

Old LaFayette Hotel Update

This is the fourth article released to social media and posted to the Town's Community Development Committee's [webpage](#), about the Town's decision to redevelop the old LaFayette hotel property. This provides an update to the information in the Town Supervisor's article released in the Town's October 1 newsletter.

As reported in earlier articles, the Town has been considering two redevelopment options (raze or rehabilitate) and how best to make an informed decision on which option would be best for the Town's residents and property owners. The most important piece of information it wants is how much the options could cost taxpayers both short-term and long-term. More specifically, what will be the cost to the Town (after grants and developer investment) to rehabilitate or raze, and what is the cost (or income) to the Town going forward for years?

Although cost is a huge factor, it gets weighed with other factors to make an informed decision. Other factors include: what will it look like, how will it be used, amount of community use and pride, how likely is the long-term success of the option, and how much other development could be catalyzed.

Before starting to gather information it needs to decide, the Town Board deliberated through August and October about whether to spend money on applying for a \$2M Restore NY grant, one needed to make rehabilitation a viable option. Without the grant, rehabilitation is not a viable option (that is, it will cost more than most taxpayers are likely willing to spend).

The introduction of Hanover Real Estate Development, in September brought in expert insight on the potential for rehabilitation and long-term occupancy of the building. With a strong interest in supporting the Town's assessment of the viability of the historic hotel property, Hanover proposed to conduct a feasibility study to:

- Assess viable building uses
- Estimate construction costs and operational expenses/income for both options

The Town anticipates that content created via Hanover's feasibility study can be used for the Restore NY grant application. Hanover will also be hiring experts to assess the septic system options and costs, drinking water and parking capacities, and to conduct market analyses needed for financial proforma that assess the viability of various building uses. The proposed work will provide the needed cost information for both redevelopment options.

The Town's probability of award of the Restore NY grant improves considerably with the involvement of a developer. Grantors want to invest in projects with a high potential of success, particularly those with professionals who have the requisite experience, expertise, and track record.

The Town Board approved Hanover's proposal in October. In doing so, the Town Board decided to spend funds from the \$0.5M County grant to:

- Get information they need to make an informed decision between the two options
- Give the rehabilitation option a chance to be viable, by agreeing to apply for the Restore NY grant

The Town, Hanover and CNYRPDB are now working together (November through January) to:

- Conduct the feasibility study, which will provide information that allows for an informed decision to be made on the future of the hotel property
- Prepare a compelling Restore NY grant application that is due near the end of January

At the upcoming December meeting, the Town Board will vote on a resolution to apply for the grant, and will set a public hearing date in January.

On November 17, the Town was notified that it has been awarded the NY Main Street grant it applied for in July. The \$303k grant is earmarked for the building rehabilitation. Although not as critical as the \$2M Restore NY grant, this award is an important part of the overall funding needed for the rehabilitation option.

I should end this update with a reminder that successful grant awards do not necessarily mean the Town will choose to rehabilitate the building. What it does mean, is the Town will have two viable choices, rather than just one.

Mark Distler
Deputy Supervisor