

A. Valley Stream – RESTORE III – Sun Valley Towers (W827)

July 15, 2010

General Project Plan

Grantee: Village of Valley Stream (“Valley Stream” or the “Village”)

ESD Investment: A grant of up to \$2,500,000 to be used for a portion of the cost of demolition and reconstruction costs.

Project Locations: Valley Stream, Nassau County
16 (14) Brooklyn Avenue
361 Rockaway Avenue
371-377 Rockaway Avenue
381 Rockaway Avenue

NYS Empire Zone (or equivalent): N/A

Project Completion: December 2011

Grantee Contact: Vincent Ang, Village Clerk/Administrator
123 South Central Avenue
Valley Stream, NY 11580
Phone: (516) 825-4200 ext. 105 Fax: (516) 825-8316

Project Team:

Project Management	Jessica Hughes
Affirmative Action	Laverne Poole
Environmental	Soo Kang

Project Description:

Background

Valley Stream is located in the western border of the Town of Hempstead in Nassau County. It has a population of approximately 37,000 residents in a 3.56-square-mile area. In the 1800's Valley Stream was predominately farmland. At that time, the only route that connected the Village to New York City was Sunrise Highway. The emergence of new streets and roads, together with the formation of a new railroad stop on the Long Island Railroad in the Village, led to substantial growth in the community. At the turn of the century, Hendrickson Park became a prime vacationing spot for people from Brooklyn and Queens. The Valley Stream Hotel opened at the beginning of the 20th Century, overlooking the golf course. Many tourists who came to visit wound up moving to Valley Stream. The Village was incorporated in 1925 and is one of New York's oldest incorporated villages. Valley Stream's downtown corridor has experienced economic decline due to the aging of its buildings and the development of nearby shopping malls changing the character of the Village's downtown area.

A.Valley Stream – RESTORE III – Sun Valley Towers (W827)
July 15, 2010

In the last ten years, Valley Stream adopted its Downtown Revitalization Program (the “Program”) as part of the Nassau County Housing and Urban Development approved Community Development Annual Plan. In 2005, the Village passed zoning regulations creating a Floating Multiple District, consistent with the Program, to assist with the redevelopment of downtown properties with “Smart Growth” principals of shared residential and commercial use and to encourage and facilitate private investment in new housing and to eliminate older and less desirable commercial and industrial uses. To date, the Village has improved streetscapes in the downtown corridor with new decorative street lighting, and brick sidewalk pavers. Additionally, aging building facades have been improved both for appearance and safety. The Village identified a need consistent with the Program, to move forward with the construction project, but notified ESD that they lacked the financial resources to complete it. ESD responded with a \$2,500,000 Restore NY grant.

The Project

In order to develop the Sun Valley Towers, three blighted, vacant residential and commercial buildings, totaling approximately 20,000-square-feet and one 20,000-square-foot office building located in Valley Stream’s downtown urban center will be demolished. In their place, a 92,000-square-foot, five-story, mixed commercial and residential use building will be constructed with project costs totaling \$16,286,000. The first floor will contain four commercial units and 13,000-square-feet for parking and common usage, with additional lower level parking. The second through fifth floors will contain sixty-four residential units (40 one bedroom and 24 two bedroom units). An open atrium will be located on the second floor. The project is expected to attract new business opportunities and create new employment in the area. Moreover, the redevelopment of these properties at a major intersection of the Village’s downtown business district will attract additional developers to invest in the business district.

Two developers, K-Sher Corporation, a local developer who has completed dozens of projects in the Valley Stream area, and Alma Realty Corporation, which owns and operates over 6,000 residential and more than 1,500,000-square-feet of commercial and retail space in the New York area and manages over 300 units in Nassau County. The property located at 16 (14) Brooklyn Avenue is owned by K-Sher Corporation. The remaining properties located at 361, 371-377 and 381 Rockaway Avenue are owned by Alma Realty Corporation, doing business as 363 Rockaway Associates, LLC. The project is scheduled for completion by December 2011.

A.Valley Stream – RESTORE III – Sun Valley Towers (W827)

July 15, 2010

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction	\$15,406,000	ESD Grant	\$2,500,000	15%
Demolition	350,000	Village Equity*	13,786,000	85%
Environmental Cleanup	500,000			
Soft Costs	30,000			
Total Project Costs	\$16,286,000	Total Project Financing	\$16,286,000	100%

*Source of equity is from the Developer, Alma Realty Corporation d/b/a 363 Rockaway Associates, LLC.

Financial Terms and Conditions:

1. At the time of disbursement, the Village will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Village will be obligated to advise ESD of a materially adverse change in its financial condition prior to disbursement.
3. The Village 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 in two installments as follows:
 - a) an Initial Disbursement of an amount equal to one-third of the grant (\$750,000) will be disbursed upon documentation of eligible project costs totaling \$5 million, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to two-thirds of the grant (\$1,750,000) will be disbursed upon documentation of an additional \$11,286,000, for an aggregate total of \$16,286,000, provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures 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 Village 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.

A.Valley Stream – RESTORE III – Sun Valley Towers (W827)
July 15, 2010

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:

- (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:

The Village of Valley Stream Board of Trustees, 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 found the project would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

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 10% and a Women Business Enterprise participation goal of 5% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the demolition and reconstruction work related to the project, and to include minorities and women in any job opportunities created by the project.

A.Valley Stream – RESTORE III – Sun Valley Towers (W827)
July 15, 2010

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 four blighted structures and the construction of a five-story, mixed-use commercial and residential structure, which has been deemed by the Village 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 and reconstruction of a site that the Village has included in its overall master development plan the redevelopment of downtown properties with “Smart Growth” principals of shared residential and commercial use and to encourage and facilitate private investment in new housing and to eliminate older and less desirable commercial and industrial uses.
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 Village published a property assessment list and held a public hearing on the project at the time of application. The Village 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.

July 15, 2010

Valley Stream (Nassau County) – Valley Stream – RESTORE III – Sun Valley Towers –
Restore NY Communities 08-09 (Capital Grant) – Determination of No Significant Effect
on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Valley Stream – RESTORE III – Sun Valley Towers Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *