beacon (Dutchess County) – Scenic Hudson Park at Long Dock
Beacon Capital – Downstate Regional Projects (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act;
Authorization to Adopt the Proposed General Project Plan;
Authorization to Make a Grant and to Take Related Actions; Adoption
of Findings Pursuant to the State Environmental Quality Review Act

General Project Plan

I. Project Summary

Grantee: The Scenic Hudson Land Trust, Inc. (“SHLT” or the “Organization”)

ESD* Investment: A grant of up to \$3,000,000 to be used for a portion of the cost of design and construction of the Scenic Hudson Park at Long Dock Beacon (the “Park”) including park landscaping, design, kayak storage building, deck and beach, and bulkhead.

* The New York State Urban Development Corporation doing business as the Empire State Development Corporation (“ESD” or the “Corporation”)

Project Location: Long Dock Beacon, Dutchess County

NYS Empire Zone
(or equivalent): N/A

Proposed Project: The Scenic Hudson Land Trust, Inc. will develop approximately 12 acres as a public park at Long Dock Beacon.

Project Completion: September 2010

Grantee Contact: Margery Groten, Project Director
One Civic Center Plaza, Suite 200
Poughkeepsie, NY 12601
Phone: (845) 473-4440, Ext. 233
Fax: (845) 473-2648

Anticipated
Appropriation
Source: Downstate Regional Projects

ESD Project No.: W117

Project Team:	Project Management	Glendon McLeary
	Affirmative Action	Denise Ross
	Design & Construction	Joseph Burkard
	Environmental	Soo Kang

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Park landscaping	\$2,692,490
Signs	100,000
Red Barn renovation	625,357
Entry drive & parking	615,818
Kayak building, deck & beach	1,047,314
Bulkhead	613,640
Design	<u>800,154</u>

Total Project Costs \$6,494,773

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$3,000,000	46%
Peter Jay Sharp Foundation	1,000,000	15%
NYSDEC*	100,000	2%
NYSDOS**	1,526,416	23%
NYSOPRHP***	43,000	1%
DASNY****	492,024	8%
SHLT	<u>333,333</u>	<u>5%</u>

Total Project Financing \$6,494,773 100%

* New York State Department of Environmental Conservation, Hudson River Estuary Program

** New York State Department of State

*** New York State Office of Park Recreation and Historical Preservation

III. Project Description

A. Background

Scenic Hudson, Inc. (“Scenic Hudson”), a not-for-profit entity, was founded in 1963 in the struggle to save Storm King Mountain located on the banks of the Hudson River. Scenic Hudson integrates its programs strategically to benefit communities throughout the Mid-Hudson region and work collaboratively with other groups and local leaders to pursue a shared vision of the Hudson Valley’s future. The vision is based on achieving high standards for environmental health, cohesive and economically viable communities and equitable access to the Hudson River.

SHLT is a separately incorporated not-for-profit arm of Scenic Hudson that was established to safeguard irreplaceable landscapes, protect productive farmland, reclaim and transform neglected industrial waterfront sites, and purchase strategic properties to revive community centers. SHLT has succeeded in getting over 1,000 sites listed on state and national registers and safeguarding a number of working farms and scenic vistas. Some of these projects included Hell Hollow in Fishkill, Overlook Farms in Marlborough, and Locust Grove in Poughkeepsie. The Organization also launched a successful campaign advocating for the removal of health-threatening PCBs from the Hudson River.

In 1997, City of Beacon residents and officials participated in a series of public meetings convened by SHLT to learn about the community’s vision for post-industrial waterfront parcels that SHLT had acquired from Garret Strom, the Estate of Kellam and Benjamin Cohen. The community consensus was to remediate the property and develop a hotel and other uses combined with public access in order to boost development in the city, which has struggled with the loss of industry over the past four decades.

SHLT has made a major investment in the City of Beacon and Long Dock Beacon over the past 10 years. It has expended over \$6 million for acquisition of the property, staff time, property taxes, community consultation, clean-up of site debris, remediation, surveying, design, restoration of the red barn at Long Dock Beacon, sustainability consulting, legal services, and other related costs. SHLT has been successful in securing public and private funds for the project. However, these funds are earmarked for specific components of the project and additional funds were needed for the Park (landscaping, design, the kayak storage building, deck and beach, and bulkhead). Without ESD’s grant, integral components to the recreational activities of the Park and the overall project could not be built.

In October 1998, ESD approved a \$50,000 grant to the SHLT for the stabilization and restoration of areas surrounding the historic West Point Foundry which is located in Putnam County. In October 2004, ESD also approved a \$40,000 grant to Scenic Hudson, Inc. to perform engineering feasibility studies for uncovering the Saw Mill/Nepperhan River in Yonkers. Both projects were completed and the grants were fully disbursed.

B. The Project

. The project involves the development of an approximately 12 acre public park at Long Dock Beacon by the Scenic Hudson Land Trust, Inc. The project is a part of an integrated site plan for a 166-room hotel and conference center and a public park. In the current challenging economic climate, the developer of the commercial portion of the project is still working to secure financing for the hotel and conference center component. Subsequently, SHLT is moving forward with the construction of independent portions of the integrated park design that will not interfere with the future hotel construction. SHLT will maintain ownership of the portions of the project site to be developed as the Park and maintain the Park until the hotel is completed. Upon completion of the hotel, maintenance of the Park will be transferred to the hotel operator. SHLT will retain responsibility for major repairs and insurance.

The Scenic Hudson Park at Long Dock Beacon will include a variety of active and passive recreational uses, environmental learning and wetlands restoration. Project activities include:

- Restoration of the historic red barn on the site to serve as a center for environmental education and river-related arts programming for youth;
- Creation of a 3.4-acre meadow dominated by native plants;
- Enhanced and newly created wetlands;
- Interpretive signs describing the site's natural, industrial, and cultural history;
- Trail network connecting to various points of interest, including the Klara Sauer Trail, a 1.7-mile trail that connects to Denning's Point and will ultimately connect to Madam Brett Park;
- A launch for small non-motorized craft at the south end of the park;
- An environmental learning area with an outdoor classroom for teaching about the river's environmental and cultural history;
- A restored and newly graded beach for launching kayak and canoes;
- Restoration of the bulkhead on the north side of the quiet harbor and construction of a small bulkhead on the south side of the beach;
- A pavilion, surrounded by a deck at the beach to serve as a multi-purpose gathering place as well as storage for kayaks and canoes; and

SHLT has engaged Reed Hilderbrand as the landscape architect, Divney Tung Schwalbe, LLP as the civil engineer, M.G. McLaren Engineering Group as the marine engineer and Matthew D. Rudikoff, Inc. for planning and environmental services. SHLT will be soliciting a LEED professional, an owner's representative, an architect, a lighting consultant, an MEP engineer, and a contractor. As of July 2009, a fishing pier, 400-foot boardwalk, steps to the river, decks, docks, lawn with paths designed to connect to the paths in the rest of the park, and benches have already been constructed. The design of the remainder of the Park is nearly complete and bidding and construction is expected to commence in the fourth quarter of 2009. The park is projected to be completed by the fall of 2010.

In 2008, SHLT transferred ownership of the portion of the project site to be developed as the hotel and conference center to Beacon Waterfront, LLC ("BWLLC"). BWLLC was created as a separate entity by SHLT to create a lease parcel that would satisfy the requirements

of commercial lenders. BWLLC has entered into a development agreement with Long Dock Beacon Associates, LLC, a joint venture between Foss Group and Hudson River Beacon Development, LLC, to lease the land and develop and operate the proposed hotel and conference center once financing for the project is secured.

As a result of the project, a former scarred industrial site on the Hudson River waterfront will be transformed into a public park that will provide various recreational and educational activities for residents of the community. Additionally, the development of an eco-friendly hotel and conference center is projected to have a significant economic impact on the City of Beacon when it is brought to fruition.

C. Financial Terms and Conditions

1. The Grantee will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of a material adverse change in its financial condition prior to disbursement.
3. Up to \$3,000,000 will be disbursed to the Grantee during the course of construction, no more frequently than monthly, upon completion of the project substantially as described in these materials, in compliance with the Design & Construction Requirements, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESDC of an invoice and such other documentation as ESDC may reasonably require. Expenses must be incurred on or after April 1, 2008 to be considered eligible project costs.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$3,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee 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.

IV. Statutory Basis – Downstate Regional Projects

The project was authorized in the 2008 – 2009 New York State budget and reappropriated in the 2009-2010 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Design and Construction

The project calls for the construction of a new approximately 12 acre park including landscaping, new kayak storage building, deck and beach upgrades plus waterfront bulkheads for the Scenic Hudson Park at Long Dock in the City of Beacon.

Reed Hilderbrand Associates of Watertown Massachusetts are the landscape architects. While previously unknown to ESD'S Design and Construction ("D&C") staff, research of the firm's project list includes design of the Arnold Arboretum at Harvard University, the Taft

Museum in Cincinnati and the Parrish Art Museum in Southampton among their more notable works. Founded in 1993 with approximately 30 employees/associates, the firm has won numerous awards and D&C finds them qualified to design this project. Construction documents are being finalized and construction is tentatively scheduled to begin in December 2009 with an anticipated opening of August 2010. The project budget is \$6.42 million. D&C has reviewed the available material and believes that the costs are commensurate to the complexity of the project.

D&C will, at its option, attend construction meetings and monitor construction progress. D&C will review and approve all change orders, contractor requisitions and verify that all requirements have been satisfied prior to the approval and release of ESD funds.

The aforementioned project will be reviewed in conjunction with D&C requirements and forms.

D&C will review the completion of construction documents, project bidding and, at their discretion, visit the site before funds are distributed.

VI. Environmental Review

ESD (the "Corporation"), pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), ratifies and makes the following findings based on the Final Environmental Impact Statement ("FEIS") dated September 9, 2008 prepared by the City of Beacon Planning Board in connection with the proposed Long Dock Beacon project (the "proposed action") in the City of Beacon.

SEQRA requires the adoption of written findings, supported by a statement of relevant facts and conclusions considered, prior to agency decisions on actions that have been the subject of an FEIS. The Findings Statement, attached as Exhibit A, contains the facts and conclusions in the Draft Environmental Impact Statement ("DEIS") and FEIS relied upon to support the Corporation's decision on the action that is the subject of the requested authorization.

The findings that the Corporation hereby ratify and make are that:

- The Corporation has given consideration to the DEIS and FEIS;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the proposed action is one that avoids or minimizes significant adverse environmental effects to the maximum extent practicable, including the effects disclosed in the relevant environmental impact statement;
- Consistent with social, economic and other essential considerations to the maximum extent practicable, any significant adverse environmental effects revealed in the environmental impact statement process as a result of the proposed action

will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures which were identified as practicable;

- The proposed action is in compliance with Section 14.09 of the State Historic Preservation Act.

Therefore it is recommended that the Corporation ratify and adopt the SEQRA Findings Statement attached as Exhibit A.

VII. Affirmative Action

ESD's Non-Discrimination and Affirmative Action policy will apply. Grantee shall be required to use its best efforts to achieve M/WBE participation of not less than 10% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to Project, and to include minorities and women in any job opportunities created by the Project.

VIII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

IX. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

X. Additional Submissions to Directors

Resolutions

Exhibit A

New York State Map

July 23, 2009

Beacon (Dutchess County) – Scenic Hudson Park at Long Dock Beacon Capital –
Downstate Regional Projects (Capital Grant) – Findings and Determinations Pursuant to
Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan;
Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Scenic Hudson Park at Long Dock Beacon Capital - Downstate Regional Projects (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the Chairman and Chief Executive Officer-Designate of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the Chairman and Chief Executive Officer-Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, Chairman and Chief Executive Officer-Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to The Scenic Hudson Land Trust, Inc. a grant for a total amount not to exceed Three Million Dollars (\$3,000,000) from the Downstate Regional Projects Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the Chairman and Chief Executive Officer-Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the Chairman and Chief Executive Officer-Designate of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the Chairman and Chief Executive Officer-Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

July 23, 2009

Beacon (Dutchess County) – Scenic Hudson Park at Long Dock Beacon Capital –
Downstate Regional Projects (Capital Grant) – Adoption of Findings Pursuant to the State
Environmental Quality Review Act

RESOLVED, that with respect to the Scenic Hudson Park at Long Dock Beacon Capital - Downstate Regional Projects (Capital Grant) Project (the “Project”), the Corporation hereby makes and adopts pursuant to the State Environmental Quality Review Act (“SEQRA”) the following findings and determinations, which findings and determinations are made after full consideration of the Findings Statement attached as Exhibit A hereto, which Exhibit A is hereby adopted by the Corporation and copies of which document are hereby filed with the records of the Corporation.

- The Corporation has given consideration to the Draft and Final Environmental Impact Statement (“DEIS” and “FEIS”, respectively) prepared for the proposed Long Dock Beacon project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FEIS and the Findings Statement;
- Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement process will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigation measures described in the FEIS and the Findings Statement; and
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act;

and be it further

RESOLVED, that the Chairman and Chief Executive Officer-Designate or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to comply with the requirements of SEQRA in connection with the Project.

* * *