



## PROJECT 2: CREATE THE NEWARK REGIONAL HEALTH & WELLNESS CENTER

**DRI FUNDING REQUEST:** \$4,340,000

**TOTAL PROJECT COST:** \$16,702,068

### PROJECT DESCRIPTION

The proposed Newark Regional Health & Wellness Center project will be constructed on the site of the vacant IEC Electronics facility at 105 Norton Street. The 235,000 square foot former IEC Electronics facility will be demolished and a new, approximately 89,928 square foot Regional Health & Wellness Center will be constructed at the site by Capstone Real Estate Development. Capstone will own and maintain the building and site.

The Village of Newark will lease and operate 70,928 square feet for a regional recreation facility that will include an indoor track, athletic turf fields, a basketball court, locker rooms, and community/flex spaces. Approximately 3,000 square feet of the facility will be leased by a local physical therapy practice. An additional 16,000 square feet of space will be leased by a regional health care organization for primary care/family medicine, orthopedics, endocrinology and potentially urgent care and lab services. There will also be space available for childcare and outdoor recreation facilities and activities.

The indoor track and field facility will address the limited supply of suitable indoor spaces for Section V high school athletic programs, which include 125 track and field teams in the Finger Lakes and Southern Tier. Also, the facility will replace an obsolete and undersized community center that provides inadequate recreational opportunities for the local community.

More importantly, this transformative project will repurpose a vacant, underutilized site on the canal waterfront into a vibrant anchor of activity. There will also be synergies with the nearby proposed Newark Canalside Hotel and the Newark Port upgrades, as the center will attract visitors to the area that will require hotel rooms and outdoor recreational amenities.

## PROJECT LOCATION/ ADDRESS

105 Norton Street

## PROJECT SPONSOR

Capstone Real Estate Development, LLC is the project sponsor.

## PROPERTY OWNERSHIP

Capstone Real Estate has an agreement with IEC Electronics Corp. (the current property owner) to purchase the property.





## CAPACITY

Capstone Real Estate Development LLC has worked on several similar-sized projects throughout the region, including redevelopment of the former Sarah Coventry campus and construction of a new 150,000 square foot manufacturing facility for IEC Electronics south of downtown Newark. Capstone has also recently completed the Factory 243 mixed-use development project in Canandaigua, New York.

Capstone's success is partly due to their relationships with suppliers and banks, which he leverages to obtain competitive pricing and financing. In addition, Capstone Construction Services will perform all the work as a general contractor which reduces costs and time to complete projects.

## PROJECT PARTNERS

Project partners include:

- Capstone Real Estate Development LLC will be the project developer
- The design team engaged by Capstone Real Estate Development will include CJS Architects, Picard Engineer (Mechanical Engineering), and Thornton Engineering, P.C. (Civil Engineering).
- Capstone Construction Services will construct the building as the general contractor
- The Village of Newark will rent space from Capstone Real Estate and operate the recreation center
- A local physical therapy practice and regional health organization will also rent from Capstone and manage two additional tenant spaces

## STRATEGIES

The project aligns with the following DRI goals and strategies:

- Provide indoor and outdoor regional recreational facilities
- Upgrade and develop medical facilities to improve the health of citizens
- Repurpose underutilized properties with new buildings and world-class public spaces

The project also aligns with the following Finger Lakes Regional Economic Development Strategic Plan goals and strategy:

- Reinforce the identity, sense of place, and character of the area through downtown redevelopment, adaptive reuse of existing buildings and infrastructure, and historic preservation.

## ANTICIPATED REVITALIZATION BENEFITS

The project will result in the following benefits:

### SHORT-TERM

- An initial investment of over \$16.7 million into the Village core for new building construction
- Increased recreational and fitness opportunities for the local population
- Enhanced practice facilities for local school athletes and other professional athletes
- Spaces large enough to hold other non-sports events
- Meeting spaces for events
- Up to date childcare facilities

### MID-TERM

- Accessible healthcare for a broad base of the population

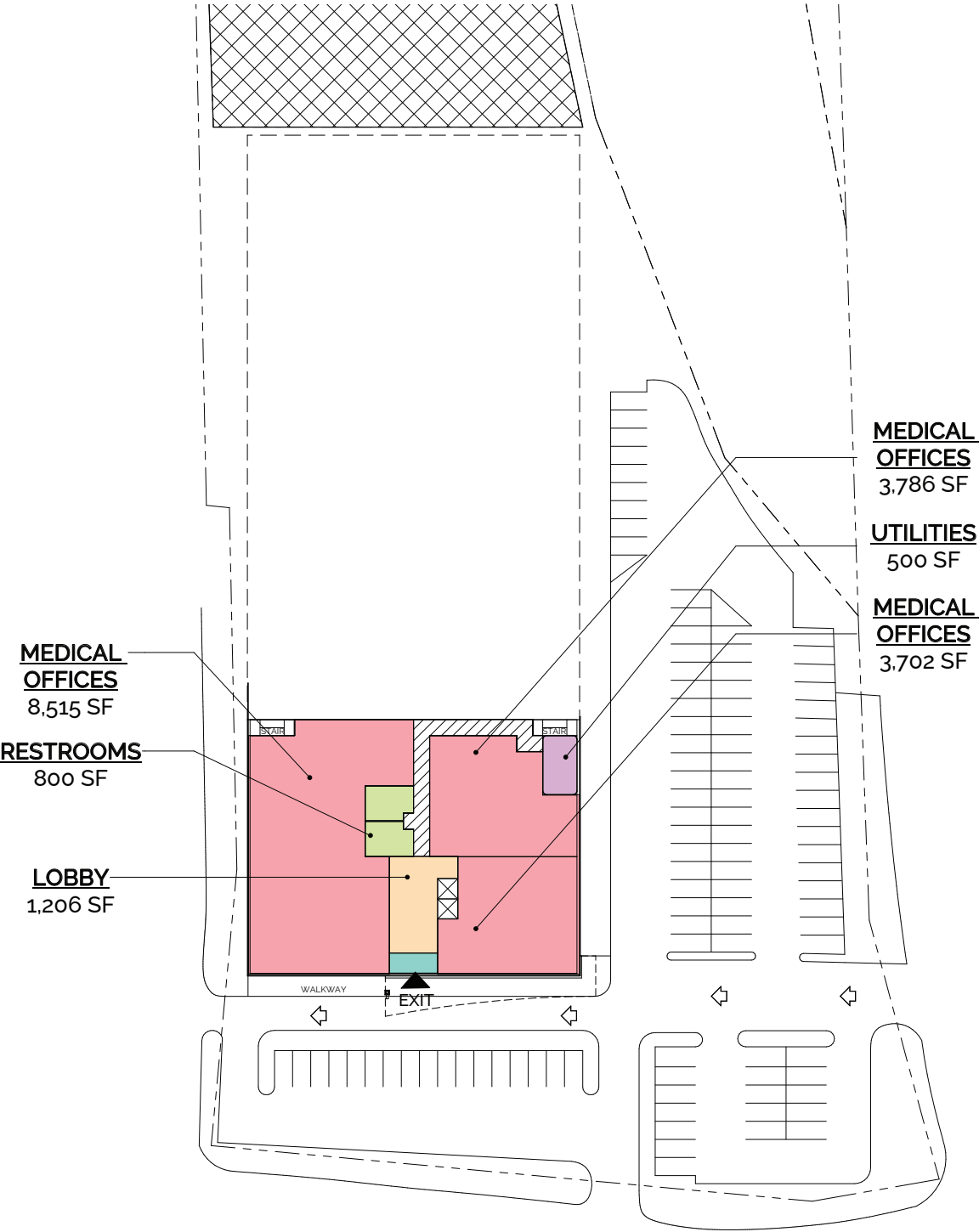
### LONG-TERM

- Twenty-five (25) new permanent jobs created
- Attract regional athletic events and corresponding tourists from outside the area

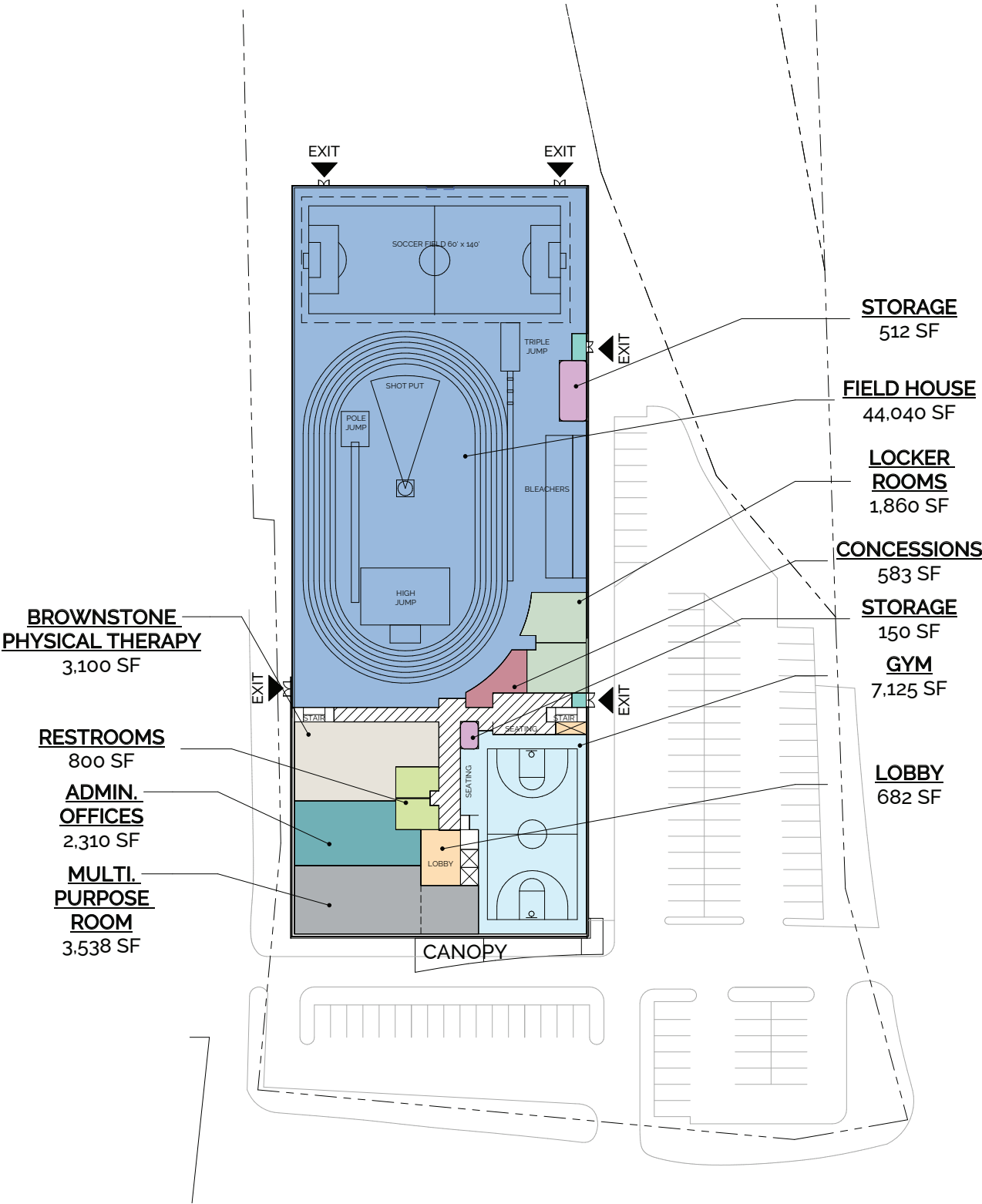
## PUBLIC SUPPORT

Throughout the public engagement process, the community has been enthusiastically supportive of the Health & Wellness Center project. Some of the reasons for the support include benefits to all segments of the population from toddlers to seniors, fills a gap in needed services, and its catalytic impact.

# LOWER LEVEL PLAN



# UPPER LEVEL PLAN



## **JOBS CREATED**

An estimated 25 jobs in total will be created and retained for the three distinct uses proposed for the center.

## **FEASIBILITY & COST JUSTIFICATION**

The cost estimate for this project was developed jointly by CJS Architects, Capstone Development, and LaBella Associates. Cost estimates were based on recent bid results for similar projects and current material prices. Cost estimates also accounted for the requirements, and time needed, to satisfy state funding agencies.

Two pro-formas were provided for the project. A real estate pro-forma for the building was developed by Capstone Real Estate Development and demonstrated that the project will generate a reasonable financial return that increases over a 10-year period. The Village has also developed a separate operations pro-forma for the recreation center that illustrates project revenues from facility rentals by Section V schools and other organizations will cover project expenses.

The impact of the DRI award will be transformational for downtown Newark and the Finger Lakes region. The facility will host more than 20 meets and 500 hours of practices annually, which will bring in hundreds of students, and their families, to downtown Newark. The facility patrons and their families will require overnight stays that will generate demand and revenue for the proposed Canalside hotel.

Likewise, the facility will provide benefits to the local community. Residents in the region will benefit from expanded recreational and sports training opportunities. This project is especially important for the Village as the project is located in an underserved, low-income neighborhood and residents there will benefit from improved recreational amenities within walking distance of their homes.

## **REGULATORY REQUIREMENTS**

The applicant will need to take the following steps to obtain approval to proceed:

- Local Planning Board Site Plan Review and approval
- County 239M review and approval
- Local Building Permit
- State Historic Preservation Office archaeological review and no adverse impact finding.
- SEQR approval

## **TIMELINESS & READINESS**

The project has an overall timeline of 2 years from DRI award (Winter 2022) to construction completion (Winter 2024)

- DRI Award: Winter 2022
- Design and approvals: 6 months
- Construction: 18 months
- Construction completed: Winter 2024

## **DECARBONIZATION STRATEGIES & BENEFITS**

Since this a new building, it will meet the New York Stretch Code by incorporating comprehensive decarbonization strategies including:

- Energy recovery ventilation systems
- Building and mechanical system insulation
- Energy efficient windows
- Occupant sensor controls in select areas
- Exterior lighting controls
- Electrical monitoring system
- High-efficiency HVAC system and water-heating system

The costs of these proposed energy efficiency measures have been included in the total cost.

## PROJECT BUDGET & FUNDING SOURCES

DRI funding is pending upon inclusion on the Awarded DRI projects from the State of New York. DRI funding will primarily be utilized to help fund the construction costs for the project, including the shell of the building and interior improvements for the recreation facility and physical therapy office. The interior of the medical facility will be completed by a regional health organization. Capstone had submitted a bank letter from Canandaigua National Bank & Trust indicating that they are willing to favorably consider construction and permanent financing for the project. Capstone will also be submitting funding applications to RG&E for electrical work and Restore NY for building demolition. ARPA funding from the Village and a community capital campaign will help fund the project also. Pro-formas for the building and operation of the programming have been completed.

Uses	Cost	Source
Construction	\$4,340,000	DRI Award
	\$6,481,243	Bank Loan
	\$500,000	RG&E
	\$2,000,000	Restore NY
	\$1,000,000	ESD Capital
	\$530,000	Capital Campaign
	\$470,000	ARPA Funding
Permitting/ Inspections	\$197,800	Bank Loan
Design	\$351,700	Bank Loan
Construction Administration	\$831,325	Bank Loan
<b>Total Uses</b>	<b>\$16,702,068</b>	

Source	Cost	Status of Funds
DRI Funding	\$4,340,000	Pending
Restore NY	\$2,000,000	Pending
ESD Capital	\$1,000,000	Pending
RG&E	\$500,000	Pending
ARPA Funding	\$470,000	Secured
Capital Campaign	\$530,000	Pending
Permanent Bank Loan	\$7,862,068	Pending
<b>Total Sources</b>	<b>\$16,702,068</b>	

Total Funding Sources	Cost
Total DRI Funds Requested	\$4,340,000
Total Funds from Other Sources	\$12,362,068
Total Project Cost	\$16,702,068



## EXISTING CONDITIONS



## FUTURE CONDITIONS

