

**K. Glens Falls – RESTORE III – Empire Square (W859)**

June 24, 2010

General Project Plan

**Grantee:** City of Glens Falls (“Glens Falls” or the “City”)

**Beneficiary Company:** Glens Street Associates

**ESD Investment:** A grant of up to \$500,000, pending passage of the New York State budget, to be used for a portion of the cost of demolition and renovations.

**Project Location:** 77-87 Warren Street, Glens Falls, Warren County

**NYS Empire Zone (or equivalent):** Warren County Empire Zone

**Project Completion:** May 2011

**Grantee Contact:** Ed Bartholomew, Economic-Community Development Director  
42 Ridge Street  
Glens Falls, NY 12801  
Phone: (518) 761-3833 Fax: (561) 798-5029

**Beneficiary Contact:** Peter Hoffman  
100 Glen Street  
Glens Falls, NY 12801  
Phone: (518) 743-8666

**Project Team:**

Project Management	Brendan Healey
Affirmative Action	Laverne Poole
Design & Construction	Barbara Helm
Environmental	Soo Kang

**Project Description:**

Background

The City of Glens Falls, which was incorporated in 1908, is located in eastern New York State, 45 miles north of Albany and just southeast of Adirondack Park. The City is four square miles in area and has a current population of approximately 14,350 residents. Between the late 1700’s and the late 1800’s, generations of residents worked in lumbering, cement processing, textile manufacturing, iron smelting and the many other factories and mills located in the City. Nearly a century later, Glens Falls was bustling with logging, saw and paper mills; limestone and cement works; tanning, shirt, and glove factories; as well as young banking and financial institutions. From the 1940’s through the 1970’s, Glens Falls was a northeastern industrial hub, as well as a cultural, civic, and economic center for the

## **K. Glens Falls – RESTORE III – Empire Square (W859)**

June 24, 2010

North Country. From the late 1970's through the late 1990's, Glens Falls, like many northeastern mill towns, suffered from job layoffs, plant closings, local business failures, falling population, rising poverty, and neglect of infrastructure, public facilities, and downtown historic buildings.

In the past decade, economic conditions have started to improve. The City finalized a new master plan in 2001 and has commenced a Brownfield Opportunity Area plan focused on revitalizing various sections of the central business district. Goals of the 2001 master plan included reduction of the City's dependence on manufacturing and the paper industry as its sole economic driver, making downtown revitalization a priority, attraction of specific businesses and clusters to the downtown, and initiation of entrepreneurial start-up incentives. In 2005, the City completed a massive infrastructure upgrade of the Warren Street corridor, including the installation of new water and sewer lines, new curbs, sidewalks and historical street lighting, upgrading of natural gas and electrical services and street paving.

Since 1998, ESD has provided grants to the City totaling over \$1.4 million for various beautification, civic and land use improvement projects.

The Restore III Empire Square project is complementary to the City's master plan and the City's recent infrastructure investments. The Restore NY funds will bridge a financial gap to bring the project to fruition.

### The Project

The project includes the rehabilitation of a 55,000-square-foot vacant warehouse located on Warren Street near the center of downtown Glens Falls. The building was constructed in 1909 and once housed the Joubert & White carriage manufacturer and later Empire Motors. The developer, Glens Street Associates, plans to demolish a non-historic portion of the building and renovate the remainder of the building to create 27 market-rate rental apartments and 25,000-square-feet of Class A commercial space for office tenants. Glens Street Associates has successfully completed five similar rehabilitations in the area.

The project will incorporate historic rehabilitation and green building principles where appropriate to create a mixed-use center of commerce and urban residential space adjacent to the downtown business district and close to several prominent cultural facilities including the Hyde Collection, Chapman Historical Museum and the World Awareness Children's Museum.

The project will be managed by Glens Street Associates. It began in April 2010 and will be completed in May 2011. When completed, it will provide attractive and competitively-priced rental housing opportunities for professionals and "empty-nesters" seeking to live in Glens Falls and remain close to downtown stores and services. The tenants that locate in the commercial space are expected to create at least 100 jobs.

**K. Glens Falls – RESTORE III – Empire Square (W859)**

June 24, 2010

Financing Uses	Amount	Financing Sources	Amount	Percent
Acquisition	\$750,000	ESD Grant	\$500,000	10%
Demolition	\$202,000	City Equity*	469,155	8%
Parking	\$118,650	Bank Financing**	4,500,000	81%
Renovations	3,791,248	NY Main Street	60,000	1%
Soft Costs	461,368			
Contingencies	205,889			
Total Project Costs	\$5,529,155	Total Project Financing	\$5,529,155	100%

\*Source of Equity is from the Developer.

\*\*Bank/Terms are to be determined.

**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 \$500,000 will be disbursed in proportion to ESD's funding share to Grantee during the course of the project no more frequently than quarterly and not to exceed four disbursements, in compliance with ESD's Design and Construction requirements, assuming that all project approvals have been completed and funds are available. The final disbursement, which shall be at least 10% of the grant amount, shall be made to the Grantee upon completion of the project. 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 \$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

## **K. Glens Falls – RESTORE III – Empire Square (W859)**

June 24, 2010

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 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.

### **Design & Construction**

D & C staff will review project plans, scope, budget and schedule. D & C will visit the site at its option, review requisitions and recommend payments when its requirements have been met.

### **Environmental Review:**

The City of Glens Falls Planning Board, 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.

Due to the building's inclusion in the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor initiated consultation with the New York State

## K. Glens Falls – RESTORE III – Empire Square (W859)

June 24, 2010

Office of Parks, Recreation and Historic Preservation (“OPRHP”) pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESD will ensure that consultation is completed with OPRHP in accordance with a Letter of Understanding for the project.

### **Affirmative Action:**

ESD’s Non-discrimination and Affirmative Action policy will apply. The grantee is encouraged to use its best efforts to achieve Minority and/or Women-owned Business Enterprise 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 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 is located in a blighted neighborhood and involves the partial demolition and rehabilitation of a vacant 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 partial demolition and rehabilitation of a site that the City has included in its overall master development plan, which was adopted in 2001. The project satisfies the master plan’s goals of attracting specific businesses to the downtown and initiating entrepreneurial start-up incentives.

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.

June 24, 2010

Glens Falls (Warren County) – Glens Falls - Restore III - Empire Square – Restore NY Communities 08-09 (Capital Grant) – Determination of No Significant Effect on the Environment

---

RESOLVED, that based on the material submitted to the Directors with respect to the Glens Falls - Restore III - Empire Square Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*