

**A. Jamestown – RESTORE III – Dahlstrom Building (W797)**

June 28, 2011

General Project Plan

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

**ESD Investment:** A grant of up to \$1,000,000 to be used for a portion of the cost to demolish and renovate the former Dahlstrom Metallic Door Company.

**Project Location:** 433 Buffalo Street, Jamestown, Chautauqua County

**Project Completion:** August 2011

**Grantee Contact:** Mr. Steven Centi, Director of Development  
Municipal Building, 200 East Third Street  
Jamestown, NY 14701  
Phone: (716) 483-7667 Fax: (716) 483-7772

**Project Team:**

Project Management	Jean Bly
Affirmative Action	Helen Daniels
Environmental	Soo Kang

**Project Description:**

Background

The City of Jamestown, incorporated in 1886, is located on the southern tip of Chautauqua Lake in southern Chautauqua County and approximately 60 miles south of the City of Buffalo. Today, the City is home to approximately 31,730 people and contains Brownfield Opportunity Areas, a Renewal Community, an Empire Zone, and a New York State Department of State designated Quality Community.

In February 2001, the City adopted a Downtown Jamestown Community Development Plan (the “Plan”), to address the revitalization of the City’s downtown business district. A major goal of the Plan was to identify vacant and underutilized structures and prioritize redevelopment opportunities. The City identified a need, which was consistent with the Plan, to demolish the former Dahlstrom Metallic Door Company’s (“Dahlstrom”) manufacturing facility (the “Manufacturing Building”) and renovate portions of the former Dahlstrom administration building (the “Administration Building”), both situated on a 15-acre site (the “Site”). The Site was sold to Buffalo Street Partners, LLC (“Buffalo Street”), a real estate development firm, in 1996 after Dahlstrom ceased operations. The Manufacturing Buildings, originally constructed in the early 1920’s over the Chadakoin River, have been vacant since 2001. The Manufacturing Buildings now require demolition as they pose a serious risk of collapse into the Chadakoin River, which City officials speculate would result in catastrophic flooding and widespread area pollution.

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Additionally, the Administration Building required renovations in order to secure viable tenants. However, the City and Buffalo Street Partners, LLC lacked the financial resources to complete the demolition/renovation project. To facilitate the project, ESD awarded a \$1 million Restore III NY grant to the City.

Previous ESD assistance includes:

- A \$75,000 grant to the City approved in October 2005 for lighting and equipment upgrades for the Russell E. Diethrick, Jr. Park. The project is complete and funds were fully disbursed;
- A \$300,000 Restore NY Communities grant approved in May 2007 for interior renovations of the former MRC Building. The project was completed in 2008 and the grant has been disbursed.
- A \$1,500,000 Restore NY Communities grant approved in July 2007 for the reconstruction of a commercial building on the West End Site. The project is substantially complete; the City will request final disbursement of the grant once all leasehold improvements have been completed.
- A \$560,000 Restore NY Communities II grant approved in November 2009 for the reconstruction of Period Brass Building. The project is complete and fully occupied; the grant funds were disbursed in August 2010.

The Project

The project involves the demolition and debris removal of vacant, four-story, 372,408-square-foot Manufacturing Building and renovations to the first and second floors of the Administration Building, including window and roof replacements and the installation of infrastructure, fiber optics and a security system. The renovations to the Administration Building were completed in 2008. INSVIRTUAL DEPOT now leases the first floor of the renovated Administration Building and an internet hosting/service provider is slated to occupy a portion of the second floor. Building 8A, of the Manufacturing Building, will be renovated into an on-site secure document shredding operation for INSVIRTUAL DEPOT. The demolition project is scheduled for completion in August 2011.

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation	\$563,402	ESD Grant	\$1,000,000	46%
Demolition	1,300,000	Wargo Loan*	300,000	14%
Soft Costs	93,020	City Equity**	865,922	40%
Construction/Infrastructure	159,500			
Contingencies	50,000			
<b>Total Project Costs</b>	<b>\$2,165,922</b>	<b>Total Project Financing</b>	<b>\$2,165,922</b>	<b>100%</b>

\*market interest rate/2 mos/unsecured

\*\*Source of equity is Buffalo Street Partners, LLC

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**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 \$1,000,000 will be disbursed to Grantee as reimbursement for eligible costs incurred by Buffalo Street Partners, LLC and/or the City of Jamestown, no more frequently than quarterly, assuming that all project approvals have been completed and funds are available. The final 10% of the grant amount (\$100,000) will be held as a retainer until project completion. 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 \$1,000,000, 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 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

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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.

**Affirmative Action Policy:**

ESD's Non-Discrimination and Affirmative Action policy will apply. The City of Jamestown is encouraged to include minorities and women in any job opportunities created by the Project and to solicit and utilize Minority and Women-owned Business Enterprises for any contractual opportunities generated in connection with the Project.

**Environmental Review:**

The City of Jamestown City Council, 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, which was coordinated with ESD as an involved agency, found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on April 25, 2011. 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.

Due to the site's eligibility for inclusion in the New York 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 ("OPRHP") pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESD, OPRHP, the City of Jamestown and Buffalo Street Partners, LLC have agreed that the project will be implemented in accordance with a Letter of Resolution. ESDC will ensure that all conditions stipulated in the Letter of Resolution are met.

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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 is located in the Greater Jamestown Empire Zone and involves building renovations and the demolition of vacant, hazardous structures which are at immediate risk of collapse into the Chadakoin River potentially resulting in catastrophic flooding and widespread area pollution. Upon completion, the project will allow for future economic development, green space and public access way to the Chadakoin River.
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 is consistent with the City's plan to identify vacant and underutilized structures and prioritize redevelopment, spurring private sector investment and allowing for a potential increase in the local tax base.
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 on the project.
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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Jamestown (Chautauqua County) – Jamestown – RESTORE III – Dahlstrom Building –  
Restore NY Communities 08-09 – 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 Jamestown-  
RESTORE III – Dahlstrom Building Project, the Corporation hereby determines that the proposed  
action will not have a significant effect on the environment.

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