

**B. Plattsburgh – RESTORE III – Imperial Industrial Park (W796)**

June 24, 2010

General Project Plan

- Grantee:** City of Plattsburgh (“Plattsburgh” or the “City”)
- Beneficiary:** Main Mill Street Investments, LLC
- ESD Investment:** A grant of up to \$2,500,000, pending passage of the New York State budget, to be used for a portion of the cost to renovate a 550,000 square foot facility into a multi-user industrial facility.
- Project Location:** 94 Main Mill Street, Plattsburgh, Clinton County
- NYS Empire Zone (or equivalent):** Plattsburgh Empire Zone
- Project Completion:** July 2012
- Grantee Contact:** Kenneth Primard  
Community Development Office  
41 City Hall Place  
Plattsburgh, NY 12901  
Phone: (518) 563-7642 Fax: (518) 563-4208
- Beneficiary Contact:** Rex Jacobsma, Manager  
Main Mill Street Investments, LLC  
P.O. Box 1833  
Paso Robles, CA 93447  
(805) 239-9377
- Project Team:**
- |                       |                |
|-----------------------|----------------|
| Project Management    | Linda Dillon   |
| Affirmative Action    | Laverne Poole  |
| Environmental         | Soo Kang       |
| Design & Construction | Joseph Burkard |

**Project Description:**

Background

The City of Plattsburgh is located in Clinton County along the western shore line of Lake Champlain. Situated on a major water thoroughfare and close to the Canadian border, Plattsburgh has been the site numerous historic events including the seizure of Fort Ticonderoga, the Revolutionary War's Battle of Valcour Island and the War of 1812's Battle of Plattsburgh. Settlement of the area followed the arrival of Samuel de Champlain in 1609 and the Fur Trade in the 17th century, and the Town of Plattsburgh was founded in 1785.

Following the War of 1812, the Plattsburgh Barracks army base was established. During the Cold War, military functions took a prominent role in Plattsburgh due to its geographic

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desirability. The base operated continuously until the late 1990's when the Air Force began to pare down its post-Cold War missions. Base property is now managed by the Plattsburgh Airbase Redevelopment Corporation and is used by a number of industrial manufacturers and commercial airlines.

Throughout the 1980's, Plattsburgh was a favorite tourist destination for vacationers from Montreal and Quebec. However, the closing of the Plattsburgh base and the strengthening U.S. dollar in the 1990's directly contributed to a decline in employment and Canadian tourism spending, devastating the City's economic and financial stability. By 2000, the City's population (18,816) had declined by 11%, the number of households below the poverty line increased by 10% and the number of vacant housing units increased by 30%.

Since then, Canadian interest in the Plattsburgh region has begun to grow again as a place to establish a U.S. presence. The region is attracting growing numbers of manufacturers, assembly operations, distribution services and warehouses, particularly from companies looking to bridge the U.S.-Canada connection. While this increased interest has led to the development of green field sites and occupancy of vacant newer industrial buildings outside the city, it is also creating opportunity for the reuse of older vacant buildings within the city.

The City of Plattsburgh is the recipient of two previous RESTORE grants (\$918,000 and \$796,000) for the rehabilitation of properties contributing to blighted conditions and the expansion of affordable housing opportunities.

### The Project

The project involves the renovation of 94 Main Mill Street in the City of Plattsburgh. This 550,000 square foot building is situated on a 45 acre parcel and was the former home of wall paper manufacturer Imperial Wallcoverings Company. The facility was constructed in 1917 and underwent numerous additions and alterations until Imperial closed in 1998.

In 2003, the property was purchased by Main & Mill Street Investments, LLC to accommodate a growing number of diverse companies interested in locating within the City of Plattsburgh. Since then, over \$2.6 million has been invested in building improvements enabling approximately 47% of the property (165,000 square feet) to be occupied by a variety of tenants including Hanet Plastics, Cintube International, Ashley Furniture, Allsource Logistics and Columbia Frame. As the owner and developer, Main Mill Street Investments, LLC will develop the project.

Additional improvements are needed to transform this single-use facility to an industrial park offering flexible space. These include the construction of loading docks, washrooms, common area access and office space, as well as painting (internal and external) and lighting upgrades. Other improvements include upgrades to the building's electrical, fire prevention and security systems. Large holes in the floors left by the removal of paper machines will be filled in and asbestos will be removed from the site. Exterior site needs include roof repairs and upgrades to a rail spur and on-site roads around the facility to improve transportation options and logistics for tenants.

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Project management, including the oversight of project improvements will be conducted by Daymar Consulting in cooperation with River Bend Property Management, Inc., an on-site property management company. River Bend Property Management was formed in 2003 by David Bray for the purpose of providing property management services at the Imperial Industrial Park as well as at other properties in New York, Vermont and New Hampshire. In addition to overseeing property improvements, River Bend Property Management negotiates all facility lease agreements.

In 2003, Plattsburgh completed its Downtown/Waterfront Economic Enhancement Strategy which recognized Plattsburgh’s waterfront and downtown business district as its greatest economic assets. Located 1.5 miles from the downtown core of Plattsburgh, the project contributes to the City’s economic development strategy by providing employment opportunities for residents attracted to waterfront and downtown amenities. The project is also consistent with the City of Plattsburgh’s Empire Zone Development Plan which emphasizes the upgrade, development and redevelopment of unused industrial lands and old industrial properties to create jobs and grow the tax base as a priority, along with the clean-up and reuse of brownfield sites as the priority.

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovations	\$4,223,722	ESD Grant	\$2,500,000	40%
Infrastructure/Site Preparation	157,732	City Equity*	166,797	3%
Indirect/Soft Costs	454,498	Main Mill Street Investments, LLC Equity	3,518,070	57%
Other	1,348,915			
Total Project Costs	\$6,184,867	Total Project Financing	\$6,184,867	100%

\*City equity includes a \$166,979 Independent Energy Efficiency Program grant to the Beneficiary.

**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 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 during the course of the project no more

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frequently than quarterly, in compliance with ESD's Design and Construction requirements, assuming that all project approvals have been completed and funds are available. The final disbursement, which shall be at least 10% of the grant amount, shall be made to the Grantee upon project completion. 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 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 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.

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### **Design & Construction:**

Design and Construction (“D&C”) staff will review the project budget, plans, specifications and at its option visit the Imperial Industrial Park site in Plattsburgh to monitor construction progress for the scoped work. There will be multiple progress payments and each requisition reviewed and recommended for payment only when D&C requirements have been satisfied. The aforementioned project will be reviewed in conjunction with D&C requirements and forms.

### **Environmental Review:**

The Common Council of the City of Plattsburgh, 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 15, 2010. 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.

### **Affirmative Action:**

ESD’s Non-discrimination and Affirmative Action policy will apply. The City of Plattsburgh 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 rehabilitation or reconstruction of a vacant commercial building, which has been deemed by the City 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 or reconstruction of a site that the City has included in its Empire Zone Development Plan which emphasizes the upgrade, development and redevelopment of unused industrial lands and old industrial properties to create jobs and grow the tax base as a priority, along with the clean-up and reuse of brownfield sites as the priority.

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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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Plattsburgh (Clinton County) – Plattsburgh – RESTORE III – Imperial Industrial Park –  
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  
Plattsburgh - RESTORE III – Imperial Industrial Park Project, the Corporation hereby  
determines that the proposed action will not have a significant effect on the environment.

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