

**D. Monticello – RESTORE III – Downtown Revitalization (W803)**

July 15, 2010

General Project Plan

- Grantee:** Village of Monticello (“Monticello” or the “Village”)
- ESD Investment:** A grant of up to \$1,700,000 to be used for a portion of rehabilitation costs.
- Project Locations:** 426 and 470 Broadway, Monticello, Sullivan County
- NYS Empire Zone (or equivalent):** Sullivan County Empire Zone
- Project Completion:** April 2011
- Grantee Contact:** Gordon Jenkins, Mayor  
2 Pleasant Street  
Monticello, NY 12701  
Phone: (845) 794-6130 Ext. 17
- Project Team:**
- |                       |                      |
|-----------------------|----------------------|
| Project Management    | Javier Roman-Morales |
| Design & Construction | Barbara Helm         |
| Environmental         | Soo Kang             |
| Affirmative Action    | Denise Ross          |

**Project Description:**

Background

In the early 1900’s, Monticello was home to a number of manufacturing companies including Synfluer Scientific Laboratories, Keyser Company and Monticello Industries. The late 19<sup>th</sup> century construction of the Ontario & Western Railway and early 20<sup>th</sup> century development of State Route 17, known as the Quickway, provided accessibility from Manhattan for those looking to escape urban life. The new infrastructure resulted in a tremendous expansion of Sullivan County’s resort business. By 1960, development of the nation’s travel infrastructure contributed to changing vacation levels to the area. Catskill overnight hotel stays began to decline placing many in financial trouble leading to an economic decline for the Catskill resort and the Monticello area.

Monticello is the county seat and the largest community in Sullivan County. According to the 2000 US Census Bureau, the Village population was 6,512 residents. The Village completed a Market Analysis and Economic Enhance Strategy in 2001. The plan noted that in the downtown core district, the first floors of buildings should contain art, culture and entertainment uses blended with specialty retail and food establishments.

On February 14, 2002, the ESD Directors approved a \$140,000 Community Project Fund

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grant to the Village to encourage landlords to rehabilitate the second floor of the buildings on Broadway for use as Artist Lofts an initiative to attract not only residents to the Broadway corridor, but also new businesses.

### The Project

The project includes commercial properties in the downtown core area located at 426 and 470 Broadway. Broadway is the main pedestrian and urban corridor within the Village.

The project involves the rehabilitation/reconstruction of:

426 Broadway – includes the rehabilitation of 12,200-square-foot of commercial space and 4,400-square-foot residential space. The commercial portion will house performance and entertainment space including a café, club, restaurant and theater modeled after the Bitter End Café located in New York City. Four residential apartments at market rate are indicated for the second and third floors.

470 Broadway – includes the rehabilitation of 7,414-square-foot into a 4,414-square-foot commercial space and 1,500-square-foot basement space. The structure will be used to house “Bright Notes/All this Jazz” a jazz related live entertainment including a café, restaurant, club and theater.

The façade of all project buildings will be preserved to maintain architectural consistency with adjacent properties. The project is scheduled to start in August 2010 and anticipated to be completed by April 2011.

The project conforms to a key goal of the Economic Development Strategy 2000 prepared by Camoin Associates to foster downtown arts and cultural theme. Additionally, as the County seat, the project is consistent with the Sullivan 2020 Strategic Plan to redevelop the downtown urban core. The Restore NY grant will ensure that completion of the project will be achieved in one year.

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation/reconstruction	\$1,700,000	ESD Grant	\$1,700,000	71%
Indirect/Soft Costs	560,000	Village Equity	350,000	15%
Equipment and furniture	140,000	Hallmark Builders of Rockland-Loan*	350,000	15%
Total Project Costs	\$2,400,000	Total Project Financing	\$2,400,000	100%

\*Terms of loan to be determined.

### **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.

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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 contribute at least a 10% match of the grant amount to the Project.
4. Up to \$1,700,000 will be disbursed to Grantee in two installments as follows:
  - a) an Initial Disbursement of \$850,000 will be disbursed upon completion of 50% of rehabilitation/reconstruction including indirect/soft cost and documentation of project costs totaling \$1,150,000, assuming that all project approvals have been completed and funds are available;
  - b) a Second Disbursement of \$850,000 will be disbursed upon completion of rehabilitation/reconstruction including indirect/soft costs and purchase of equipment and furniture, and documentation of project costs totaling an additional \$1,250,000 (cumulative project costs of \$2,400,000), as evidenced by a new certificate of occupancy, and 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 \$1,750,000, 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.
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.

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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.

### **Design & Construction:**

Design & Construction staff will review project plans, scope, budget and schedule. D&C will visit the site at its option, review requisitions and recommend payment when its requirements have been met.

### **Environmental Review:**

The Village of Monticello, 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 to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on December 21, 2009. 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.

Due to the buildings’ eligibility for inclusion in the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor initiated consultation 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. ESD will ensure that consultation is completed with OPRHP in accordance with a Letter of Understanding for the project.

### **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 rehabilitation work related to the

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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 rehabilitation, or reconstruction of a vacant, abandoned, surplus, or condemned commercial and/or residential building(s), 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 rehabilitation, and reconstruction of sites that the Village has included in its Economic Development Strategy which was adopted in 2000. The project fits within the strategic plan of preserving the Village's architectural character, while creating a diverse and sustainable downtown economy.

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.

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Monticello (Sullivan County) – Monticello – RESTORE III – Downtown Revitalization –  
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 Monticello –  
RESTORE III – Downtown Revitalization Project, the Corporation hereby determines that the  
proposed action will not have a significant effect on the environment.

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