

ADDITIONAL INFORMATION

CROSSROADS BUILDING

The Town Board of LaFayette mailed a survey to its residents, asking them for their preference of options being considered for the Crossroad Building, the vacant building located on the southeast corner of US Routes 11 and 20. The following is additional information gained by the Town in the course of developing the options, which residents may find helpful when considering their preference.

How did the Town get to these options?

There are two properties, both a little more than 0.1 acres, one with the Crossroads Building and the other vacant, as roughly depicted here. Last year, the Town purchased the properties using Federal ARPA funds with the intent to redevelop the properties as an aesthetic improvement to the LaFayette Hamlet. The Town conducted an environmental assessment of the properties that determined petroleum-impacted soil existed on the properties. A soil remediation program was conducted in 2022 with the oversight of NYSDEC and is close to successful completion. The remediation was funded by a County grant earmarked for these properties.



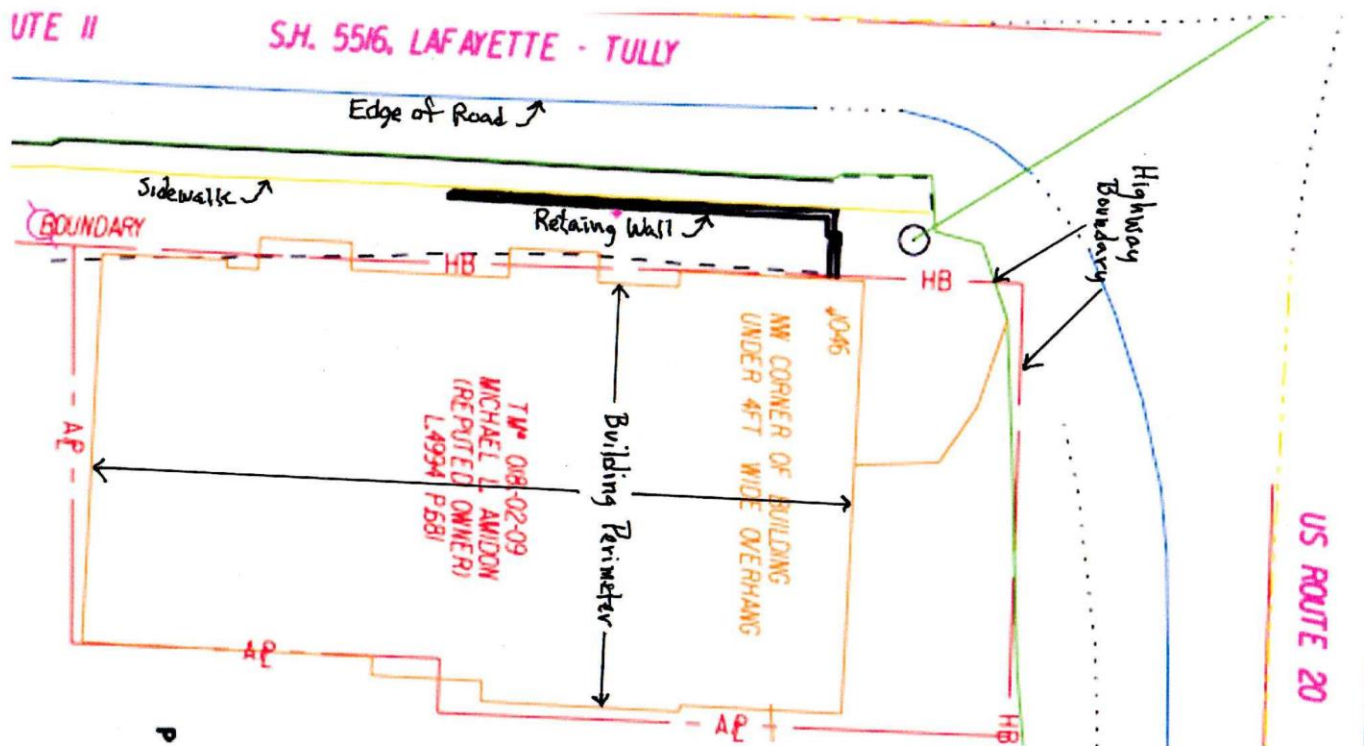
Initially, the Town Board considered demolishing the building and replacing it with a park. In May 2022, the Town Board conducted a community survey and learned there was possible interest in rehabilitating the building. Therefore, the Town acquired professional assistance and retained the services of Hanover Real Estate Development LLC (Hanover) to study the feasibility of rehabilitation.

Is the Rehabilitation option feasible?

Hanover presented the results of their study at the Town Board May 2023 meeting, concluding that of the three commercial uses of the building that it studied, it is most feasible to rehabilitate the building into an inn and restaurant. Hanover provided a cost estimate for turn-key rehabilitation, as well as market and financial analyses. Hanover expressed their interest in managing the rehabilitation construction and owning and operating the restaurant/inn.

Hanover's feasibility conclusion is based on the following conditions:

1. The Town to be awarded an additional \$2.4M in NYS and Onondaga County grants (for total of \$2.7M in grants).
2. The Developer to pursue and be awarded historic tax credits of \$1M. Hanover hired an expert to conduct preliminary steps toward NYS historic preservation designation, which resulted in the building being removed from the ineligible list.
3. The Town and Developer to pursue the final \$0.4M in funding gap. Given the high level of government backing (\$2.7M) and the Developer's own investment (\$1.6M), according to Hanover, this funding gap is expected to be covered.
4. Additional off-street parking is needed since the conceptual design identified only 9 on-site parking spaces out of the required 50 spaces, or else the Town would need to grant a variance. There are additional off-site and off-street parking that will need to be pursued.
5. Hanover hired an expert to evaluate wastewater options. They concluded the best approach would be an on-site waste-water treatment system, which received preliminary acceptance by the County Department of Health. However, the official approval would be approval of a permit.
6. A zoning variance is required for the inn.
7. A NYSDOT use & occupancy permit will be required due to NYSDOT right-of-way on the property.



To date, only Condition 1 has been met because the Town received and is expecting to receive \$2.7M in NYS and County grants. All the other six conditions will be worked on if and when, the Town Board decides to pursue rehabilitation.

Why haven't the conditions for rehabilitation been resolved by now?

Once a developer agreement is reached, the developer and Town would work together to resolve the rehabilitation conditions. The Town cannot negotiate such agreement with Hanover or other interested developers because it needs to first form a Local Development Corporation (LDC) to purchase the properties from the Town, and to thereafter conduct the negotiations. Members of the LDC would likely be some or all Town Board members. Since it would cost approximately \$7k for the Town to form the LDC, the Town Board will first decide which option to pursue. If it decides to pursue rehabilitation and to remain cost-neutral to the taxpayers of LaFayette, the LDC cost (as well as all closing costs) would have to be reimbursed from the sale of the property.

An agreement with the developer would need to build in protection of the Town's interests if the developer fails to deliver the rehabilitation project as expected. Other scenarios that would also need to be considered are those that would pose risks to the Town, such as restricted options for a designated historic building if ever the Town were to take possession of it again in the future.

What are the costs for the options?

The table below summarizes the two current options. The cost to build includes all costs to create a park or a turn-key restaurant/inn. The costs are based on the conceptual designs shown in the survey's renderings and were developed by professionals retained by the Town. Cost estimates were provided by the Town Assessor, Town Attorney, Town Bookkeeper, Town Engineer, and Hanover.

The cost for the park assumes the park and parking lot, as shown in the renderings, consisting of benches, picnic tables, gazebo, lighted flagpole, trees, paver walkway, retaining wall, stairs, wrought iron rail, and electronic sign. The Town would own the park and be responsible for contracting to demolish the building and constructing a park. Two County grants will cover these costs. The Town would pay to maintain the park going forward at the estimated cost to taxpayers shown in the summary table below.

For the rehabilitation option, the Town would sell the properties to an LDC which in turn would enter into an agreement with a developer to own and operate the building. The developer would be responsible for all costs to build and to secure the balance of funding needed above the grants secured prior to the sale. The Town would assist the developer. Therefore, there will be no cost to taxpayers and, pending a future negotiation on a purchase price, there may be relief to taxpayers, as estimated in the summary table below. There would be no annual costs to the Town, but there may be new revenue from the building's Town and School property taxes.

Summary

Over the past 18 months, the LaFayette Town Board developed two feasible options for the Crossroads Building and now wants input from their fellow residents on the options and what other ideas they may have. The last day of the survey is December 22.

Both options are not expected to cost the Town's taxpayers to construct. There is a minor cost to maintain the park each year and there may be new tax revenues from the rehabilitated building.

If rehabilitation is selected by the Town Board as the preferred option, it will be predicated on the condition that the LDC can negotiate a sale and development agreement that accepts no costs for the Town taxpayers both through the construction and operation of the rehabilitated building. As specified above, there are other conditions to be met, which the LDC and developer would pursue together. If an agreement and the conditions cannot be achieved, the Town Board will reconsider its decision.

Summary of Options

	Demo / Park	Rehab / Restaurant & Inn ^a
	(estimates as of Nov 2023)	(estimates as of May 2023)
Owner	Town	Developer
Estimated Cost to Build^b	\$704,000	\$5,872,000
Estimated Available Funding	100%	100% ^c
Estimated Cost to Taxpayers		
1-Time Cost (\$/\$100k assessed)	\$0	\$0
Annual Cost (\$/\$100k assessed)	\$2	\$0
Estimated Construction Schedule	6-12 months	6-36 months
Conditions (see <i>Additional Information</i> for detail)	none	Successful negotiation with developer/buyer Obtain \$1.4M additional funding Additional off-street parking or variance Obtain permit approval of on-site sewage treatment Obtain variance for inn Obtain NYSDOT row permit

^a Restaurant and inn are the current proposed commercial use of the building, as determined to be most feasible by Hanover Real Estate Development LLC. The ultimate commercial use may be different, provided it is agreed upon to the Town and its grantors.

^b Park: demolition & construction of park as shown in the rendering.
 Rehab: renovation, infrastructure/site prep, engineering, consultants, furniture/fixtures, financing.

^c Provided the conditions listed below are met.