



# OLD HOTEL PROPERTY REDEVELOPMENT

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**RECOMMENDATION TO APPROVE GRANT APPLICATION**

BY LAFAYETTE COMMUNITY DEVELOPMENT COMMITTEE

# RECOMMENDATION

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- ❖ Approve resolution to submit first of two grant applications for rehabilitation of old hotel
  - No cost to prepare and submit application
  - Resolution & applications do not commit the Town to do any project
  - Town's decision to commit to a project will come next year or later
  - Before making decision, cost to taxpayers, if any, for any redevelopment option needs to be developed
  - Grant applications are only the first step in cost development process

# WHY DO ANYTHING AT THE FOUR CORNERS?

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- ❖ LCDC given responsibility for Goal 1, *Hamlet Revitalization*, of Comprehensive Plan
  - Action Item 5 of Goal 1:  
*Restorat[ion] and/or revitalizat[ion] the old hotel at the Four Corners so that it positively contributes to the economic base and character of the Town.*
- ❖ Continual resident feedback: “do something about that eyesore at the four corners”

# WHAT HAS BEEN DONE SO FAR?

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- ❖ Property purchases
- ❖ Soil remediation (occurring now)
- ❖ Project development (conceptual designs, survey, funding strategy)
- ❖ Engineering assessment of stormwater issues
- ❖ Grant application content development

# WHAT REDEVELOPMENT OPTIONS ARE BEING CONSIDERED?

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1. Raze building, put in a park
  2. Rehabilitate building, repurpose it for community & commercial needs
- ❖ Third option of smaller building
    - Requires razing old and building new
    - Not eligible for new funding, taxpayer cost >\$3M
    - Thus not further considered (by far highest cost to taxpayers)

# HOW MUCH FUNDING DO WE HAVE NOW?

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- ❖ Current funding: \$0.5M for either option  
(County Hamlet Main Street Revitalization Program)
- ❖ Spent/committed to date:
  - Property purchase: \$80k (out of ARPA grant)
  - Soil remediation: \$150k
  - ESA/Project development: \$20k
  - Site work needed this year to manage stormwater: \$5k
- ❖ Leaving \$0.325M (~\$0.3M) for the options

# HOW MUCH WILL THE OPTIONS COST?

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## 1. Raze/park: \$0.5M to \$0.7M

- Leaving \$0.2M to \$0.4M for taxpayer funding
- Not eligible for more grants

## 2. Rehabilitate building: \$1.1M to \$1.7M for exterior

- Leaving \$0.8M to \$1.4M for taxpayer and/or grant funding
- \$2M to \$2.8M for interior, utilities and site work, to be funded by developer


# WHAT IS NEEDED TO KNOW COST TO TAXPAYERS?

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## 1. Raze/park

- Hire demolition expert and landscape designer for designs
- Prepare RFPs & receive quotes
- Estimate operating costs

## 2. Rehab building

- Apply for grants for exterior
  - Hire engineer for exterior design
  - Prepare RFP & receive quotes
  - Estimate operating costs
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# WHAT ARE THE ANTICIPATED\* USES OF THE BUILDING?

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- ❖ 1<sup>st</sup> floor: Childcare\*\*
- ❖ 2<sup>nd</sup> floor: Apple & History Museum, Community Rooms
- ❖ 3<sup>rd</sup> floor: Professional Offices

\* Subject to change upon consultation with developers

\*\* May eliminate 10-car off street parking

# WHAT IS THE STRATEGY FOR REHABILITATION OPTION?

(HOW TO RETAIN A BIG PIECE OF THE TOWN'S HISTORY WITHOUT COSTING TAXPAYERS ANYTHING)

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- ❖ Full grant funding for exterior renovation by Town
- ❖ Recruitment of developer\* to own building & manage leases
- ❖ Developer builds-out interior
- ❖ Developer gets revenue from offices & childcare
- ❖ Town gets long term lease for community spaces
- ❖ Town builds in some control for ongoing property maintenance

\* Likely requires Town to setup LDC to legally transfer property

# WHAT ARE THE BENEFITS OF THE STRATEGY?

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- ❖ Town has some control of what building becomes and how it will be maintained
- ❖ Town residents get to use building for community-based activities
- ❖ Town gets to hold onto a piece of its history
- ❖ Using grants for all costs, there would be no taxpayer funding and rather likely result in a windfall to Town

# WHAT IS THE BIG PICTURE TIMELINE?

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2023:\* Design exterior rehab, prepare RFP & receive quotes

2024: Rehab exterior

2024: Developer designs interior

2025: Building build-out, start occupancy

2026: NYSDOT finishes upgrades to intersection & roadway

\*If awarded 2022 grants

# WHAT REHABILITATION GRANTS ARE BEING CONSIDERED?

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- ❖ NY Main Street
  - \$0.4M (application due 7/29)
  - Stabilization work (windows, doors, roof repairs)
  - 25% Town match
  - Award in Fall, use in 24 mos.
- ❖ Restore NY
  - \$1M to \$2M (application due this Fall/Winter)
  - 10% Town match
  - Award January '23
- ❖ Total potential grants \$1.4M to \$2.4M covers exterior cost \$0.8 to \$1.4M

\* No guarantee of award but chances are good

# WHY MOVE THIS QUICKLY?

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- ❖ Grants have annual start dates and deadlines
- ❖ Some ask, why isn't the Town already doing something?

# IS THIS THE FINAL VOTE ON THE HOTEL PROPERTY?

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- ❖ No, this is beginning the process to find out how much the options will cost taxpayers
- ❖ There will be approvals to expend funds to develop option costs
- ❖ No future approvals commit the Town to either option until after option costs are known
- ❖ Final decision (option selection) to commit to an option no sooner 2023

# REASONS TO SUPPORT YES VOTE

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1. Survey indicates residents want Town to further evaluate rehab funding
2. Won't cost Town to prepare and submit grants
3. Using \$1.3M - \$1.9M of grants, rehab could result in a windfall instead of costing taxpayers
4. Application work has been done in anticipation, thus we can make first deadline
5. The grant does not commit the Town to the project. Grant applications will indicate that without full funding (both grants) TOL will likely not proceed.
6. LCDC members have initiative and willing to expend their energy to develop project
7. The rehabilitation project is likely catalyst for future Hamlet revitalization



# REASONS TO SUPPORT NO VOTE

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1. Concern that a vote YES could result in the Town not accepting a grant award, which would then diminish our chances of future applications (although we never have submitted for these types of grants before)
2. Concern that the Town cannot sell the building to a developer (Town should require developer to be onboard before Town commits to rehab)

# RECOMMENDATION TO TOWN BOARD

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- ❖ Approve resolution to apply for NYMS grant
- ❖ In a few months, approve application for Restore NY grant