

## D. Elmira – RESTORE III – Federal Building Redevelopment (W813)

October 21, 2010

### General Project Plan

- Grantee:** City of Elmira (“Elmira” or the “City”)
- ESD Investment:** A grant of up to \$1,250,000 to be used for a portion of the renovation, infrastructure and soft costs associated with the redevelopment of the vacant Federal Building in downtown Elmira.
- Project Location:** 200 East Church Street, Elmira, Chemung County
- NYS Empire Zone:** Elmira Empire Zone
- Project Completion:** March 2011
- Grantee Contact:** Jennifer Miller, Grant Administrator  
City of Elmira  
317 East Church Street  
Elmira, NY 14901  
Phone: (607)737-5692 Fax: (607)737-5696
- Project Team:**
- |                    |               |
|--------------------|---------------|
| Project Management | Robin Alpaugh |
| Affirmative Action | Denise Ross   |
| Environmental      | Soo Kang      |

### **Project Description:**

#### Background

The City of Elmira, incorporated in 1864, is the county seat of Chemung County. Historically, the Chemung River has been a significant factor in the life cycle of Elmira and was the principal attraction for early settlers and one of the major reasons for the rise of the City. In 1972, the floodwaters of Hurricane Agnes caused damage resulting in infrastructure loss, retail flight, and economic hardship, with many of the downtown buildings being torn down after the flood. The City has also suffered from continued retail and business relocation to neighboring suburbs.

According to the 2000 Census, of Elmira’s 30,940 residents, down from a peak of 50,000 in the 1950’s, more than 50% are low income. It’s Central Business District has been designated a slum and blighted area under the Community Development Block Grant Program, with 33% of properties vacant. Compounding the problem is the fact that 38% of the properties in the City are tax exempt, minimizing tax revenue to the City. The rehabilitation of the vacant Federal Building on East Church Street is a prime opportunity for positive economic transition within the downtown area. Research undertaken by the City and its Business Improvement District, Elmira Downtown Development (“EDD”),

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determined that it was nearly impossible to attract private investment money for projects such as the Federal Building Redevelopment like this because of high initial renovation costs.

In 2006, the City was approved for Restore I funds totaling \$403,413 to assist in the renovation of the nearby Riverside Building, (231-235 West Water Street) which was completed in August 2009. In 2008, the City was approved for Restore II funds totaling \$2,300,000 to rehabilitate two additional properties, 106-112, and 114-116 West Water Street. The Restore II project is expected to be completed in December 2011. All three rounds of Restore projects are in compliance with the City's Comprehensive Master Plan Update of 1998 and EDD's 2004 Action Plan. Due to the high cost of rehabilitating the Federal Building, the City would not be able to take on the Federal Building Redevelopment project without ESD assistance.

### The Project

The vacant Federal Building, which is listed on the State and National Register of Historical Places was last renovated in 1984. Work includes exterior restoration and façade improvements including replacing the roof, restoring the masonry, skylights and windows. These tasks will stabilize the historic building and prevent future moisture damage. Interior work will include repairs to walls and ceilings to correct water damage from the leaky roof. Restore NY funds will also be used to make upgrades to the existing elevator, mechanical/plumbing/electrical improvements as well as the removal of lead paint and asbestos. The City will undertake asphalt pavement improvements in the building's parking lot. Tectonic Engineering & Surveying Consultants from Latham, NY, will be managing the project.

A local economic development organization, Southern Tier Economic Growth ("STEG") will be involved in the marketing of this property to interested private developers to complete the remaining interior renovations to suit intended tenants. The City will make it a priority to ensure that the future reuse plans preserve the historic character of the building. Once the property is completely renovated, STEG will be instrumental in the City's continuing efforts to revitalize this downtown neighborhood.

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation	\$1,178,405	ESD Grant	\$1,250,000	90%
Infrastructure/Site Preparation	\$48,000	City Equity	\$140,961	10%
Indirect/Soft Costs	\$129,330			
Financing/Other Costs	\$35,226			
Total Project Costs	\$1,390,961	Total Project Financing	\$1,390,961	100%

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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 contribute at least a 10% match of the grant amount to the Project.
4. Up to \$1,250,000 will be disbursed to the Grantee upon completion of the project substantially as described in these materials, submission of a Certificate of Occupancy, and documentation of project costs totaling \$1,390,961, 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 \$1,250,000 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 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

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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 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.

No specific project plan, proposal for development, or change in the type or intensity of use of the site is currently proposed. At such time as any future development plan is proposed, it will be subject to review under SEQRA by the City of Elmira.

Due to the building's 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. No further consultation is required, subject to a Letter of Understanding.

### **Affirmative Action:**

ESD’s Non-discrimination and Affirmative Action policy will apply. The Grantee is encouraged to use its best efforts 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.

### **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 renovation of a vacant, surplus, City-owned commercial building, which has been deemed by the City to arrest sound growth and development in the area.

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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 renovation of a historic building in an area that the City has included in its overall master development plan and Elmira Downtown Development's Vision document. The City's Comprehensive Master Plan Update in 1998 stresses the importance of reuse of abandoned and underutilized structures.

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.

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Elmira (Chemung County) – Elmira – RESTORE III – Federal Building Redevelopment –  
Restore NY Communities 08-09 (Capital Grant) – 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 Elmira –  
RESTORE III - Federal Building Redevelopment Project, the Corporation hereby determines that  
the proposed action will not have a significant effect on the environment.

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