

A. Dover - RESTORE III - The Knolls of Dover (W836)

October 21, 2010

General Project Plan

- Grantee:** Town of Dover (“Dover” or the “Town”)
- ESD Investment:** A grant of up to \$2,500,000 to be used for a portion of the costs of remediation and demolition of two buildings at of the former Harlem Valley Psychiatric Center (“HVPC”).
- Project Locations:** Wingdale, Dutchess County
- Building # 4, Hutchinson Avenue
Building # 5, Hutchinson Avenue
- NYS Empire Zone (or equivalent):** Poughkeepsie/Dutchess
- Project Completion:** March 2011
- Grantee Contact:** Ryan Courtien, Supervisor
126 East Duncan Hill Road
Dover Plains, New York 12522
Phone: (845) 832-3206
- Project Team:**
- | | |
|--------------------|-----------------------|
| Project Management | Gregory E. Fitzgerald |
| Affirmative Action | Denise Ross |
| Environmental | Soo Kang |

Project Description:

Background

The Town of Dover, formed in 1807, lies on the southeastern boarder of Dutchess County with two major hamlets, Dover Plains and Wingdale. Initially, the town consisted of many small farms and grist mills. In 1850, the development of the railroad completely transformed the Town. Goods were easily transported to New York City and tourists came to visit the area’s camps and resorts. In 1911, New York State purchased several farms in South Dover to construct Wingdale Prison, modeled after the working-farm prison Sing-Sing, to relieve its overcrowding. In 1912, construction of the prison was halted and the site was modified and opened as the Harlem Valley State Hospital for the Insane in 1924. For seventy years, this facility, which was renamed Harlem Valley Psychiatric Center, was the region’s largest employer, peaking at 5,000 employees and serving 5,000 patients. Gradually, New York State moved away from its large mental institutions to a community-based care facilities model for patients. In 1994, HVPC ceased operations and the site has been abandoned and deteriorating ever since.

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After HVPC’s closure, Dover joined with the Harlem Valley Partnership (“Partnership”), a not-for-profit comprised of public and private sector members of the seven Dutchess County communities, to address the loss of jobs and the vacant HVPC property. The Partnership commissioned a market feasibility study for HVPC, developed a reuse action plan and managed the state-mandated HVPC Task Force. In 1996, the Dutchess County Planning department combined those plans and the public feedback to create the HVPC Reuse Plan. Over the next ten years, the Partnership continued to solicit developers; however, the overall cost of the vacant structures and ground continued to be a major battle. In 1999, the Town Board amended its Zoning Code to create a new overlay district, entitled the “Mixed-Use Institutional Conversion Overlay District”, which included density bonuses and flexible uses as an incentive to attract developers.

In 2003, the Dover Knolls Development Co. II, LLC (the “Developer”) purchased the approximately 850 acre former HVPC site from New York State. The Developer used previous plans and zoning changes to guide its redevelopment plan. The overall redevelopment requires a large amount of demolition, remediation and infrastructure upgrades. Restore NY funds are needed to jumpstart this plan, remove some of the blight and help leverage additional private investments.

The Project

The project includes the remediation and demolition of two buildings at the Harlem Valley Psychiatric Center property. These two buildings are located in the rear portion of the former HVPC buildings and have not been proposed for reuse. The demolition of these buildings will prepare this area for future construction.

The overall development project plan is to revitalize the former HVPC campus into a mixed-use community centered around the existing MetroNorth Commuter Rail Line and NYS Route 22. The newly developed site will be called the “The Knolls at Dover. Upon completion, a new “town center” will be created and will include 1,376 residential units, approximately 245,300-square-feet of commercial space and approximately 77,000-square-feet of community facility space.

Dover Knolls Development Co. II, LLC and Arlen Contracting of Dover II, whose parent company is The Benjamin Companies, located in Garden City, Long Island, will manage the project. The project began in September 2010 and is expected to be completed by March 2011.

Financing Uses	Amount	Financing Sources	Amount	Percent
Demolition	\$1,825,085	ESD Grant	\$2,500,000	83%
Remediation	1,181,637	Developer Equity	506,722	17%
Total Project Costs	\$3,006,722	Total Project Financing	\$3,006,722	100%

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Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Town will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Town will be obligated to advise ESD of a materially adverse change in its financial condition prior to disbursement.
3. The Town will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$2,500,000 will be disbursed to Grantee upon documentation of project costs totaling \$3,006,722 and upon completion of the project substantially as described in these materials, 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 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 \$2,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Town 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 Grant, which in each instance shall be equal to:

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- (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.

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”) completed on February 24, 2010 by the Town Board of the Town of Dover, as lead agency, in connection with the proposed Knolls of Dover project (the “proposed action”).

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.

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

Affirmative Action:

ESD's Non-discrimination and Affirmative Action policy will apply. The grantee is encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 7% and a Women Business Enterprise participation goal of 3% 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.

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 involves the demolition of a vacant, abandoned, surplus, or condemned commercial and/or residential building(s), which has been deemed by the Town 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 demolition of a site that the Town has included in its overall master development plan to revitalize the former HVPC campus into a mixed-use community centered around the MetroNorth Commuter Rail station and both sides of NYS Route 22.

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 Town published a property assessment list and held a public hearing on the project at the time of application. The Town 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.

October 21, 2010

Wingdale (Dutchess County) – Dover - RESTORE III - The Knolls of Dover – Restore NY Communities 08-09 – Adoption of Findings Pursuant to the State Environmental Quality Review Act

RESOLVED, that with respect to the Dover – RESTORE III - Knolls of Dover 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 Knolls of Dover 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 President and Chief Executive Officer 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.
