

STATE OF NEW YORK
DEPARTMENT OF STATE

ONE COMMERCE PLAZA
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ALBANY, NY 12231-0001
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KATHY HOCHUL
GOVERNOR

ROBERT J. RODRIGUEZ
SECRETARY OF STATE

January 3, 2023

Don Lasher
Capstone Real Estate Development LLC
100 Savannah Street
Rochester, NY 14607

RE: DOWNTOWN REVITALIZATION INITIATIVE

Dear Don Lasher:

Congratulations! The projects listed below, included in Newark's Downtown Strategic Investment Plan, were selected to receive funding through the \$10M Downtown Revitalization Initiative (DRI).

Create the Newark Regional Health and Wellness Center -- \$3,340,000

Repurpose a large, underutilized site on the Erie Canal into a vibrant center of activity, providing up to 25 new jobs, and a much needed community space for residents. Elements of the project include medical offices, an indoor track and other sports facilities, and a community flex space.

Redevelop the Historic Former Newark Hospital Building -- \$795,000

Restore the former Newark hospital into mixed-income apartments.

A representative of the Downtown Revitalization Initiative team will contact you in the near future regarding these projects and the contracting process. In the meantime, if you have any questions at all, you may contact Samantha Aldrich by email (Samantha.Aldrich@dos.ny.gov) or phone (716-847-7114).

We look forward to working with you on your contributions to further the revitalization of the downtown area.

Sincerely,



Robert J. Rodriguez
Secretary of State



**Department
of State**



March 1, 2024

Mr. Don Lasher, CEO
105 Norton Street LLC
100 Savannah Street
Rochester New York 14607

Dear Mr. Lasher:

On behalf of New York State and Empire State Development, please let me express my enthusiasm for working with you and 105 Norton Street LLC to create the Newark Regional Health and Wellness Center in Newark, New York State.

As we understand the project, 105 Norton Street LLC will repurpose a large, underutilized site on the Erie Canal in Newark, Wayne County, into a vibrant center of activity, providing up to 25 new jobs, and much needed community space for residents. The project will include medical offices, an indoor track and other sports facilities, and a community flex space.

To encourage you to proceed with this project, we are offering 105 Norton Street LLC incentives valued at \$3,340,000 (DRI award).

Please review the attached Incentive Proposal to see how New York State and Empire State Development are prepared to assist 105 Norton Street LLC with its project located in the Finger Lakes Region of New York State. If you choose to accept our offer, please acknowledge your decision by endorsing the last page of the attached proposal and returning one copy to me and one copy to Glendon McLeary, Vice President and Director of Loans & Grants, by May 2, 2024.

Please be advised that your project requires environmental review under the State Environmental Quality Review Act (SEQRA), and therefore, will require SEQRA documentation as described in the "Environmental, Historic, and Smart Growth Review Requirements" section of the Incentive Proposal.

Additionally, the project has been determined to involve a building that may be eligible for listing on the State or National Register of Historic Places, and therefore, must be evaluated by the State Historic Preservation Office (SHPO) of the New York State Office of Parks, Recreation and Historic Preservation in accordance with Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. Before commencing any work, please initiate the SHPO consultation process by following the instructions as described in the "Environmental, Historic, and Smart Growth Review Requirements" section of the Incentive Proposal and provide proof of SHPO Consultation Project Submission along with the endorsed Incentive Proposal. Please contact Soo Kang, Eram Qadri, or Nicole Francis of Planning & Environmental Review at (212) 803-3253/3141/3132 if you have any questions.

We look forward to working with you on this exciting project and can be reached at Greg Parker, 585-399-7056 at your convenience.

Very truly yours,

Greg Parker, EDPS II

cc: Glendon McLeary



DOWNTOWN REVITALIZATION INITIATIVE PROPOSAL

105 Norton Street LLC

March 1, 2024

This **Incentive Proposal** outlines the general terms and conditions of the incentive package being offered by Empire State Development ("ESD")* to 105 Norton Street LLC to assist with its project in Newark, Wayne County. This offer is subject to the availability of funds, completion of any applicable (1) non-discrimination and contractor diversity, (2) environmental and historic and (3) smart growth review requirements, approval by the ESD Directors, applicable statutes, and compliance with program requirements.

* The New York State Department of Economic Development and the New York State Urban Development Corporation, d/b/a Empire State Development, are collectively referred to as ESD.

I. GENERAL INFORMATION

- | | |
|--|---|
| a) Recipient Name: | 105 Norton Street LLC |
| b) Contact Information: | Don Lasher, CEO
105 Norton Street LLC
100 Savannah Street
Rochester, New York 14607
Phone: 585-546-6459
E-mail: don@capstonered.com |
| c) Project Location(s): | 105 Norton Street
Newark, New York 14513 |
| New York State Empire Zone: | N/A |
| d) Type of Business: | Wellness Center |
| e) Number of Full-time, Permanent Employees at all NYS Locations as of Today's Date: | N/A |
| f) Number of Full-time, Permanent Employees at Project Location(s) as of Today's Date: | N/A |
| g) Number of Part-time or Seasonal Employees, or Full-time Contract Employees at Project Location(s) as of Today's Date: | N/A |

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II. PROJECT SPECIFICS

- a) **Project Description:** Create the Newark Regional Health and Wellness Center.
- b) **Estimated Schedule:** Begin: December 15, 2022
Complete: December 2027
Estimated ESD Directors' Approval: January 2028

III. PROJECT BUDGET

You have informed us that the following costs will be incurred to complete this project. It is understood that these costs are estimates, based on the best information available to date. If these figures change, please inform your ESD contact as soon as possible.

Real Estate Acquisition:	\$2,040,000
Construction / Renovation:	\$9,535,415
Infrastructure / Site Work:	\$3,242,593
Furniture, Fixtures, and Equipment:	\$1,334,560
Consulting/Professional Services:	\$424,500
Other Project Costs:	\$125,000
Total Estimated Cost:	\$16,702,068

IV. Downtown Revitalization Initiative – Capital Grant – Project # 137,546

- a) **Amount:** \$3,340,000
- b) **Use of Funds:** Reimbursement for a portion of construction costs.
- c) **Requirements:** Funds will be disbursed in lump sum upon project completion, as described in Sections II and III above and as evidenced by attainment of a certificate of occupancy and/or other documentation verifying project completion as ESD may require, and documentation verifying project expenditures of \$16,702,068.

All disbursements require compliance with program requirements and must be requested by no later than April 1, 2028. Expenditures incurred prior to December 15, 2022 are not eligible project costs and cannot be reimbursed by grant funds.

The Grant is being offered in connection with the project as described in the Downtown Revitalization Initiative plan and that funds will only be made available for projects that are undertaken as described in the Downtown Revitalization Initiative plan, except as expressly authorized by ESD.

- d) **Recapture:** Grant funds will be subject to *pro rata* recapture if property is sold within 5 years of disbursement of funds.

If the project recipient indicates that the project will not go forward at any time, the funding may be recaptured and may be applied to another project in the same DRI area at the discretion of ESD. DRI funds are available only for projects within the DRI target area.

If the community lacks capacity to manage the project, the ESD may, where appropriate provide additional oversight of the implementation of the project or recapture the funds and redirect them for a purpose consistent with the law.

- e) **Signage:** All construction projects must display a Downtown Revitalization Initiative sign. A template will be provided.
- f) **Decarbonization Strategies** Upon acceptance of this Incentive Proposal, Recipient agrees to incorporate decarbonization into the funded project to the extent required by DRI program guidelines. Prior to moving forward with construction, Recipient will submit

project design and construction documents related to decarbonization efforts to the New York State Department of State (DOS) for compliance path review. Upon construction completion, Recipient will submit all as-built documents and required documentation supporting the decarbonization compliance path to the DOS. Recipient must receive verification from the DOS that all decarbonization requirements have been satisfied prior to receiving reimbursement under this agreement.

General Requirements

- **Fees:**

The Recipient will reimburse ESD for any direct expenses incurred in connection with this project, including costs related to holding a public hearing, attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, and other requirements deemed appropriate by ESD.

- **Non-discrimination and Contractor Diversity:**

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to this project. The Recipient shall be required to use "Good Faith Efforts," pursuant to 5 NYCRR §142.8, to achieve an overall Minority and Women-owned Business Enterprise ("MWBE") participation goal of 30% (\$1,002,000) related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project. A further explanation of the MWBE requirements is attached hereto.

The Recipient is encouraged to use "Good Faith Efforts," pursuant to 9 NYCRR §252.2(m), to utilize NYS-certified Service-Disabled-Veteran-owned Business Enterprises ("SDVOBs") in the execution of the grant. Any utilization of SDVOBs would be in addition to goals established pursuant to Article 15-A of the Executive Law with respect to MWBEs. Should SDVOBs be utilized, a further explanation of the SDVOB reporting requirements is attached hereto.

- **Environmental, Historic and Smart Growth Review:**

Please note in particular the Environmental, Historic and Smart Growth Review requirements at the end of the attached document, which, if applicable, must be satisfied prior to ESD Directors' approval of funding. The ESD Planning & Environmental Review office may contact your office for further information regarding status of the environmental, historic and smart growth review for your project.

- **Environmental Sustainability:**

ESD encourages the environmentally sustainable practice of recycling construction and demolition debris rather than disposition in a landfill.

- **Insurance Requirements:**

The Recipient shall maintain Commercial General Liability Insurance providing both bodily injury (including death) and property damage insurance in a limit not less than One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) aggregate and Three Million Dollars (\$3,000,000) umbrella. In addition, if the grant contemplates the purchase, construction or renovation of any buildings or equipment, the Recipient shall keep the buildings at the Project Location and the building equipment insured against: (i) loss by fire, (ii) additional perils customarily covered under an all-risk policy and (iii) flood hazard, if the Project Location is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, as amended.

- **Modification:**

ESD reserves the right to review and reconsider project and property selections in the event of material changes in the project plans or circumstances.

- **Reservations of Rights Concerning Funding Commitment:**

It is expected the project will proceed in the time frame set forth by the Applicant. If the implementation of a project fails to proceed as planned and is delayed for a significant period of time and there is, in the exclusive judgment of ESD, doubt as to its viability, ESD reserves the right to cancel its funding commitment to such project.

- **Next Steps After Accepting this Incentive Proposal:**

Within approximately 30 days of your acceptance of this Incentive Proposal, your Project Manager will acknowledge receipt of the signed Incentive Proposal and will provide a guide to the ESD Approval and Disbursement Process and relevant contact information. Prior to ESD Directors' approval, ESD will require updated project information and Declarations and Certifications. Please note that ESD Directors' approval typically occurs at project completion.

VI. SUMMARY

Total ESD Assistance: **\$3,340,000**

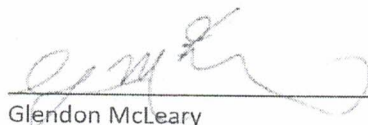
Expiration of Proposed Offer:

This proposal expires May 2, 2024, unless endorsed below and received by ESD prior to the expiration date.

Expiration of Accepted Offer:

Project initiation may be delayed up to one year from Incentive Proposal execution for good cause. However, if a project is delayed for a longer period of time, the state reserves the right to recapture the funding for use on another project consistent with the law. ESD reserves the right to require Recipient to provide any additional information and/or documentation ESD deems necessary.

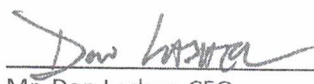
APPROVED BY:



Date: March 1, 2024

Glendon McLeary
Vice President and Director of Loans & Grants
633 Third Avenue
New York, NY 10017
Phone: (212) 803-3658

ACCEPTED BY:



Date: MARCH 5th 2024

Mr. Don Lasher, CEO
105 Norton Street LLC
100 Savannah Street
Rochester New York 14607
Phone: 585-546-6459

* Please see the following Affirmation page, which must be completed, signed and notarized for this Incentive Proposal to be considered accepted.

Revised 4/20/2023

AFFIRMATION

STATE OF NEW YORK)
) ss.:
COUNTY OF)

The Undersigned, being duly sworn, deposes and says:

1. I, _____, am the _____ of _____ (the "Recipient"), a corporation [limited liability company] that is duly organized and validly existing under the laws of _____, and is authorized to do business and is in good standing in the State of New York.
2. I have read and know the contents of the Incentive Proposal prepared by the New York State Urban Development Corporation d/b/a Empire State Development ("ESD") dated the ____ day of _____, 20__.
3. I have reviewed all of the information provided by the Recipient to ESD to assist in ESD's preparation of the Incentive Proposal, including information provided on Recipient's behalf by third-party consultants
4. I know all of the information provided by Recipient or its third-party consultants to be true and complete in all material respects. To the extent such information involves projections about future performance, these projections have been prepared in good faith, based upon reasonable assumptions.
5. Recipient did not make a decision to undertake the project described in the Incentive Proposal prior to Round 5: December 15, 2022.
6. Recipient hereby accepts the terms of the Incentive Proposal.
7. Receipt of the Incentive Proposal was a material factor in Recipient's decision to undertake the above-referenced project.
8. Recipient agrees to allow the Department of Taxation and Finance to share Recipient tax information with Empire State Development.
9. Recipient authorizes the Commissioner of Labor to disclose, to employees of both the New York State Department of Labor, the New York State Department of Economic Development, and the Urban Development Corporation, (dba Empire State Development), all records filed by the Recipient in making Unemployment Insurance (U.I.) reports and contributions required by State Labor and Tax Law, including, but not limited to, all information contained in or relating to the quarterly combined withholding, wage reporting and U.I. returns, the registration for U.I., the New Hire file, and all records of U.I. delinquencies. In addition, this authorization shall include all information contained in any survey reports requested by the Department of Labor on behalf of the U.S. Department of Labor, Bureau of Labor Statistics including, but not limited to, the Current Employment, Occupational Employment, multiple worksite, and annual refiling surveys. The use of information and records released pursuant to this authorization shall be limited to government purposes concerning the Recipient and assistance described in this incentive proposal to monitor compliance with worker protection laws and with the conditions and requirements associated with the financial assistance being requested.
10. Recipient certifies, under penalty of perjury, that the Recipient is in substantial compliance with all environmental, worker protection, and local, state and federal tax laws.

Signature

Subscribed and sworn to before me
this ____ day of _____, 20__

Notary Public