

OFFICE OF THE MAYOR
Telephone: (716) 286-4310

November 8, 2018

The City Council
Niagara Falls, New York

*RE: Redevelopment of City owned properties located at 550 Main Street,
557 – Third Street, 561 – Third Street, 565 – Third Street, 569 – Third Street,
and 571 – Third Street (the “Premises”)*

Council Members:

The City acquired the above referenced Premises as a result of plea negotiations with the U.S. Attorney's Office at no cost to the City. The Premises is sometimes referred to as the Cannon block. In September of 2017, the Department of Economic Development circulated a Request for Proposals ("RFP") to redevelop the Premises.

Two proposals were received by the City in response to the RFP. Both were scored pursuant to the process described in the RFP. A copy of the RFP is attached hereto.

The proposal submitted by Penn Terra – USRE Corp. ("Penn Terra") scored the highest and it is therefore requested that the City Council authorize the designation of Penn Terra as the "Preferred Developer" for the Premises. Attached hereto is a copy of the proposal submitted by Penn Terra.

In addition to designating Penn Terra as the Preferred Developer, it is requested that the City Council authorize the Mayor to negotiate with Penn Terra the terms and conditions of a sale and purchase and development agreement which will contain the terms of the development of the Premises. At such time as the terms and conditions of the sale and purchase and development agreement are finalized, that proposed agreement will be presented to the City Council for review with a request for authorization for the Mayor to execute it. A review and recommendation from the Planning Board will precede such a request. It should be noted that the City applied for and obtained a \$2,000,000.00 Restore NY Grant to assist in the redevelopment of the Premises. One of the terms of the sale and purchase and development agreement with Penn Terra will be the assignment to Penn Terra of this Restore NY Grant.

It is anticipated that Penn Terra may request access to the Premises so that it may conduct its due diligence in an effort to move the project along. If that request is made, will the Council authorize such access to the Premises and authorize the Mayor to execute an early access agreement in form and content satisfactory to the Corporation Counsel?

Will the Council approve the requests contained herein and authorize the Mayor to execute any agreements in this regard that are satisfactory in form and content to the Corporation Counsel?

Respectfully submitted,

PAUL A. DYSTER
Mayor

Kennedy _____ Scott _____ Tompkins _____ Voccio _____ Touma _____