

FOR CONSIDERATION

October 22, 2009

TO: The Directors

FROM: Dennis M. Mullen

SUBJECT: Binghamton (Broome County) - City of Binghamton - City-by-City Initiative – Downtown Parking Ramp Reconstruction Capital – Empire State Economic Development Fund – Infrastructure Development Financing (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

General Project Plan

I. Project Summary

Grantee: City of Binghamton (the “City”)

ESD* Investment: A grant of up to \$670,000 to be used for a portion of the cost of providing architecture and engineering studies and related infrastructure improvements for three City-owned parking facilities.

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

Project Locations: Collier Street, Binghamton, Broome County
Water Street, Binghamton, Broome County
State Street, Binghamton, Broome County

NYS Empire Zone
(or equivalent): Triple Cities Empire Zone (Water and State Street parking facilities)

Proposed Project: Rehabilitation of three parking garage facilities in the City, including architectural and engineering studies, concrete slab, masonry, and steel structure repairs.

Project Completion: October 2009

Grantee Contact: Luke Day, Commissioner
Department of Public Works
38 Hawley Street
Binghamton, NY 13901
Phone: 607-772-7176
Fax: 607-772-7023

Anticipated
Appropriation
Source:

Empire State Economic Development Fund (“EDF”)

ESD Project No.: V905

Project Team:	Project Management	Robin Alpaugh
	Affirmative Action	Denise Ross
	Environmental	Soo Kang

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Engineering Studies, Testing, Inspection	\$128,600
Collier Street (concrete, steel, masonry repairs)	\$532,025
Water Street (concrete, steel, masonry repairs)	\$300,000
State Street (concrete, steel, masonry repairs)	<u>\$190,000</u>
Total Project Costs	<u>\$1,150,625</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$670,000	58%
City of Binghamton	<u>\$480,625</u>	<u>42%</u>
Total Project Financing	<u>\$1,150,625</u>	<u>100%</u>

III. Project Description

A. Background

Located at the crossroads of I-86 and Route 81, the City of Binghamton is also situated at the confluence of the Chenango and Susquehanna Rivers in Broome County within the Southern Tier of New York State. The City was incorporated in 1876, and first settled in 1786 by William Bingham. Binghamton has historically been an industrial city that has been known for producing a broad array of products ranging from cigars, shoes, flight simulators, and time keeping devices. According to the 2000 census, the City had a population of 47,380, down from the 53,008 inhabitants reported in the 1990 census. Major employers include Lourdes and Binghamton General Hospitals, VMR Electronics (data processing cable manufacturing), Emerson Network Power (power surge protection devices), CH Thompson (powder coat painting), Hinman, Howard & Katell (law firm), and Security Mutual (investments and insurance).

In 2003, the City established a comprehensive plan to revitalize vital neighborhood centers including the downtown / in-town district. The City is now at a critical point where downtown redevelopment (commercial, retail and professional office space), combined with encouraging young professionals and Binghamton University students to live and work in the downtown area, has never been more important to its future. As part of that effort, in August 2007, Binghamton University opened its new \$29 million, 74,000-square-foot downtown center. An estimated 4,000 students per week utilize the campus, bringing welcome foot traffic and purchasing power to downtown.

In 2007, the City's mayor contacted then Governor Spitzer for financial assistance in rehabilitating three City-owned parking facilities on Collier, Water and State Streets, which were built in the 1960s. Each of these parking facilities is severely deteriorated, but minor repair efforts over the years have enabled them to continue to be functional. The City had been unable to afford to make significant repairs other than basic maintenance, to provide much needed parking in the heart of the downtown district. The \$670,000 City-by-City grant will assist with the rehabilitation project, which will extend the lifespan of these facilities by three to five years. ESD assisted the City with prior funding through Restore I and II grants for both commercial and residential applications.

In furtherance of the City-by-City Initiative, the Governor's Office asked ESD to identify ESD discretionary funds for this project. EDF funds were deemed to be the most appropriate. While ESD did not have discretion in terms of the project's grant recipient, grant amount or scope, ESD has a fiduciary role with regard to the project, and due diligence has been exercised by ESD in reviewing information and documentation received from grantees and other sources, in preparation for bringing the project to the ESD Directors for approval.

The City-by-City Initiative, introduced by Governor Spitzer and reaffirmed by Governor Paterson, focuses on reducing the costs of business, adapting to an Innovation Economy and strengthening infrastructure. The City-by-City Initiative aims to provide each upstate region with a targeted and comprehensive economic development strategy, as well as a set of priority projects based on its unique assets, competitive advantages and stakeholders' input.

Projects were identified based on their potential for spurring additional private investment and impacting regional growth, and were selected for state funding based on community dialogue and the potential to spawn future development and leverage private investment wherever possible. Recognizing that a "one size fits all" approach has not worked, this strategy recognizes the distinctive qualities of each of the major upstate cities and regions, and develops a regional approach that targets projects for investment that can act as catalysts for growth. The City-by-City Initiative allows for economic development investments that can be tailored to fit local needs and jumpstart local economies.

B. The Project

The first phase of rehabilitating three key parking facilities in the downtown area includes repairs and structural and safety issue improvements needed to provide adequate parking for downtown business customers and employees, as well as government workers and Binghamton University students. In December 2008, the City selected Tim Haahs and Associates, Inc. from New Brunswick, New Jersey as the project consultant, following a request for proposal and interview process by the selection committee. In April 2009, the project consultant provided the City with an engineering study that detailed the full scope of work needed at each facility, and invitations to bid were advertised in June 2009. Phase one activities will include concrete slab repair, steel framing and masonry repairs. Earlier this month, R. DeVincentis Construction, Inc. of Broome County was selected, through a competitive bidding process, to complete the rehabilitation project. Construction began in late July 2009 and is expected to be completed in October 2009.

As a result of the project, three primary downtown parking facilities will have their lifespans extended and will offer safer parking services to downtown users. Upon completion of this \$1.1M project, phase two actions are expected to begin, which will include further concrete, masonry and steel framing repairs, as well as waterproofing, mechanical and electrical repairs, with an estimated cost of an additional \$3M. With the significant decrease in the City's population, along with the proportional decrease in the local tax base, constraining bonding limits and scarcer general funds available for major capital improvements, this project would not be feasible without the assistance from ESD.

C. Financial Terms and Conditions

1. At the time of disbursement, 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. The Grantee will contribute at least 10% in equity to the project. Equity is defined as any non-debt source of capital, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD.

4. Up to \$670,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and upon documentation of eligible rehabilitation related project costs totaling \$1,150,625, 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.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$670,000 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

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.
As a result of this project, the Grantee will help facilitate the availability of safe and efficient parking in the downtown area, which is critical to the economic well-being of the City and its future development.
2. The proposed project would be unlikely to take place in New York State without the requested assistance.
Without ESD's assistance to fill a financing gap, the City did not have sufficient funding to proceed with the project.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
This project will enable the City to continue to provide much needed, convenient public parking which will help downtown businesses draw customers and generate revenue. Therefore the likely benefits of the project will exceed the cost to New York State.
4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required because there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. 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 5% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project, and to include minorities and women in any job opportunities created by the project.

VII. ESD Employment Enforcement Policy

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

VIII. 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.

IX. Additional Submissions to Directors

Resolutions
New York State Map

