

C. Poughkeepsie – RESTORE III – Academy Street (W819)

June 24, 2010

General Project Plan

Grantee: City of Poughkeepsie (“Poughkeepsie” or the “City”)

Beneficiary Company: 23 Acad ST., LLC

ESD Investment: A grant of up to \$2,395,000, pending passage of the New York State budget, to be used for a portion of the cost of rehabilitating a mixed-use building.

Project Location: 23 Academy Street, Poughkeepsie, Dutchess County

NYS Empire Zone (or equivalent): Poughkeepsie/Dutchess Empire Zone

Project Completion: September 2011

Grantee Contact: Jeremy Doxsee, Planner
62 Civic Center Plaza
Poughkeepsie, NY 12601
Phone: (845) 451-4058 Fax: (845) 451-4059

Beneficiary Contact: Jon Behrends
13 S. Hamilton Street
Poughkeepsie, NY 12601
(845) 485-7273

Project Team: Project Management Jill Wolfeld
Affirmative Action Denise Ross
Environmental Soo Kang
Design & Construction Joe Burkard

Project Description:

Background

The City of Poughkeepsie was officially chartered in 1854 and flourished in the 1800’s through shipping, hatteries, paper mills, and several breweries along the Hudson River. Today, the downtown and central business district, once a premier shopping destination, struggle to retain existing businesses and to attract shoppers due to deteriorating conditions in the area. The project is being developed in accordance with the 1998 City of Poughkeepsie Comprehensive Plan, and will restore the look of Main Street including preserving existing buildings and their original architectural features and facilitating new commercial investment in the downtown area.

C. Poughkeepsie – RESTORE III – Academy Street (W819)

June 24, 2010

ESD’s \$2,395,000 Restore NY grant will assist with the rehabilitation of one property owned by 23 Acad ST., LLC. The project will allow the City to make progress towards the on-going revitalization of the City’s main shopping district. Without these funds, the City would be unable to secure the necessary financing to complete this project.

The Project

In January 2009, the project commenced with the assessment, design, architectural and structural planning of the Project Location which has been vacant and deteriorating for 20 years. All contractors were chosen based on competitive pricing including: Wenning Associates of Lagrangeville, New York (Architectural Firm); Eastern Analytical Services of Elmsford, New York (Sample Analysis Firm); MacIcarne Contracting of Rhineback, New York (Environmental Assessment); and Precision Contractor Construction Operation, LLC of Poughkeepsie, New York (Construction). In order to conform with current code requirements all floors and partitions from the interior of the building will be removed replacing them with metal trade-ready joists, corrugated decking, concrete floors, new stairs, partitions, electrical plumbing, HVAC, roof, stair and elevator systems. Additionally, a 7-story portion of the exterior masonry wall has begun to collapse which will be deconstructed and reconstructed. The building will be outfitted with a fire alarm system as well as a video intercom system. A photovoltaic system on the roof will be installed to insure high efficiency in heating and cooling to adhere with green building standards.

When the project is completed in September 2011, it will include commercial space and 11 market rate residential units. During construction, 8 full-time construction jobs and 18 part-time jobs are expected to be created. When occupied, the commercial space is expected to create 3 full-time jobs. The project will also provide the community a sense of safety and activity on a prominent downtown corner.

Financing Uses	Amount	Financing Sources	Amount	Percent
Building and Land Acquisition	\$63,000	ESD Grant	\$2,395,000	55%
General Construction	3,186,140	City Equity*	255,880	6%
Infrastructure/Site Preparation	212,550	Community Preservation Corporation Loan**	1,193,000	27%
Indirect/Soft Costs	625,309	NYSERDA	156,710	4%
Carrying Costs	258,016	Developer Equity	344,425	8%
Total Project Costs	\$4,345,015	Total Project Financing	\$4,345,015	100%

*Source of equity is \$20,000 from the City, \$228,380 HOME Rehabilitation Grant, and \$7,500 CDBG funds.

**Loan terms: 6.356%/30 years/building

C. Poughkeepsie – RESTORE III – Academy Street (W819)

June 24, 2010

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 \$2,395,000 will be disbursed to Grantee as reimbursement for eligible costs, no more frequently than quarterly and in proportion to ESD's funding share, assuming 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 completion of the project. Payments assume that all project approvals have been completed and funds are available, and will be made upon presentation to ESDC 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 \$2,395,000, 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:

C. Poughkeepsie – RESTORE III – Academy Street (W819)

June 24, 2010

- (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 City of Poughkeepsie Development Department, 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 January 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 policies will apply. Grantee agrees to use its best efforts to include minorities and women in any job opportunities created by the Project; and to solicit and utilize M/W [firms for any contractual opportunities generated in connection with the Project.](#)

Design and Construction:

D&C staff will review the project budget, plans, specifications and at its option visit the site to monitor construction progress. Requisitions, submitted quarterly, will be reviewed and recommended for payment when all D&C requirements have been satisfied.

The aforementioned project will be reviewed in conjunction with D&C requirements and forms.

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.

C. Poughkeepsie – RESTORE III – Academy Street (W819)

June 24, 2010

The project involves the rehabilitation of a vacant commercial and residential 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 of a site that the City has included in its overall 1998 City of Poughkeepsie Comprehensive Plan. This plan encourages the restoration of Main Street which includes preserving existing buildings and their original architectural features allowing the area to once again become productive and encouraging for new commercial investment to the downtown area.

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.

June 24, 2010

Poughkeepsie (Dutchess County) – Poughkeepsie – RESTORE III – Academy Street –
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 Poughkeepsie
– RESTORE III – Academy Street Project, the Corporation hereby determines that the proposed
action will not have a significant effect on the environment.

* * *