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# B-12 | Complete the Creation of the Cortland Business Innovation Center

**DRI Funding Request/Total Project Cost**  
\$484,000/\$2,200,000

## Project Description

The project will serve Cortland County's nearly 49,000 residents and increase visitation from the I-81 corridor. This currently vacant facility will provide a physical space for the ideation and commercialization of concepts into viable businesses. There will be retail spaces for four businesses on the first floor, eight co-working and startup offices on the second floor, and one entrepreneur in residency on the third floor. Programming will assist and enhance the proposed DRI Business and Building Grant Project and the City's Micro-enterprise Grant program success rates. The local economic development team will help ensure that businesses are created that reflect the culture of the community with an emphasis on the creative economy and opportunities to address sales voids. DRI funds will be used for the final phase of the project (unfinanced portion) to complete the building's first and second floor interior buildout along with the façade improvements.

**Project Location/Address**  
40 Main Street

**Sponsor**  
Cortland Downtown Partnership

## Strategies

- Invest in downtown destinations for residents, workers, and visitors, and to attract new businesses and residents;
- Promote the adaptive reuse of underutilized buildings in the downtown for mixed use development including market rate housing;
- Establish programs to grow small businesses and downtown retail;
- Create an identity that will appeal to current and future generations;
- Increase collaboration between downtown and local institutions; and
- Increase opportunities to attract innovative and/or culturally based businesses and grow the local property tax base.

## Public Support

The project is supported by New York State priorities for job creation under the Business Incubator "Hot Spot" model and "StartUp NY" program. There is also strong interest from the business and local community with the project's potential to address identified sales voids, fill available storefronts with viable retail businesses,



**Existing building**

and enhance vacant or underutilized upper floors with creative spaces and/or live-work spaces. Community outreach efforts, including those during the DRI process, have yielded support for investment to support the deployment of start-up businesses. The project has been under development since 2011 with public support dating back to 2008.

**Jobs Created (does not include construction jobs)**

25

**Ownership of Property**

Sponsor-owned.

The project partners identified above are committed to a sustainable approach to improve the process for local business startups. The key partners represent a public private partnership that includes professionals working in the local business and government communities. The capacity of the group will allow the project to reach out to provide programming throughout the county’s downtown areas with emphasis on the Cortland DRI’s catchment area as a regional hub for commerce and culture.



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**40-42 MAIN STREET**  
CORTLAND, NEW YORK

**Renderings of proposed improvements**

**Acquisition of Real Property**

N/A

**Anticipated Revitalization Benefits**

The project will have tremendous benefits for the downtown over the course of the short, middle and long term. The mixed-use building at 40 Main Street will create jobs to strengthen the cultural and commercial nature of downtown through the Cortland Business Innovation Center (CBIC) and promote downtown residency by adding a high-end living space. The CBIC will serve as downtown’s hub for commerce and culture connecting the Cortland Downtown Partnership and supporting local organizations, institutions and businesses with aspiring entrepreneurs. Programming at the building will be targeted primarily toward downtown economic development, but the project will also generate positive impacts for the economic, social, and environmental well-being of the entire county.

**Future Use of Structure**

- 1st floor- Commercial space, designed for retail incubation;
- 2nd floor- Commercial space, designed for a hybrid model of co-working and incubation space of creative businesses;
- 3rd floor-Residential space designed for an entrepreneur in residence to support the 24/7 nature of the building’s programming.

**Project Budget**

\$2,200,000

\$1,716,000 funds already committed or invested - \$500,000 Restore grant matched with \$1,200,000 in funding

The already financed phase of the project will begin in January 2018 and needs to be completed by May 2018 to meet NYMS deadlines. The scope of the financed work includes all efforts associated with bringing online the third floor of the building.

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DRI funds will be used for the final phase of the project (unfinanced portion) to complete the building's first and second floors along with the façade improvements. Without DRI commitment the last phase of construction will not start and the building will not be able to be completed.

A cost estimate letter provided by Bellows Construction Specialties on December 28, 2017 indicates that there is \$1,018,541 in remaining construction costs in the building that includes demolition, asbestos abatement, concrete, masonry, masonry restoration, steel, rough and finish carpentry, cabinets & casework, roofing, historical window repair, painting, doors & hardware, gypsum wallboard, flooring, glass & glazing, and specialties. This work should be sufficient to obtain a certificate of occupancy. This cost estimate includes some work that has already been financed and the portion of the project to which DRI funding would be applied.

### **Feasibility and Cost Justification**

The Cortland Downtown Partnership is a membership driven 501(c) 3 organization that was incorporated on January 20th 2006 and is charged to enhance and promote the commercial and cultural offerings of Historic Downtown Cortland. An increased emphasis on retail creation is supported by the city's 2016 Market Analysis. Findings have shown that significant economic opportunities exist through identified retail sales voids, as well as through the redevelopment of currently vacant or underutilized upper-floors, which will improve the creative economy.

### **Regulatory Requirements**

All local reviews, approvals and permits have been completed.

### **Timeframe for Implementation and Project Readiness**

All reviews, approvals, permits and designs have been completed. The total construction duration for this phase of the project is estimated to be six months.

### **Project Reporting**

All grant award requirements will be handled by the Cortland Downtown Partnership working closely with municipal and local economic development team partners.

Quantitative and Qualitative data will be collected internally to measure performance and will be shared as required via the state's reporting criteria.