

F. Pulaski – RESTORE III – North Jefferson Street Revitalization Project (W807)

July 15, 2010

General Project Plan

Grantee: Village of Pulaski (“Pulaski” or the “Village”)

Beneficiary Companies: L and S, LLC
Salmon River Properties of NC, LLC
V-Squared Management LLC

ESD Investment: A grant of up to \$818,718 to be used for a portion of the cost of renovation and rehabilitation of 4 properties located in downtown Pulaski.

Project Location: Pulaski, Oswego County:
4822 Salina Street
4838 North Jefferson Street
4842 North Jefferson Street
4890 North Jefferson Street

NYS Empire Zone (or equivalent): N/A

Project Completion: November 2011

Grantee Contact: Ernest Wheeler, Mayor
4917 Jefferson Street
P.O. Box 227
Pulaski, NY 13142
Phone: (315) 298-2622 Fax: (315) 298-5274

Beneficiaries Contact: Lon Coon, President
1801 State Route 109
Constantia, NY 13044
Phone: (315) 623-9923 Fax: (315) 623-9795

Robert Currier, President
207 W. Millbrook Road – Suite 205
Raleigh, NC 27609
Phone: (919) 781-5235 Fax: (919) 781-5214

Vincent Lobdell, President
3420 Maple Avenue
Pulaski, NY 13142
Phone: (315) 298-2904 Fax: (315) 298-6992

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Project Team:

Project Management	Meg Paskins
Design and Construction:	Marty Piecuch
Affirmative Action	Helen Daniels
Environmental	Soo Kang

Project Description:

Background

The Village of Pulaski is located within the Town of Richland (the “Town”) in north-western Oswego County and covers 3.3 miles. Over the past several years, the Village has focused on revitalizing its historic district which has been listed on the National Register of Historic Places since 1983. The Village is comprised of one of the most intact collection of nineteenth and early twentieth century residential and commercial buildings in northern New York.

Pulaski has obtained grant funds from a variety of sources, including the New York Main Street Program, the Environmental Protection Fund and the New York State Department of Transportation, for community visioning and for planning the revitalization of the Salmon River waterfront and connecting it to the Village business district. In addition, a Comprehensive Plan for the Town/Village was recently completed which provides a comprehensive inventory and analysis of key planning issues and opportunities and puts forth several goals and recommendations for the Village, among them the revitalization of Pulaski’s downtown historic district.

The four properties included in the Pulaski RESTORE III project were selected because of their prominence in the community, their historic significance, and their potential to greatly improve the commercial and residential opportunities within the Village’s core. The properties were vacant and in a tremendous state of disrepair or greatly in need of improvements to support viable commercial or mixed-uses.

RESTORE NY funding will help expedite the rehabilitation of these properties at a time when economic development is constrained by market conditions and limited available financing. Upon completion of the project, the Village will benefit by increased economic development and tax revenue along the riverfront, more commercial and residential interest in the Village will be generated by the aesthetic improvements to these key parcels, and opportunities for new residents and community involvement will be provided because of the additional housing opportunities.

The Project

The project involves the redevelopment of the following 4 properties in Pulaski’s downtown area:

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4822 Salina Street – 6,752 square-foot building – The project involves the renovation of the first floor of the building to include an apartment and two retail-office spaces and four apartments on the second and third floors. L and S, LLC, was established in 2008 to purchase the property and is owned by Lon and Sharon Coon. Mr. Coon will be overseeing all work on the project and a number of contractors have been hired including MG Contracting, Fravel Masonry, Inc, and Coffin Gravel and Excavating, all in Lacona, New York. The total project cost is estimated at \$556,325 with an anticipated August 2010 completion date.

4838 North Jefferson Street – 3,900 square-foot building – The project involves the renovation of the building into an Irish Pub in the first floor retail space and a three bedroom apartment upstairs. The developer for the project is Salmon River Properties of NC, LLC, (“Salmon River”) a real estate investment firm formed by Robert Currier, who grew up in the Pulaski area. Mr. Currier is the President of Currier Consultants and Design, Inc. in North Carolina. Salmon River will also serve as the architect and contractor for the project. The total project cost is estimated at \$205,799 with an anticipated September 2011 completion date.

4842 North Jefferson Street – 7,300-square-foot building – The project involves the renovation of the historic Kallet Theater for use as a performing arts center, restoring as much as possible of its original character. The developer for the site is V-Squared Management LLC, owned by Vincent Lobdell, a local business owner. In 2009, Mr. Lobdell, with the assistance of a \$50,000 capital grant from ESD, successfully rehabilitated a former 19th century mill building in the Village into the headquarters for Healthway Home Products, Inc., (“Healthway”) a manufacturer of new state-of-the-art air cleaning products for homes and light commercial applications. Balcom Construction in combination with Craig Polhamus Architect, both located in the Syracuse area, will oversee the 4842 North Jefferson Street project. The total project cost is estimated at \$936,952 with an anticipated November 2011 completion date.

4890 North Jefferson Street – 4,300 square foot building – The project involves the renovation of the first floor for retail office space with two 750-square-foot apartments on the second floor. The developer for the project is also V-Squared Management LLC. Mr. Lobdell will oversee the project and C3 Colella Construction Company, located in Fulton, New York, has been selected to work on the project. The total project cost is estimated at \$200,710 with an anticipated August 2010 completion date.

The Central New York Regional Planning and Development Board (“CNYRPDB”) was selected by the Village to prepare the Town/Village’s Comprehensive Plan in 2007 and has been working closely with the Village since then. As a result of this close working relationship and its experience and staff resources, the Village has requested that the CNYRPDB serve as the project manager and contract administrator for the RESTORE III project.

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4822 Salina Street

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation	\$494,395	ESD Grant	\$134,400	24%
Site Preparation	43,722	Village Equity *	124,925	22%
Soft Costs	18,208	Pathfinder Bank - Loan**	220,000	40%
		Main Street NY - Grant	50,000	9%
		NYSERDA	27,000	5%
Total Project Costs	\$556,325	Total Project Financing	\$556,325	100%

* Source of Village Equity is from the owner.

** Terms to be determined

4838 North Jefferson Street

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation	\$150,418	ESD Grant	\$185,219	90%
Site Preparation	11,111	Village Equity *	20,580	10%
Soft Costs	44,270			
Total Project Costs	\$205,799	Total Project Financing	\$205,799	100%

* Source of Village Equity is from the owner.

4842 North Jefferson Street

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation	\$643,325	ESD Grant	\$442,456	47%
Site Preparation	138,925	Village Equity *	164,496	18%
Soft Costs	154,702	Main Street NY - Grant	330,000	35%
Total Project Costs	\$936,952	Total Project Financing	\$936,952	100%

*Source of Village equity is a loan secured by the owner from Pathfinder Bank. Terms to be determined.

4890 North Jefferson Street

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation	\$178,671	ESD Grant	\$56,643	28%
Site Preparation	18,580	Village Equity *	94,067	47%
Soft Costs	3,459	Main Street NY - Grant	50,000	25%
Total Project Costs	\$200,710	Total Project Financing	\$200,710	100%

*Source of Village Equity is from the owner.

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Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, 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 \$818,718 will be disbursed to the Grantee as follows:

4822 Salina Street – up to \$134,400 will be disbursed to the Grantee upon completion of the project substantially as described in these materials and as evidenced by a certificate of occupancy, and documentation of \$556,325 in renovation, site prep and soft costs, 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.

4838 North Jefferson Street - up to \$185,219 will be disbursed to the Grantee upon completion of the project substantially as described in these materials and as evidenced by a certificate of occupancy, and documentation of \$205,799 in renovation, site prep and soft costs, 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.

4842 North Jefferson Street – up to \$442,456 will be disbursed to the Grantee, no more frequently than quarterly, in proportion to ESD's funding share, in compliance with specific Design and Construction Requirements set forth in the Grant Disbursement Agreement for 4842 North Jefferson Street, and per review of all requisitions during the course of design and construction, provided Grantee is otherwise in compliance with the terms and condition of this Agreement. The final 10% of the grant will be disbursed to the Grantee upon completion of the project as evidenced by a certificate of occupancy. Payment will be made upon presentation to

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ESDC of an invoice and such other documentation as ESDC may reasonably require, in the form attached to this Agreement as Exhibit F and its attachments. 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.

4890 North Jefferson Street – up to \$56,643 will be disbursed to the Grantee upon completion of the project substantially as described in these materials and as evidenced by a certificate of occupancy, and documentation of \$200,710 in renovation, site prep and soft costs, 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 \$818,718, 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.

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;

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- (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 and Construction:

Design and Construction ("D&C") staff will review project plans, scope, budget and schedule for the 4842 North Jefferson Street site. D&C will visit the 4842 North Jefferson Street site at its option, review requisitions and recommend payment when its requirements have been met.

Environmental Review:

The Village of Pulaski, 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 April 30, 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 eligibility of the buildings at 4838 and 4842 North Jefferson Street 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.

Affirmative Action:

ESD's Non-discrimination and Affirmative Action policy will apply. Village of Pulaski agrees 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.

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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, encompassing the east side of North Jefferson Street and Salina Street in the Village from the east bank of the Salmon River to historic North Park, is an area featuring several substandard buildings and lots in need of rehabilitation. The poor condition of properties included in the proposed project area contributes to the impaired economic growth and development that has characterized this area for many years. Although the heart of the Village consists of a unique collection of historic structures and landscapes, investment in these structures has been discouraged due to the number of deteriorating and underused spaces along the most prominent Village streets.

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 of buildings and sites included in the recently completed joint Town of Richland and Village of Pulaski Comprehensive Plan (the “Plan”). The Plan provided a comprehensive inventory and analysis of key planning issues and opportunities and puts forth several goals and recommendations for the Village. The Plan acknowledges “many of the historic structures in the Village remain vacant and deteriorating... Although the Village business district has been listed on the national register of Historic Places and offers a unique historic setting and abundant natural resources that generate seasonally reliable economic opportunity; the community has been unable to fully capture the greater potential economic and social benefits that would be possible through targeted cooperative efforts to generate, service, and support the growth of existing, and creation of related recreation and tourism-based business.” The observation on page 77 of the Plan, pertaining to one of the properties proposed for rehabilitation, largely applies to the entire project “another important historic building... has fallen into a state of disrepair... the altered façade of the former theater building creates a detrimental visual impact to the historic character of downtown Pulaski.”

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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Pulaski (Oswego County) – Pulaski – RESTORE III – North Jefferson Street Revitalization Project – 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 Pulaski – RESTORE III – North Jefferson Street Revitalization Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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