

**D. Rome – RESTORE III – BOA Implementation (W864)**

June 24, 2010

General Project Plan

- Grantee:** City of Rome (“Rome” or the “City”)
- ESD Investment:** A grant of up to \$1,690,000, pending passage of the New York State budget, to be used for a portion of the cost of exterior historic preservation, renovation and rehabilitation costs.
- Project Locations:** 207 North James Street, Rome, Oneida County  
293-295 East Dominick Street, Rome, Oneida County  
1333 East Dominick Street, Rome, Oneida County
- NYS Empire Zone (or equivalent):** N/A
- Project Completion:** December 2011
- Grantee Contact:** Diane Shoemaker, Director of Community Development  
198 North Washington Street  
Rome, NY 13440  
Phone: (315) 339-7643 Fax: (315) 838-1167
- Project Team:**
- |                       |                |
|-----------------------|----------------|
| Project Management    | Jessica Hughes |
| Affirmative Action    | Denise Ross    |
| Environmental         | Soo Kang       |
| Design & Construction | Joe Burkard    |

**Project Description:**

Background

Through the mid 1900’s, the City of Rome was a thriving mill town with an economy dominated by a metal manufacturer, which was then replaced by the former Griffiss Air Force Base (the “Base”) in the second half of the century. When the Base closed in 1995, the City lost a quarter of its population and its economy was devastated by the loss of thousands of jobs. City revenues had to be redistributed to essential City services and taken out of housing and commercial development programs. The combination of reduced resources and increased expenses hindered recovery and resulted in neighborhood deterioration and neglect, loss of small businesses and a diminution of overall private investment. Rome witnessed a true “disinvestment” in both residential and commercial properties, particularly those located in the urban core. Today, the community still faces a surplus of vacant, abandoned and deteriorated residential and commercial properties.

Recognizing the need for economic diversity, Rome is implementing a variety of strategies such as heritage tourism, recreation, and high-tech initiatives while making itself attractive

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to modern, less environmentally damaging manufacturing and service industries. The City seeks to capitalize on the Air Force Research Laboratory (“Rome Lab”), which was spared in 1995, and the Griffiss Business and Technology Park, which replaced the Base.

The City’s economic diversity strategy conforms to formal and extensive local planning processes, resulting in an overall master plan for the City (“the “Plan”) completed in 2005, as well as the Main Street Initiative and the Brownfield Opportunity Area (“BOA”) Plan, jointly identified as the “Plans”. The Plans focus on the revitalization of Rome’s deteriorated neighborhoods and downtown into areas that are inviting and livable to both residents and target groups.

Rome identified the need, consistent with the Plans, to rehabilitate three vacant properties into mixed-use commercial structures in the BOA, providing for economic growth and private investment in the City’s commercial corridor. However, the City lacked sufficient funds to complete the project. Without the RESTORE grant, the City would be unable to secure the necessary financing to complete the renovation project and revitalize this blighted area.

Previously, the ESD Directors approved a \$110,000 Urban and Community Development Assistance grant on March 20, 2002, which assisted the City with a portion of consultant costs for the development of an updated City of Rome Comprehensive Plan and Zoning Ordinance; a \$750,000 Empire Opportunity Fund grant on October 16, 2003 for the construction of the Marinus Willett Collections and Education Center and demolition of the Living Bridge Building in downtown Rome; a \$1,542,747 Restore I grant on May 17, 2007, for the demolition, asbestos removal and site redevelopment of two City properties, located at 600 Railroad Street and 105 Front Street, Rome; and a \$2.5 million Restore II grant on January 15, 2009, to assist with the demolition, remediation and infrastructure reconstruction of a commercial property at 220 South Madison Street, to convert it into a shovel-ready site. The City is in compliance with the terms of the previous grants.

### The Project

The \$2.13 million project involves exterior historic preservation, interior rehabilitation, demolition, and reconstruction of three properties in Rome’s downtown core, as follows:

**207 North James Street** – 18,525-square-foot building – project involves the historic restoration and interior and exterior rehabilitation of the former Old City Hall building, to include over 18,000-square-feet of flexible mixed-use space, roof repairs, mechanical systems upgrades, masonry repairs, pavement resurfacing, and an on-site storm water rain garden. The project will focus on energy efficiency, sustainability, and the use of green building principles in all aspects of rehabilitation. The property is located in the Bellamy-Gansevoort Historic District on the National Register of Historic Places, across the street from Fort Stanwix National Monument. The City plans to select a developer by early summer 2010 through competitive bid. The project is expected to be complete by December 2011.

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**293-295 East Dominick Street** – 11,700-square-foot property – project involves interior and exterior rehabilitation of the former Grand Hotel into four modern, energy-efficient, 1,500-square-foot apartments with elevator service, one 4,600-square-foot commercial space, roof repairs, mechanical systems upgrade, masonry restoration, accessibility, parking, and green space improvements in Rome's Little Italy Main Street corridor. The City has selected the development firm of Grand Development, LLC (Rome, NY) through competitive bid. The project is scheduled for completion by December 2011.

**1333 East Dominick Street** – 37,154-square-foot building – project involves commercial rehabilitation of the former Nolan Building, a mixed commercial-industrial-professional space, to include minor selective deconstruction of substandard auxiliary structures, interior gut rehabilitation of office and retail space, roof repairs, mechanical systems upgrade, masonry repair, and other site improvements. The City plans to select a developer by early summer 2010 through competitive bid. The project is expected to be complete by December 2011.

Financing Uses	Amount	Financing Sources	Amount	Percent
<b>207 North James Street</b>				
Exterior Renovation	\$ 500,000	ESD Grant	\$ 890,000	85%
Interior Renovation	442,000	Rome Urban Renewal Agency Funding Grant	100,000	10%
LEED Rehabilitation	98,000	City Equity*	50,000	5%
Total:	\$ 1,040,000	Total:	\$ 1,040,000	100%

Financing Uses	Amount	Financing Sources	Amount	Percent
<b>293-295 East Dominick Street</b>				
Exterior Renovation	\$ 400,000	ESD Grant	\$ 400,000	61%
Interior Rehabilitation	200,000	Grand Development, LLC Contribution	200,000	31%
Energy Efficient Measures	50,000	City Equity*	50,000	8%
Total:	\$ 650,000	Total:	\$ 650,000	100%

Financing Uses	Amount	Financing Sources	Amount	Percent
<b>1333 East Dominick Street</b>				
Exterior Renovation	\$ 200,000	ESD Grant	\$ 400,000	91%
Interior Rehabilitation	100,000	City Equity*	40,000	9%
Deconstruction	100,000			
Energy Efficient Measures	40,000			
Total:	\$ 440,000	Total:	\$ 440,000	100%

\*Source of equity is from the Developer.

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**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 \$1,690,000 will be disbursed to Grantee during the course of the project no more 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 \$1,690,000, 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,

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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 City of Rome Planning Board, as lead agency, has completed environmental reviews of the proposed projects, 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. These reviews found the projects 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.

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 projects at 1333 East Dominick Street and 207 North James Street in Rome, NY.

**Affirmative Action:**

ESD’s Non-Discrimination and Affirmative Action policy will apply. The grantee is encouraged to use its best efforts to achieve Minority and/or Women-owned Business Enterprise participation of not less than 5% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the project, and to include minorities and women in any job opportunities created by the project.

**Design & Construction:**

D&C staff will review the project budget, plans, specifications, and at its option, visit the three subject sites within the City of Rome to monitor construction progress for the scoped work. There will be multiple progress payments, not less than quarterly and each requisition will be 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.

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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 involves exterior historic reservation, renovation and rehabilitation costs for three vacant commercial structures, which have 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 renovation and rehabilitation of three vacant structures that the City has included in the Plans, which focus on the revitalization of Rome's deteriorated neighborhoods and downtown into areas that are inviting and livable to both residents and target groups.

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

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