

H. Stamford – RESTORE III – Main Street Revitalization (W800)

June 24, 2010

General Project Plan

Grantee: Town of Stamford (“Stamford” or the “Town”)

Beneficiaries: Liberty Rock Books (678 Main Street)
Catskill Country Furniture and Flooring (64 Main Street)

ESD Investment: A grant of up to \$865,512, pending passage of the New York State budget, to be used for a portion of the cost of renovations and related soft costs for two Main Street properties.

Project Locations: 678 Main Street, Hobart, Delaware County
64 Main Street, Stamford, Delaware County

NYS Empire Zone (or equivalent): N/A

Project Completion: October 2011

Grantee Contact: Michael Triolo, Town Supervisor
101 Maple Ave
Hobart, NY 13788
Phone: (607) 538-9397 Fax: (607) 538-9841

Beneficiary Contacts: James Mahoney, Principal Partner
Liberty Rock Books
629 County Route 12
New Hampton, NY 10958
Phone: (845) 355-2488 Fax: (845) 355-2489

Donald Van Etten
Catskill Country Furniture and Flooring
408 Peters Road
Stamford, NY 12167
Phone: (607) 652-8010

Project Team:

Project Management	Robin Alpaugh
Design & Construction	Joseph Burkard
Affirmative Action	Denise Ross
Environmental	Soo Kang

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Project Description:

Background

After the American Revolution, settlers located in Delaware County and the principal industry became farming. The Town of Stamford's economy evolved into tourism from New York City ("NYC") as rail service developed and the dairy industries grew with the advent of pasteurization. Today the area's economy continues to rely on tourism. There are two incorporated villages within the town; the Village of Hobart with a population of 396 and the Village of Stamford with a population of 1,260.

The Town is part of the New York City Watershed Agreement of 1997 ("Watershed Agreement") which limits industrial growth, making historic Main Street structures important assets to the Town's future economic development. Given the close proximity to NYC and Albany, as well as the Watershed Agreement restrictions on industrial growth, tourism is the driving factor in this region's economic success. Due to the high costs to rehabilitate of the Main Street historic buildings in this project, Restore funds are needed to encourage private investment for redevelopment.

The Project

The project includes two buildings in the Town of Stamford - the renovation of 678 Main Street, an underutilized commercial facility with 5,200 square feet; and the redevelopment of 64 Main Street, a vacant mixed-use facility with 13,750 square feet (8,000 square feet of commercial and 5,750 square feet of residential space).

678 Main Street – Rehabilitation of this building, formerly a car dealership, will include exterior masonry repairs, a new concrete floor, interior renovations, a deck over looking the Delaware River, roof repairs, and infrastructure improvements. Liberty Rock Books ("Liberty Rock"), a high-end book store, will open operations with a public gallery and library-like redesigned space. Liberty Rock has been in business since 1976 and was previously located in Salem, NY. Staffing will include two partners, one full-time manager and two part-time employees.

64 Main Street - Rehabilitation of this structure will include repairing the exterior, restoring original interior features, rebuilding the front porch, installing a new roof, installing energy efficient windows, and constructing apartments on the second and third floors. Catskill Country Furniture and Flooring will occupy the basement, first floor and a portion of the second floor. Two apartments will be located in the balance of the 2nd floor, three apartments will be located on the 3rd floor. There is also a garage with a studio above located behind the building. The garage will be used for the business and the studio will be rented out to a local artist. Staffing will include two partners and two part-time employees.

Expected completion dates for 678 Main Street and 64 Main Street are October 2010 and October 2011, respectively.

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678 Main Street

Financing Uses	Amount	Financing Sources	Amount	Percent
Property Acquisition	\$90,000	ESD Grant	\$296,300	68%
Renovation	280,000	Town Equity*	50,000	11%
Engineering/Soft Costs	66,300	Catskill Watershed Loan	90,000	21%
Total Project Costs	\$436,300	Total Project Financing	\$436,300	100%

*Source of equity is funds from the building’s owner and NYS Main Street Grant

**Catskill Watershed Corporation loan program – terms to be determined

64 Main Street

Financing Uses	Amount	Financing Sources	Amount	Percent
Property Acquisition	\$150,000	ESD Grant	\$569,212	67%
Renovation	586,700	Town Equity*	134,000	15%
Engineering/Soft Costs	116,512	Bank Financing**	150,000	18%
Total Project Costs	\$853,212	Total Project Financing	\$853,212	100%

*Source of equity is funds from the building’s owner, a NYS Main Street Grant and a HOME Rental Rehab Grant

**NBT Bank loan – terms to be determined

Financial Terms and Conditions:

1. At the time of disbursement, the Town will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Town will be obligated to advise ESD of a materially adverse change in its financial condition prior to disbursement.
3. The Town will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$865,512 will be disbursed to Grantee as follows:

678 Main Street – up to \$296,300 will be disbursed to the grantee as follows:

An initial disbursement of an amount equal to 50% of the grant (\$148,150) will be disbursed to Grantee upon documentation of \$218,150 in eligible acquisition, renovation and engineering/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.

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Previously expended funds may be applied toward match requirements retroactive to June 23, 2006, when the Restore New York Legislation was enacted.

A second disbursement of an amount equal to 50% of the grant (\$148,150) will be disbursed to Grantee upon completion of the project as evidenced by a certificate of occupancy and documentation of an additional \$218,150 in eligible acquisition, renovation and engineering/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.

64 Main Street – up to \$569,212 will be disbursed to the grantee as follows:

An initial disbursement of an amount equal to 50% of the grant (\$284,606) will be disbursed to Grantee upon documentation of \$426,606 in eligible acquisition, renovation and engineering/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.

A second disbursement of an amount equal to 50% of the grant (\$284,606) will be disbursed to Grantee upon completion of the project as evidenced by a certificate of occupancy and documentation of an additional \$426,606 in eligible acquisition, renovation and engineering/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 \$865,512, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Town 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

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Project except (a) transfers of minor interests in the Project sites, 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;
- (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:

D&C staff will review the project budget, plans, specifications and at its option visit the site to monitor construction progress. There will be two payments. Each requisition will be reviewed and recommended for payment when D&C requirements have been satisfied.

Environmental Review:

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

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 consulted 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. No further consultation is required, subject to a Letter of Understanding.

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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.

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 of vacant and/or underutilized commercial buildings, which have been deemed by the Town 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 an area within the Town that is included in its overall master development plan created by the Catskill Watershed Corporation in 1998. The plan identifies the importance of tourism within the region and the need to maintain historical main street properties.

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 Town published a property assessment list and held a public hearing on the project at the time of application. The Town 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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Stamford (Delaware County) – Stamford – RESTORE III – Main Street Revitalization –
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 Stamford –
RESTORE III – Main Street Revitalization Project, the Corporation hereby determines that the
proposed action will not have a significant effect on the environment.

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