

C. Village of Webster East Main Street RESTORE NY V (131,758)

May 21, 2020

General Project Plan

- Grantee:** Village of Webster ("Webster" or the "Village")
- ESD Investment:** A grant of up to \$350,000 to be used for a portion of the cost of construction and renovation
- Project Location:** 22-42 East Main Street, Webster, Monroe County
- The section-block-lot number includes one property with a mailing address of 22-42 East Main Street.
- Proposed Project:** Rehabilitation of five, vacant and underutilized commercial and retail buildings along a contiguous stretch of storefronts
- Project Type:** The rehabilitation of five properties to revitalize Main Street as part of the Village's Downtown Core Revitalization Plan
- Regional Council:** The Finger Lakes Regional Council has been made aware of this item. The project is consistent with the Finger Lakes Regional Economic Development Council Plan as it fosters community development and neighborhood growth, and promotes a vibrant, high quality of life.

Background:

Grantee History – Established in 1905, the Village of Webster has a rich history and heritage, with a commercial section that dates back to 1812 when the first two buildings were constructed. Early agricultural growth gave way to the high-tech industry, including the appearance of Xerox, Trident Tools, and Paychex companies in the community. From 1950 to 2010, Webster's population grew from 20,000 to 43,000, with 5,500 residents living within the Village.

The Village is nestled within and surrounded by the Town of Webster, which is located in the northeast part of Monroe County and is a suburb of the City of Rochester. Bordered on the north by Lake Ontario and the west by Irondequoit Bay, Webster's 22 miles of natural shoreline provide boundless opportunities for swimming, boating, fishing and other water sports. Webster's natural assets, schools, recreational facilities, and low cost of living have been key drivers of this fast-growing community. However, the community is currently faced with economic challenges, including an aging demographic and fewer young families.

ESD Involvement – With the loss of over 10,000 jobs at the Village's Xerox campus since 2000, the once-thriving stretch of East Main Street has been largely vacant in recent years. Many structures are over 100 years old and require significant investment to meet the

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needs of the modern marketplace. This project will complement the Village's Downtown Core Revitalization Plan by utilizing a combination of restaurants and retail businesses along a contiguous stretch of five storefronts to create a desired urban destination within the broader suburban community.

The Village applied for Restore NY funds in December 2017 to redevelop and rehabilitate the buildings, and was awarded assistance under Round 5 in April 2018. Restore V funding will further the Village's on-going strategy to build and sustain healthy neighborhoods by leveraging a variety of public and private resources. Restore NY funds are critical to the success of this project.

Past ESD Support - This is the Grantee's first project with ESD.

The Project:

Completion – September 2019

Activity – The Village hired North 43, LLC (the "Developer") to purchase the properties and lead the renovation efforts to rehabilitate the vacant and foreclosed properties. The project commenced in 2017 and included a complete renovation of five adjacent commercial/retail storefronts along East Main Street, totaling 15,592-square-feet. The rehabilitation included site work, interior and exterior renovations, and modernization of the buildings systems, utilities, and facilities. As of September 2019, the project is nearly completed with over 85% occupancy.

The renovated buildings have attracted high-end retail, service, and dining establishments, and the current project status is as follows:

- *22-24 East Main Street*: The \$221,419 project includes a gut renovation of a 2-story building, including a 1,600 square-foot first-story beauty salon storefront. The 500 square-foot lower terrace level has been renovated into an Artist's workshop. The remaining renovations are largely completed and will be finalized when non-essential construction work resumes.
- *32 East Main Street*: The \$214,334 project includes a gut renovation of a 5,000 square-foot storefront property, which has been rehabilitated into high-end retail space, and is currently occupied by Chandelier's Boutique, a women's clothing store.
- *36 East Main Street*: The \$273,355 project includes a gut renovation of a two-story property. The renovation has been completed, and the space is currently occupied by The Pickled Paintbrush, a children's craft store and studio. The finished square footage of the leased space is 2,864 square-feet.

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- *38 East Main Street:* The \$242,053 project includes a 1,472 square-foot, one-story storefront with lower walkout terrace that has been fully gutted and renovated, and the space is currently occupied by Lala Boutique, a specialty gift shop that supports a lifestyle of wellness and balance.
- *40-42 East Main Street:* The developer has fully gutted and renovated two adjacent one-story retail and commercial structures listed as property numbers 40 and 42. As part of the \$167,740 renovation, property number 40, which has 2,360 square-feet, has been absorbed into property number 42, and the combined space has been converted into a 5,850 square-foot restaurant, currently occupied by Jojo Bistro and Wine Bar.

Other contractors utilized for the project include Hanlon Architects, Jensen Engineering, and LGM Design.

Results – The project has attracted new businesses and created jobs in the renovated storefronts in Webster’s largest urban center. In addition, the investment in the Village will bolster its sense of place, maintain its historic character, and function as a destination for community activities. The project meets the needs of Webster residents, as Downtown Revitalization was one of the six focus areas identified by the community when it expressed a desire for enjoyable and walkable urban places.

Financing Uses	Amount	Financing Sources	Amount	Percent
Real Estate Acquisition	\$871,500	ESD Grant	\$350,000	18%
Construction/Renovation	915,471	Genesee Regional Bank Mortgage *	1,482,507	74%
Infrastructure/Site Work	75,000	Grantee Equity **	157,893	8%
Machinery & Equipment	40,000			
Furniture/Fixtures	58,487			
Soft Costs	29,942			
Total Project Costs	\$1,990,400	Total Project Financing	\$1,990,400	100%

* Interest Rate 5.57%, Term 126 months

** Source of equity is building developer

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<u>Project Team-</u>	Project Management	Lisa Smith
	Contractor & Supplier Diversity	Geraldine Ford
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, 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 any materially adverse changes in its financial condition prior to disbursement.
3. The Village will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$350,000 will be disbursed to Grantee upon documentation of project costs totaling \$647,338 and upon completion of the project substantially as described in these materials as evidenced by a certificate of occupancy for each property, 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 December 15, 2017 to be considered reimbursable project costs.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$350,000, 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.

Non-Discrimination and Contract & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBES) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

Statutory Basis – Restore NY Communities:

The funding was authorized in the 2017-2018 New York State budget and reappropriated in the 2018-2019, and 2019-2020 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.