

B. Richmondville – RESTORE III – Maranatha Family Center (W801)

October 21, 2010

General Project Plan

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

Beneficiary Company: Maranatha Family Center, LLC

ESD Investment: A grant of up to \$2,314,600 to be used for a portion of reconstruction related costs.

Project Location: 1461 NYS Route 7, Richmondville, Schoharie County

NYS Empire Zone (or equivalent): Schoharie County Empire Zone

Project Completion: October 2011

Grantee Contact: John Barlow, Supervisor
340 Main Street
Richmondville, NY 12149
Phone: (518) 294-7150 Fax: (518) 294-7363

Beneficiary Contact: Stella McKenna, Owner
197 Elm Street
Cobleskill, NY 12043
Phone: (518) 234-2868 Fax: (518) 234-0098

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

Project Description:

Background

The Town of Richmondville was formed in 1849 from part of the Town of Cobleskill and by 1870 it had 2,307 inhabitants, which is only slightly less than the current population. The Town prospered due to its location as a crossroads for commerce and rail. The past decade has been especially tumultuous for the Town and neighboring communities in terms of the loss of employment. Over 780 jobs were lost when two major employers, Guilfold Mills and Eden Park Health Care Center, closed.

Maranatha Physical Therapy & Rehabilitation is a successful physical therapy practice owned/operated by Stella McKenna. The practice started in 1985 in a new facility constructed to meet the needs of her patients and clients and subsequently expanded to include a fitness center. Over the years, the business has outgrown its facility, which led to

B. Richmondville – RESTORE III – Maranatha Family Center (W801)

October 21, 2010

the decision to relocate and build a new state-of-the-art therapy, fitness and recreation center.

Restore NY funding for the building of a new Maranatha Family Center will greatly benefit the community by facilitating a new recreational area with private investment and job creation. The project follows recommendations made in the Town and Village of Richmondville Comprehensive Plan (2007) which includes the encouragement of new recreational opportunities for the Town's residents and visitors. Due to high costs associated with the project, Restore funds are needed to provide the financing gap to allow for redevelopment.

The Project

The project includes the acquisition, demolition and rehabilitation/restoration of a historic Dutch barn located on 23 acres in Richmondville. Plans include the demolition of three dilapidated barns and related structures, restoration of a Dutch-type barn, and the construction of 85,000 square-feet of recreational and office space. Approximately 17 acres of the project location will remain as green space, allowing for recreation, wetland preservation, stormwater management and lawn. The Maranatha Family Center will include gyms, fitness rooms, outdoor sports fields for classes and conferences. Additionally, local orthopedists, physical therapists, counselors, and fitness instructors have expressed interest in leasing the available tenant space of 7,500 square-feet.

The owner/developer will handle the hiring of various qualified contractors to complete the project began in September 2010 and will be completed by October 2011.

Financing Uses	Amount	Financing Sources	Amount	Percent
Acquisition	\$426,500	ESD Grant	\$2,314,600	44%
Construction	3,515,676	Bank Financing*	1,200,000	23%
Renovation	100,000	Small Cities Grant	650,000	12%
Site Preparation	160,000	Schoharie County IDA Loan**	35,000	1%
Indirect/Soft Costs	497,053	Mohawk Economic Loan***	200,000	4%
Equipment	573,500	Town Equity****	893,129	17%
Demolition	20,000			
Total Project Costs	\$5,292,729	Total Project Financing	\$5,292,729	100%

*NBT Bank , terms TBD

**IDA loan, interest only until December 9th, with an option to extend or pay-off in full

***Mohawk Valley Economic Development District, 4% for 20 years, balloon payment due in 10 years

**** Source of equity is \$100,000 (in-kind, crushed stone, equipment usage) from the Town, \$44,667 in cash equity from the Developer, \$748,462 in Developer equity as a result of the sale of real estate.

B. Richmondville – RESTORE III – Maranatha Family Center (W801)

October 21, 2010

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, 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. Upon receipt of the executed Grant Disbursement Agreement, ESD shall deposit \$2,314,600 in an escrow account at a bank mutually acceptable to ESD and the Grantee. These funds will be invested as per ESD's board approved investment guidelines. Interest earned on the funds deposited in the escrow account must be returned to ESD quarterly along with copies of all bank statements, starting when the funds are deposited and continuing until all funds have been disbursed. The Grantee may, no more frequently than monthly, seek authorization to draw down funds for eligible costs from the escrow account in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. An independent engineer hired by either the bank in which the funds are placed, or grantee, and mutually agreed upon between ESD and the Grantee will be responsible for verifying and signing off for each disbursement request utilizing the forms included in ESD's Grant Disbursement Agreement. Up to 10% of the grant shall be withheld until evidence of project completion. Any and all requests to draw down funds will be made upon presentation to ESD of an invoice and other such documentation as ESD may reasonably require. Expenses must be incurred on or after May 4, 2009 to be considered eligible 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 \$2,314,600, 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 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

B. Richmondville – RESTORE III – Maranatha Family Center (W801)

October 21, 2010

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 Town of Richmondville Planning Board, 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 August 16, 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.

Due to the barn complex's eligibility for inclusion 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, the Town of Richmondville, and Stella T. Llewellyn-McKenna-Maranatha Family Center 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 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

B. Richmondville – RESTORE III – Maranatha Family Center (W801)

October 21, 2010

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 demolition, renovation of a vacant agricultural building, which has been deemed by the Town to arrest sound growth and development in the area. The project also involves new facility construction at the same location to accommodate space needs.
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/renovation and reconstruction of a site that the Town has included in its overall master development plan (Town and Village of Richmondville Comprehensive Plan - 2007), and includes as a main objective and recommended action to improve and expand recreational opportunities for residents and visitors.
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.

October 21, 2010

Richmondville (Schoharie County) – Richmondville – RESTORE III – Maranatha Family Center – 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 Richmondville - RESTORE III - Maranatha Family Center Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *