

**L. New Berlin – RESTORE III – Downtown Revitalization (W855)**

June 24, 2010

General Project Plan

**Grantee:** Village of New Berlin (“New Berlin” or the “Village”)

**ESD Investment:** A grant of up to \$160,000, pending passage of the New York State budget, to be used for a portion of demolition costs.

**Project Location:** 2-10 N. Main Street, New Berlin, Chenango County

**NYS Empire Zone:** N/A

**Project Completion:** June 2010

**Grantee Contact:** Wade Schrag, Mayor  
Village of New Berlin  
13 South Main Street  
New Berlin, NY 13411  
Phone: (607) 847-6389 Fax: (607) 847-9865

**Project Team:** Project Management Robin Alpaugh  
Affirmative Action Denise Ross  
Environmental Soo Kang

**Project Description:**

Background

The Village is located along Chenango County’s eastern boundary and was incorporated in 1816. This rural community offers recreational activities and historical attractions and has a population of 1,129 according to the 2000 Census. Major employers include Preferred Mutual Insurance and Agro Farma.

The Village acquired 2-10 N. Main Street from a private owner after tenants were ordered to vacate the property when the property was deemed structurally unsound and the owner defaulted on taxes. Due to the lack of available funds to demolish this building in the heart of downtown, New Berlin applied to ESD for assistance through the Restore NY program to redevelop the property.

The Project

The Downtown Revitalization project involves the demolition of a vacant, condemned 6,000 square foot, three story mixed-use structure. In 2008, the bricks on the back of the structure had pulled away from the interior by six to eight inches. The tenants were ordered to vacate and subsequently the building was condemned by Chenango County code enforcement.

**L. New Berlin – RESTORE III – Downtown Revitalization (W855)**

June 24, 2010

Unable to pay the taxes on the property with no source of rental income, the building’s owner agreed to sell the property for \$1.00 to the Village to enable the Restore program to assist with the demolition. The building is currently a major public safety hazard and could collapse at any time. Once it is razed, the Village plans to sell the property for redevelopment. One local business owner has already contacted the Village with an interest in purchasing the parcel for commercial use.

The building demolition will commence upon ESD approval and will be handled by a qualified local company, Burrell’s Excavating, Inc. The project is expected to be completed within a week after the work begins.

Financing Uses	Amount	Financing Sources	Amount	Percent
Demolition/Engineering	\$170,000	ESD Grant	\$160,000	90%
Indirect/Soft Costs	8,000	Village Equity	18,000	10%
Total Project Costs	\$178,000	Total Project Financing	\$178,000	100%

**Financial Terms and Conditions:**

1. At the time of disbursement, 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 contribute at least a 10% match of the grant amount to the Project.
4. Up to \$160,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and documentation of project costs totaling \$178,000, 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 \$160,000, 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.

**L. New Berlin – RESTORE III – Downtown Revitalization (W855)**

June 24, 2010

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;
- (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 Village of New Berlin, 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 a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on December 9, 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 building's listing in the National Register of Historic Places, ESDC has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation (OPRHP) pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESDC, OPRHP and the Village of New Berlin

## L. New Berlin – RESTORE III – Downtown Revitalization (W855)

June 24, 2010

have agreed that the project will be implemented in accordance with a Letter of Resolution. ESDC will ensure that all conditions stipulated in the Letter of Resolution are met.

### **Affirmative Action:**

ESD's Non-Discrimination and Affirmative Action policy will apply. The 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/WBE firms 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 is located on the corner of the Village's main intersection and involves the demolition and clean up of a condemned mixed-use building, which has been deemed by the Village 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 demolition of a site that the Village has included in its overall master development plan to facilitate commercial investment as well as new housing units within New Berlin's 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 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.

June 24, 2010

New Berlin (Chenango County) – New Berlin - RESTORE III – Downtown  
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 New Berlin – RESTORE III – Downtown Revitalization Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*