

A. Jamestown - RESTORE II - Renaissance (W092)

November 19, 2009

General Project Plan

- Grantee:** City of Jamestown (the “City” or “Jamestown”)
- ESD Investment:** A grant of up to \$560,000 to be used for a portion of the cost of building renovations of the former Period Brass Building (the “Brass Building”).
- Project Location:** 117 Foote Avenue, Jamestown, Chautauqua County
- NYS Empire Zone:** Greater Jamestown Empire Zone
- Project Completion:** August 2009
- Grantee Contact:** Mr. Steven Centi, Director of Development
200 East Third Street
Jamestown, NY 14701
Phone: (716) 483-7541 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 rehabilitate four locations:

1. the Brass Building, constructed in 1950, a long dormant and blighted former industrial building,
2. the five-story Wellman Building, constructed in 1897 and owned by High Tech Office Condos, once an upscale professional building, but today is primarily vacant,
3. a former Toyota auto dealership, located at 1710 Washington Street, and
4. a former Ford auto dealership, located at 2258 Washington Street.

A. Jamestown - RESTORE II - Renaissance (W092)

November 19, 2009

However, the City lacked the financial resources to proceed with the rehabilitation of the sites. To facilitate the project, ESD awarded a \$2 million Restore II NY grant to the City. Subsequent to the Restore II NY award, the City notified ESD that the renovation of the former Toyota site into an expanded Kia Dealership proceeded without ESD funds and the renovation of the former Ford site into a new auto dealership would not proceed due to a downturn in the auto industry. ESD reduced the Restore II NY grant to \$1,760,000 with \$560,000 allocated to the Brass Building and \$1.2 million allocated to the Wellman Building. The Wellman Building project has been delayed as its owners are attempting to secure the structure’s inclusion on the National Register of Historic Places.

Previous funding to the City include a \$75,000 grant to the for lighting and equipment upgrades for the Russell E. Diethrick, Jr. Park in October 2005, a \$300,000 Restore I NY grant for interior renovations of the former MRC Building in May 2007, and a \$1,500,000 Restore I NY grant for the construction of a commercial building on the West End Site.

The Project

The Brass Building project involves interior and exterior renovations to the 8,200-square-foot, three-story structure including window replacements, masonry, HVAC, plumbing, and electrical improvements, interior partition walls, and fire protection upgrades necessary to convert the structure into mixed-use commercial space. The Krog Corp. (“Krog”), a design/build firm specializing in general contracting, construction management and development services, entered into an agreement with the City to complete the Brass Building project. The project began in mid-2008 and the Brass Building renovations are now complete. The Brass Building, previously owned by a Krog holding company, 117 Foot Ave, LLC, was sold to Southern Tier Management Services, LLC in August 2009 and is currently fully-occupied by WNY Urologists.

The Wellman Building project will be presented to ESD Directors at a later date.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction Costs	\$5,094,000	ESD Grant	\$560,000	10%
Soft Costs	443,400	M&T Bank Loan*	4,700,000	85%
		City Equity**	277,400	5%
Total Project Costs	\$5,537,400	Total Project Financing	\$5,537,400	100%

*The M&T Bank Loan was paid in full in August 2009 when the Brass Building was sold to Southern Tier Management Services, LLC.

**Source of equity is Krog.

Environmental Review:

The Jamestown Planning Commission, 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

A. Jamestown - RESTORE II - Renaissance (W092)

November 19, 2009

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 August 19, 2008. 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.

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 ESD's grant to the Project.
4. Up to \$560,000 will be disbursed to Grantee upon completion of the Brass Building renovations substantially as described in these materials as evidenced by a certificate of occupancy and documentation of construction costs totaling \$5,537,400, 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 January 15, 2008 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 \$560,000, 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.

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 the renovation of an underutilized building into mixed-use commercial and residential space.

A. Jamestown - RESTORE II - Renaissance (W092)

November 19, 2009

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.

November 19, 2009

Jamestown (Chautauqua County) – Jamestown - RESTORE II - Renaissance – Restore NY
Communities (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Jamestown-RESTORE - Renaissance, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *