

NIAGARA FALLS URBAN RENEWAL AGENCY
Minutes of Meeting September 12, 2016
City Hall – 745 Main Street
Niagara Falls, New York

Present: Mayor Paul Dyster, Chairman
Council Member Tompkins
Council Member Andrew Touma
Mr. Michael Hooper
Ms. Janet Markarian
Mr. Christopher Robins

Absent: Council Member Ezra Scott
Council Member Grandinetti
Council Member Charles Walker
Ms. Doreen O'Connor

Staff
Present: Mr. Anthony Vilardo
Ms. MaryAnn Colangelo

Others
Present: Mr. Tom DeSantis
Mr. Joseph Collura
Mr. John Bordynuik

Chairman Dyster called the meeting to order at 4:45 p.m. Roll was called and a quorum was present (6 members).

Approval of Minutes of Special Meeting:

The Minutes of Meeting dated July 18, 2016, were put before the Board. There were no questions or comments concerning the minutes, a motion for approval of the minutes was made by Mr. Robins, second made by Council Member Touma. The minutes were unanimously approved by voice vote (6) members.

Resolution – NFURA Approval of Lease with Right of First Refusal of 3625 Highland Avenue:

Mr. Vilardo and Mr. DeSantis gave a positive update on the rehabilitation work taking place at 3625 Highland Avenue. Work is in progress and moving along.

Mr. John Bordynuik from Sandstone Springs also gave a positive update on where they are with the Highland Avenue project. He noted that truckloads of equipment have been arriving and things are progressing. He stated the company is not quite ready to shift some of their 24th Street production over to the Highland site yet. He said they have already started hiring a couple of people and will continue to hire as new processes get up and running. He spoke at length about the positive relationship and the technical and office equipment donations Sandstone has received from George Washington University, and well as other universities.

The following Resolution was put before the Board.

RESOLUTION
NIAGARA FALLS URBAN RENEWAL AGENCY
Approval of Lease with Right of First Refusal of
3625 Highland Avenue
September 12, 2016

WHEREAS, the Niagara Falls Urban Renewal Agency (NFURA) has received a proposal from Sandstone Springs, LLC for the lease with right of first refusal for 3625 Highland Avenue and

WHEREAS, a public notice pursuant to General Municipal Law §570(2)(d) was published in the Niagara Gazette on June 6, 2016 as directed by NFURA, and

WHEREAS, on June 27, 2016 NFURA accepted Sandstone Springs, LLC as a qualified and eligible sponsor for the lease with right of first refusal for 3625 Highland Avenue and

WHEREAS, on June 27, 2016, NFURA referred the lease with right of first refusal for 3625 Highland Avenue to the Niagara Falls City Council for its approval after a public hearing and

WHEREAS, on July 11, 2016, the Niagara Falls City Council did set a public hearing for the proposed lease with right of first refusal for 3625 Highland Avenue by Niagara Falls Urban Renewal Agency to Sandstone Springs, LLC, to be held on the 25th day of July, 2016 at 6:00 PM Eastern Daylight Time, in the City Hall Chambers of the City of Niagara Falls, New York at City Hall, 745 Main Street, and directed the City Clerk to publish the required notice of said hearing in the Niagara Gazette preceding said hearing, and

WHEREAS, on July 25, 2016 the Niagara Falls City Council did hold a public hearing on the proposed lease with right of first refusal for 3625 Highland Avenue by Niagara Falls Urban Renewal Agency to Sandstone Springs, and

WHEREAS, on July 25, 2016, the Niagara Falls City Council approved the lease with right of first refusal for 3625 Highland Avenue by Niagara Falls Urban Renewal Agency to Sandstone Springs, LLC,

NOW, THEREFORE BE IT RESOLVED, that NFURA does hereby approve the lease with right of first refusal for 3625 Highland Avenue to Sandstone Springs, LLC, and be it further
RESOLVED, that the Chairman of NFURA is authorized to execute any and all documents necessary to effectuate the sale.

A motion for approval of the above Resolution was made by Council Member Tompkins, second made by Mr. Robins.

POLLED VOTE:

In Favor: 6

Opposed: 0

Approved

Third Street Parking Lot Ground Lease:

Mr. Vilardo reviewed the following memo that had been sent to the Board. Mr. Vilardo explained that this lot was located between the Jefferson, the church on 2nd Street and the Red Maple Inn. He stated that the URA has no interest in the operation or liability of the lot, as that is the City's responsibility. He stated that this approval will just allow the City to continue its ground lease.

TO: NFURA Board of Directors
FROM: Richard Zucco, General Counsel
RE: Third Street Parking Lot Ground Lease

The Agency owns the Third Street parking lot. The parcel is between 256 Third Street and the Jefferson Apartments, between Third Street and Second Street. The parcel has been operated by the City as a public parking lot. The southerly 100' x 130' portion of the parcel is under lease by the Agency to Jefferson Apartments for parking through 2026 at rent to the Agency of \$300.00 per month.

It is proposed that the Agency formally lease to the City under a ground lease the parking lot not under lease for the Jefferson Apartments. The lease will allow the City to operate a public parking lot on the parcel. The City will maintain the lot as a public parking lot and will collect and retain all parking fees. The City will indemnify the Agency against any injuries occurring on the property.

The ground lease term will be 20 years, and rent will be \$1,000.00 per year. There will be one renewal term of 20 years, and the rent for the renewal term will be \$2,000.00 per year.

The ground lease will not be assignable, and the City will not be allowed to sublease the parcel. The City will be allowed to enter into parking agreements, which agreements must not create an interest in the real property. The City will be allowed to construct and operate a public parking ramp on the site during the lease term. The City will be allowed to hire an operator for the lot or ramp.

Any commercial development on the site will require NFURA approval. The site cannot be transferred to a private entity without complying with the formal NFURA disposition procedure. Any lease of commercial space in a parking ramp will require compliance with the NFURA disposition procedure.

Pursuant to §556 of the General Municipal Law, Agency real property "may be sold, leased for a term not exceeding ninety-nine years, exchanged with or otherwise disposed of, for the effectuation of any of the purposes of the urban renewal program in accordance with the urban renewal plan, to any municipal corporation...for a valuable consideration and upon such terms and conditions as shall be approved by the governing body of the municipality, without public auction or sealed bids or public notice."

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This ground lease will formalize the informal arrangement currently existing at the site. The ground lease will allow the City to continue to operate the parking lot and to enter into parking arrangements without having to comply with the NFURA disposition process. Upon approval by the Agency, the ground lease will be presented to the City Council for approval.

Will the directors vote to approve the ground lease as described herein, and authorize the Chairman to execute any documents necessary to effectuate the same?

Motion for approval of the ground lease as described above in the distributed memo was made by made by Mr. Robins, second made by Council Member Touma.

POLLED VOTE

In Favor: 6

Opposed: 0

Approved

Mayor Dyster mentioned prior to the vote that the terms of the lease are permissive with regard to the possible construction of a ramp on the site at some point in the future. He also mentioned that we will not let parking problems interfere with future economic development. He noted that we are trying to make sure that all of our various agreements make sense in terms of possible future development of the site as well as how it is currently being used.

Old Business:

No old business was brought before the Agency.

New Business:

The Mayor mentioned that last week the City sent a group of people to the Governor's conference on sustainable development and collaborative governance. He mentioned that there is now available in one booklet, and on-line, information on all the different government programs at the State level, which is a very helpful tool.

The Mayor talked about speakers at the conference and individuals that he met with. He stated that the City did a presentation on the Robert Moses Parkway improvement project, which got rave reviews. He talked about the working groups he and other City staff participated in. He also talked about the Buffalo Erie Niagara Land bank and partners involved in the effort. He said that he felt that the URA may be able to do some of the things a land bank can do with regard to the rehabilitation of problem houses. What the land bank was doing with problem houses was purchasing the property and rehabbing it themselves and reselling it, recovering 80 to 90 percent of the investment as opposed to demolition. He stated that at some point we have to turn the corner on demolitions with gray area buildings. He stated that the City is going to investigate what URA or a Land Bank could do with its powers to help put more neglected homes back on the market. Council Member Tompkins stated that slow payments on behalf of the City are a deterrent in getting good contractor prices for rehab jobs. If payments were faster, prices would be lower.

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Members felt it was a good idea to renovate homes and make them marketable instead of demolition. The Mayor said that in addition to Buffalo, the real estate market is picking up in Niagara Falls as well. He felt that with a rising market this was a good time for a new strategic housing rehab plan and attack. He noted that strategically picking houses around the City for rehab could make a big difference to neighborhoods.

Adjournment

There being no further business, a motion for adjournment was made by Council Member Tompkins, second made by Ms. Markarian. Unanimously approved. Meeting was adjourned at 5:20 p.m.