

B-8 | Redevelop and Stabilize Harold (Keator) Block Mixed Use Building

DRI Funding Request/Total Project Cost

\$297,100/\$424,429

Project Description

The project is a 12,500 SF mixed use building consisting of residential apartments (2nd, 3rd, and 4th floors totaling 7,500 SF) and a 2,500 SF commercial storefront (1st floor with access to 2,500 SF basement). There are six (6) existing residential units that will be converted into nine (9) high-quality 2-bedroom units and targeted specifically to young professionals.

The structure is in dire need of renovation, including the replacement of all of the windows which will provide significant energy efficiency in both the commercial and residential spaces. The sponsor also plans to shore up any imperfections in the structure as well as replace the retail window facade with energy efficient replacements. Without the structural repairs, none of the apartment conversions will be possible. The sponsor is committed to preserving the historical nature of the building.

Project Location/Address

107-111 Main Street

Sponsor

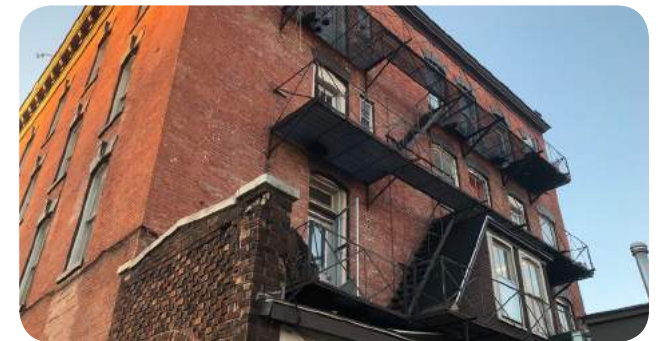
Steve Wineburg

Strategies

- Invest in downtown destinations for residents, workers, and visitors, and to attract new businesses and residents; and
- Promote the adaptive reuse of underutilized buildings in the downtown for mixed use development including market rate housing.

Public Support

The sponsor has public support for this project, as individuals and corporations have been actively looking for middle to upscale apartments in the downtown area. Currently most housing in the City of Cortland is either student housing or low income housing.



Existing building

Jobs Created (does not include construction jobs)

Potential jobs created on a long-term basis will include 1-3 building managers and 4-6 potential employees in the commercial space over time.

Ownership of Property

Sponsor-owned. The Sponsor intends to transfer the property to an LLC wholly owned by the Sponsor upon project approval.

The sponsor has significant commercial real estate experience as an investor and lessor in many investment properties. Sponsor owns this property (107-111 Main Street) which has 6 units plus 1 commercial retail store front, as well as a year-round residential rental property on Little York Lake (1837 Mountainview Drive, Homer, NY 13077) which has consisted of 3 buildings and 6 apartments since 2001.

Acquisition of Real Property

N/A

Anticipated Revitalization Benefits

This project is critical to the revitalization of the downtown district. This building location is visible to traffic both entering and leaving the downtown area and should be viewed as a cornerstone of any downtown initiative. This project is intended to renovate, update and secure the structure of one of the oldest non-changed buildings in downtown Cortland. The building is on one of the busiest corners in the county and the busiest corner in the district. This project will afford immediate economic benefits to the community from the construction financing and by up to 18 new young professional residents that will eat, shop, and spend disposable income. This property is a showplace property for downtown, and its overall appearance is a reflection of the economic and environmental health of the community.



Precedent image of upscale apartment

Future Use of Structure

Mixed-use: First floor-continued use by lessee Bernards as commercial tenant; second, third, and fourth floor will house 9 residential luxury apartments.

Project Budget

\$424,429 – Sponsor will provide the remaining funds through pre-approved financing at NBT bank (\$127,329)

- General Conditions - \$15,790
- Demolition - \$41,460
- General construction (masonry, concrete, wood, plastic, furnishings) - \$176,845
- Roof - \$48,000
- Window restoration - \$49,500
- Contractor overhead/profit - \$26,527
- 20% Contingency - \$66,317

Feasibility and Cost Justification

Estimated annual rental income for the nine luxury apartments will be \$108,000. The DRI funding will significantly reduce debt service and in turn will bring the return on investment to a reasonable number of years.

Regulatory Requirements

Historic Preservation Committee, code enforcement, building permits, and SHPO approval

Timeframe for Implementation and Project Readiness

- Design/Engineering Plans – 4 months;
- Permits – 4 months;
- Construction – 2 years, phased.

Project Reporting

A professional project manager will be retained with full reporting anticipated to the DRI committee during construction. Reporting will include new employee hires as occurring, number of new tenants added as occurring, income strata of tenants reported with same, to occur on a quarterly basis.



Existing building