



City of Niagara Falls, New York

P.O. Box 69, Niagara Falls, NY 14302-0069

August 4, 2017

Members of the City Council
and

Lisa Vitello, City Clerk

Council Members and Madam:

You are hereby notified of a Special Meeting of the City Council of the City of Niagara Falls, New York called pursuant to Section 3.9.b of the City Charter, to be held on Monday, August 7, 2017 at 4:00 p.m. in the Council Chambers, City Hall, 745 Main Street, Niagara Falls, New York for the following purpose:

1. Approval of Letter of Award for Installation of New Mechanical/HVAC Systems at 3625 Highland Avenue Buildings #1 and #3.
2. Approval of Consultant Services for Air Monitoring & Visual Inspection at 3625 Highland Avenue Business Park.
3. Approval of Amendment to Grant Agreement between the City and Niagara Falls Memorial Medical Center regarding Cardiac Stroke Center project.
4. Resolution relative to waiving rental fees for Willing Workers picnic.
5. Remove from the table Redevelopment of City Owned Properties located at 610, 614, 616 and 624 Niagara Street and 414-428 Seventh Street.
6. Vote on approval of Redevelopment of City Owned Properties located at 610, 614, 616 and 624 Niagara Street and 414-428 Seventh Street.

Respectfully submitted,


Charles Walker, Council Chair

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CITY OF NIAGARA FALLS
NEW YORK

August 3, 2017

TO: City Council
FROM: Mayor Paul A. Dyster
SUBJECT: LETTER OF AWARD FOR INSTALLATION OF NEW MECHANICAL/HVAC SYSTEMS AT
3625 HIGHLAND AVENUE BUILDINGS #1 AND #3

The following were the result of bids received on July 18, 2017 for the above referenced project:

<u>CONTRACTOR</u>	<u>BASE BID</u>	<u>ALT#1</u>
J.R. Swanson Plumbing Co. Inc. 413 103 rd Street Niagara Falls NY 14304	\$134,510.00	\$14,900.00
H.W. Bryk & Sons, Inc.	\$304,000.00	\$33,124.00

It is the recommendation of the undersigned that this project be awarded to the low bidder J.R. Swanson Plumbing Co. Inc. at their base bid of \$134,510.00 plus Alternate #1 for a total of \$149,410.00.

Funding for this project will be from Tribal Revenue. Additionally, partial reimbursement from a New York State Grant will offset some of the costs associated with this project.

Will the Council vote to so approve and authorize the Mayor to execute a contract in a form acceptable to the Corporation Counsel?

Respectfully submitted,

Kristen M. Grandinetti
Mayor Paul A. Dyster

Nicholas Melson
Nicholas Melson, City Administrator

John Gerlach
John Gerlach, P.E., City Engineer

Funding Approval:

Daniel Morello
Daniel Morello, City Controller

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CITY OF NIAGARA FALLS
NEW YORK

August 3, 2017

TO: City Council

FROM: Mayor Paul A. Dyster

SUBJECT: Consultant Services for Air Monitoring & Visual Inspection
At 3625 Highland Avenue Business Park

Based upon a City contract previously award to Stohl Environmental for environmental services and approved by City Council, a contract for Project & Air Monitoring was secured. Two separate projects were performed by Stohl including review of certifications, compliance with regulations during abatement, air sampling, and visual inspection and laboratory fees for environment remediation at 3625 Highland Avenue.

Air monitoring and testing is required by State law and is in conjunction with Asbestos floor tile removals and the installation of new windows and doors contracts previously approved by City Council.

Funding for these environmental services is from Casino Funds previously earmarked by the City's Economic Development Department.

It is the recommendation of the undersign that funding be approved for Stohl Environmental under their previous agreed fee schedule in the amount of \$3,113.50

Will the Council vote to so approve and authorize?

Respectfully submitted,

Kristen M. Grandinetti
Mayor Paul A Dyster *acting mayor*

Nicholas Melson
Nicholas Melson City Administrator

John Gerlach
John Gerlach P.E. City Engineer

Funding Approval

Daniel Morello

Daniel Morello, City Controller

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CITY OF NIAGARA FALLS, NEW YORK

TO: City Council
 FROM: Mayor Paul A. Dyster
 DATE: July 24, 2017
 RE: City Council Agenda Item:
 NFMMC Grant Amendment

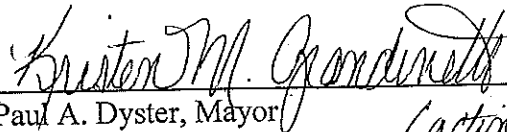
Council Members:

In 2014, the City approved a grant of \$250,000.00 of 99-h State Finance Law funds (casino revenues) to Niagara Falls Memorial Medical Center for the \$3.4 Million Cardiac Stroke Center project. The grant agreement provided a schedule for drawing the funds. The first \$150,000.00 of Grant Funds was released when fundraising was complete and construction contracts signed. The next draw of \$75,000.00 is to be released when \$2 Million in costs have been paid, and the final draw will be due on project completion. The grant agreement provided that the project was to be complete and all grant funds released by December 31, 2016.

The project is progressing, with a November 31 completion date. It is proposed that the grant agreement be amended to provide that the second draw will be made when payment of \$1.65 Million of costs have been paid. The project completion and grant disbursement date will be amended to January 31, 2018, to give ample time for certification of project costs.

Will the Council vote to approve the proposal presented herein and to authorize the Mayor to execute any documents necessary to effectuate the same?

Respectfully submitted,


 Paul A. Dyster, Mayor *(acting mayor)*

Nicholas Melson, City Administrator

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Grandinetti _____ Scott _____ Tompkins _____ Touma _____ Chairman Walker _____

4

RESOLUTION No. 2017

RELATIVE TO

WAIVER OF RENTAL FEES FOR WILLING WORKERS PICNIC

BY:

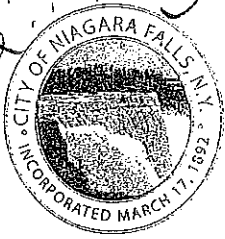
COUNCIL CHAIRMAN CHARLES WALKER
COUNCIL MEMBER KRISTEN GRANDINETTI
COUNCIL MEMBER EZRA SCOTT, JR.
COUNCIL MEMBER KENNY TOMPKINS
COUNCIL MEMBER ANDREW TOUMA

WHEREAS, the Niagara Falls City Council wishes to do its part to foster the community bonds that are strengthened by the Willing Workers Senior Group of Mount Erie Baptist Church.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Niagara Falls, New York, that this City Council does hereby waive the fee for rental of the Oasis at Hyde Park for the picnic scheduled to take place on Tuesday, August 8, 2017

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City of Niagara Falls, New York

P.O. Box 69, Niagara Falls, NY 14302-0069
OFFICE OF THE MAYOR
Telephone: (716) 286-4310

July 18, 2017

The City Council
Niagara Falls, New York

RE: *Redevelopment of City Owned Properties located at 610, 614, 616 and 624 Niagara Street and 414-428 Seventh Street (the "Premises")*

Council Members:

In February of this year, the Department of Economic Development circulated a Request for Proposals ("RFP") to redevelop the above referenced City properties. These properties were acquired by the City as a result of various In-Rem City Tax Foreclosure proceedings with the exception of 616 Niagara Street which was acquired by the City in an arms-length transaction with the former owner. This acquisition allowed the City to assemble the "footprint" of properties offered for redevelopment. A copy of the RFP is attached hereto.

Two proposals were received by the City in response to the RFP. Both were scored pursuant to the process described in the RFP. The proposal submitted by the Montante Group scored the highest and it is therefore requested that the City Council authorize the designation of the Montante Group as the "Preferred Developer" for the parcels. Attached hereto is a copy of the proposal submitted by the Montante Group together with an amendment to that proposal.

In addition to designating the Montante Group as the preferred developer, it is requested that the City Council authorize the Mayor to negotiate with the Montante Group the terms and conditions of a sale and purchase agreement which will contain the terms of the development of the project. At such time as the terms and conditions of a sale and purchase agreement with terms of development is 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.

The Montante Group has requested access to the Premises so that it may conduct its due diligence in an effort to move this project along. It is requested that the Council authorize such early access 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 satisfactory in form and content to the Corporation Counsel?

Respectfully submitted,

PAUL A. DYSTER
Mayor

Attachments

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City of Niagara Falls, NY

Request for Proposal

Multiple Properties
7th and Niagara Streets, Niagara Falls, NY



The City of Niagara Falls is seeking competitive development proposals for the area of 7th and Niagara Streets in downtown Niagara Falls, NY

INVITATION FROM THE MAYOR

On behalf of the citizens of the City of Niagara Falls, I want to thank you for taking the time to consider investing in our great city. My administration is tirelessly working to transform our city to a place where businesses want to locate and people want to live. The city is currently in the midst of \$800,000,000 in development projects- proof that Niagara Falls is indeed open for business.

A short walk from the Niagara Falls State Park and directly across the street from the Seneca Niagara Casino complex are three classic early 20th century, mixed-use buildings ripe for reuse and to meet the demands of this generation's desire for unique, dense, walkable neighborhoods. A number of nearby residential parcels with infill potential are also available for support or complementary uses.



Along a key crossroads between the Upper Niagara River and the Rainbow Bridge, this highly visible area could support a variety of residential, commercial, lodging, retail, and/or entertainment uses to contribute to the growing number of choices in downtown Niagara Falls.

My administration eagerly awaits the opportunity to work with you and your innovative team to create a transformative development in downtown Niagara Falls.

Sincerely,

Paul A. Dyster, Mayor

The City of Niagara Falls is seeking competitive development proposals for any individual parcel or multiple parcels in and around the 7th and Niagara Street neighborhood in Niagara Falls, NY.

The City will accept proposals received in the Purchasing Department office at City Hall, Room 17, 745 Main Street, Niagara Falls, New York, 14302-0069 on or before 12:00PM on May 5, 2017.

All developers submitting proposals will be notified by mail on or around May 26, 2017 of the selection of the successful Developer.

A certified or bank check in the amount of \$1,000.00 payable to the City Controller of the City of Niagara Falls, NY, is required with each Proposal. This check will be returned in the event that the City does not select your proposal. If your Proposal is selected, the \$1,000.00 will be applied as a partial deposit against the purchase price.



Downtown Context & Vision:

Niagara Falls is a name recognized across the world. The New York State Office of Parks, Recreation, and Historic Preservation estimates almost 9,000,000 people visit Niagara Falls State Park each year. The city itself is uniquely positioned as the geographic center of a Bi-National Golden Horseshoe extending from the Greater Toronto Area through Western New York to the Finger Lakes, encompassing a population of over 8,000,000 people.

For the better part of the twentieth century, the city was an industrial powerhouse in the petro-chemical and aeronautical industries. While an industrial base remains, the city is diversifying its economy with a focus on green technology and energy, tourism and health care.

The subject properties are located in the northern portion of Niagara Falls' downtown district, in a neighborhood; generally bounded by Fourth Street, Portage road, Walnut Avenue, and Niagara Street (See Project Context Map). The area is anchored by a growing Niagara Falls Memorial Medical Center campus (over 1,100 employees), the Seneca Niagara Casino Complex (approximately 3,000 employees), the Niagara Falls Culinary Institute (steadily growing to 1,000 students/faculty) and a increasing concentration of hotels, restaurants, and attractions. This section of Niagara Falls is primed to be redeveloped as a mixed-use neighborhood with workforce-oriented and other market-rate housing and retail uses.

In 2009, through its Niagara Falls Urban Renewal Agency (NFURA), the City identified the area containing the subject properties as a "Downtown Gateway Area", a 105-acre portion of the Core City Urban Renewal Area. Within this Gateway Area, Niagara Street is the next logical step for redevelopment investment: it serves as the main through arterial (strategically located between the Niagara Scenic Parkway and the Rainbow Bridge) for visitors to The Falls and the Seneca Niagara Casino Complex. A future extension of John Daly Boulevard to Pine Avenue, along with plans to expand access from this neighborhood to the Niagara Gorge through a removal of the northern segment of the Robert Moses Parkway—are two projects that are already in preliminary design—would even further enhance the potential for the subject properties support infill residential and mixed-use development.

Scope of the Request for Proposals

The specific focus of this RFP is redevelopment of city-owned properties located at 610, 614 and 624-Niagara Street, and 414-428 7th Street. Proposals for re-development of these parcels can be made individually, paired, or as a single development parcel. While proposals should include parcels fronting on Niagara Street, the boundary of any development proposal is flexible. Proposals are encouraged to reflect a size and scale that responds to a pedestrian-oriented environment and is financial feasible. NFURA, together with the City, are ready to engage with the private sector development community and open to a public-private partnership for redevelopment.

Development Notes of Interest:

REDC Award:

~~The City Of Niagara Falls was awarded a \$750,000 grant in December of 2016 by Empire State Development to facilitate the rehabilitation of the structures named in this document. The city may act as a pass through agent to a qualified private sector developer for these grant funds.~~

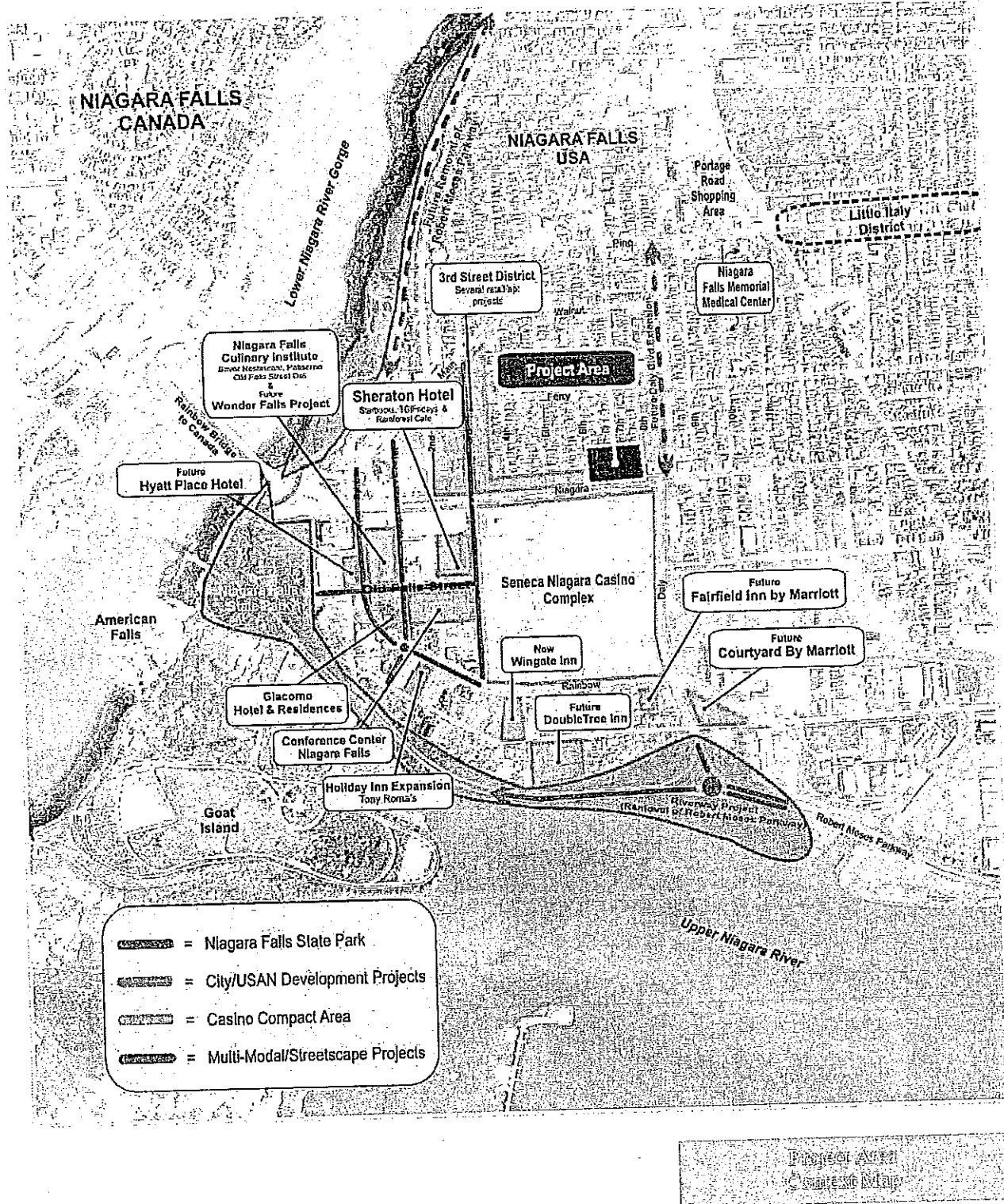
CFA#68588: "Funds will be used to support the redevelopment of vacant land and historic buildings on a parcel at the corner of 7th and Niagara Streets in the downtown."

Potential Tenancy:

Niagara University's Global Tourism Institute, which will be establishing a business incubator, has expressed interest in the site and could be one anchor in the re-development.

Historic Tax Credits:

Niagara Street buildings are eligible for inclusion in the State/National Registers of Historic Places (NRE) -- thus eligible for state/federal tax credits





610 Niagara

SBL #: 159.30-1-36

Year Built: 1900

Likely eligible for
State/National Registers of
Historic Places (potential
tax credits)

Total Sq ft: 5,192.

Apartment Units: 5

Commercial Units: 2

Number of Stories: 3

Story Height: 11

Land Size: 44' x 87'

Zoning: D1-B

(Downtown) – permits a
wide range of retail.
Commercial, lodging, and
mixed-use development

Assessed Value: \$107,000

**Within USA Niagara
Development District:**

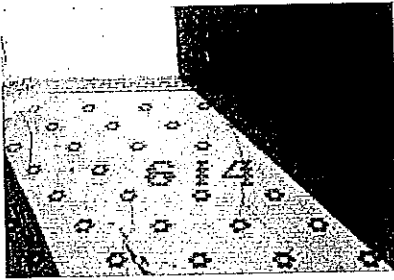
Potentially eligible for
assistance (must involve
mixed commercial/
residential to be eligible and
conform to urban design
standards)

The Properties

The building at 610 Niagara has a floor plate of roughly 2,600 SF exclusive of an addition at the rear. It contains two retail spaces of approximately 1,200 SF each, which are now connected by an opening in the masonry wall between these spaces. The second and third stories each contain two apartments of roughly 1,000 SF each. This building could be renovated and rented as commercial spaces with apartments on the upper stories.

There is an addition at the rear of number 610, which has a floor plate of roughly 900 SF. It consists of a one story garage and two-story portion consisting of a first floor garage, with bedrooms and a porch above it.





614 Niagara

SBL#: 159.30-1-34

Year Built: 1900

Likely eligible for
State/National Registers of
Historic Places (potential tax
credits)

Total Sq ft: 3,628.

Apartment Units: 8

Commercial Units: 1

Number of Stories: 3

Story Height: 11

Land Size: 22' x 87'

Zoning: D1-B

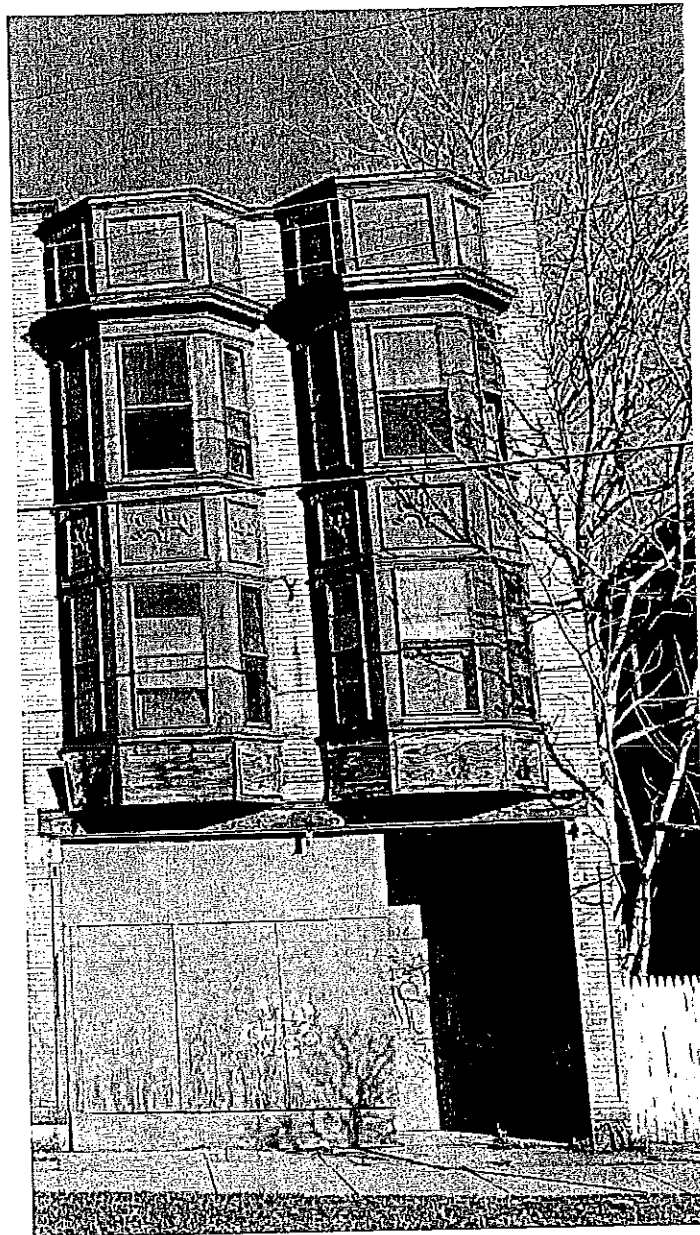
(Downtown) – permits a
wide range of retail,
Commercial, lodging, and
mixed-use development

Assessed Value: \$42,000

**Within USA Niagara
Development District:**

Potentially eligible for
assistance (must involve mixed
commercial/ residential to be
eligible and conform to urban
design standards)

The building at 614 Niagara has a floor plate of roughly 1,700 SF. It may have internal structural damage. The building has a 3-story masonry bearing wall exterior with wood frame floors and roof and a full basement.





624 Niagara

SBL #: 159.30-1-32

Year Built: 1900

Likely eligible for
State/National Registers of
Historic Places (potential
tax credits)

Total Sq ft: 11,088

Apartment Units: 8

Commercial Units: 2

Number of Stories: 3

Story Height: 10

Land Size: 44' x 87'

Zoning: D1-B

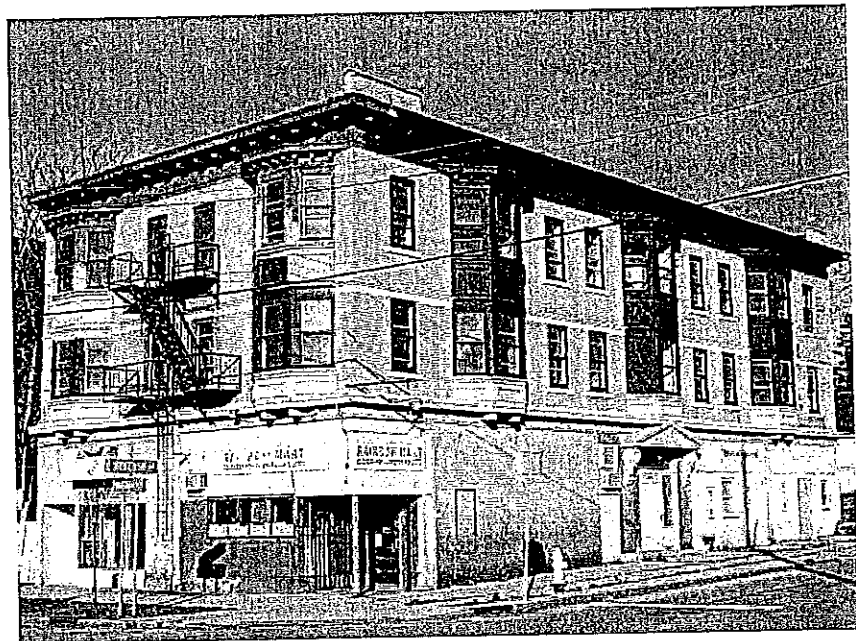
(Downtown) – permits a
wide range of retail.
Commercial, lodging, and
mixed-use development

Assessed Value: \$142,000

**Within USA Niagara
Development District:**

Potentially eligible for
assistance (must involve
mixed commercial/
residential to be eligible and
conform to urban design
standards)

624 Niagara is the largest of the three buildings. It has a floor plate of roughly 3,800 SF and contains two retail spaces of approximately 1,100 SF each that front on Niagara Street and another retail space of approximately 1,000 SF that fronts onto Seventh Street. The two spaces on Niagara St. could be developed as a single occupancy by strategically cutting openings through the central masonry-dividing wall. The third retail space had been converted to a small apartment. The second and third stories each contain four apartments of roughly 800 SF each.



Selected list of properties, and the zoning classification for each that are specifically available as part of this 7th and Niagara Street Area RFP:

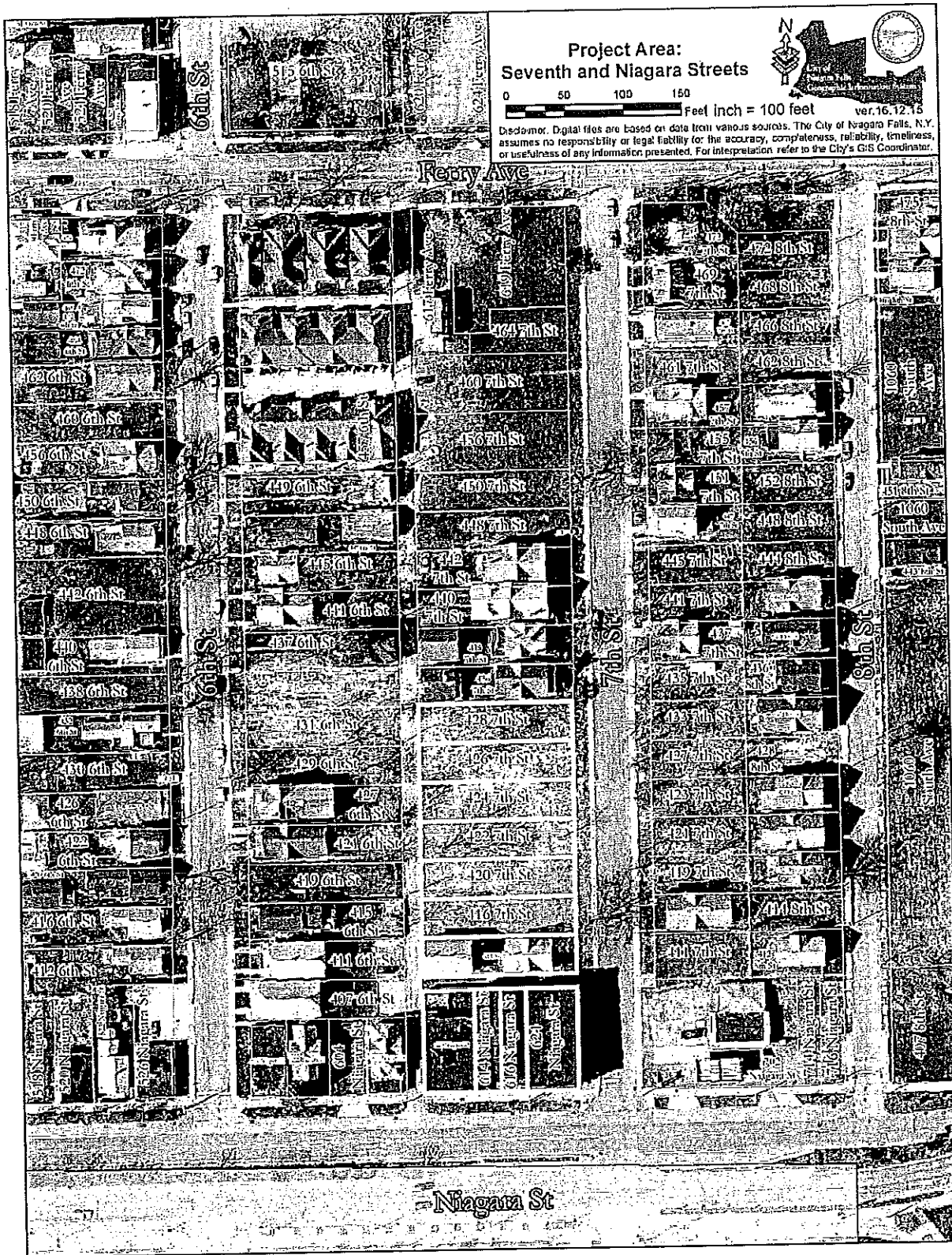
Zoned D1:

610 Niagara Street
614 Niagara Street
616 Niagara Street
624 Niagara Street
414 Seventh Street
416 Seventh Street
420 Seventh Street

Zoned R3-C:

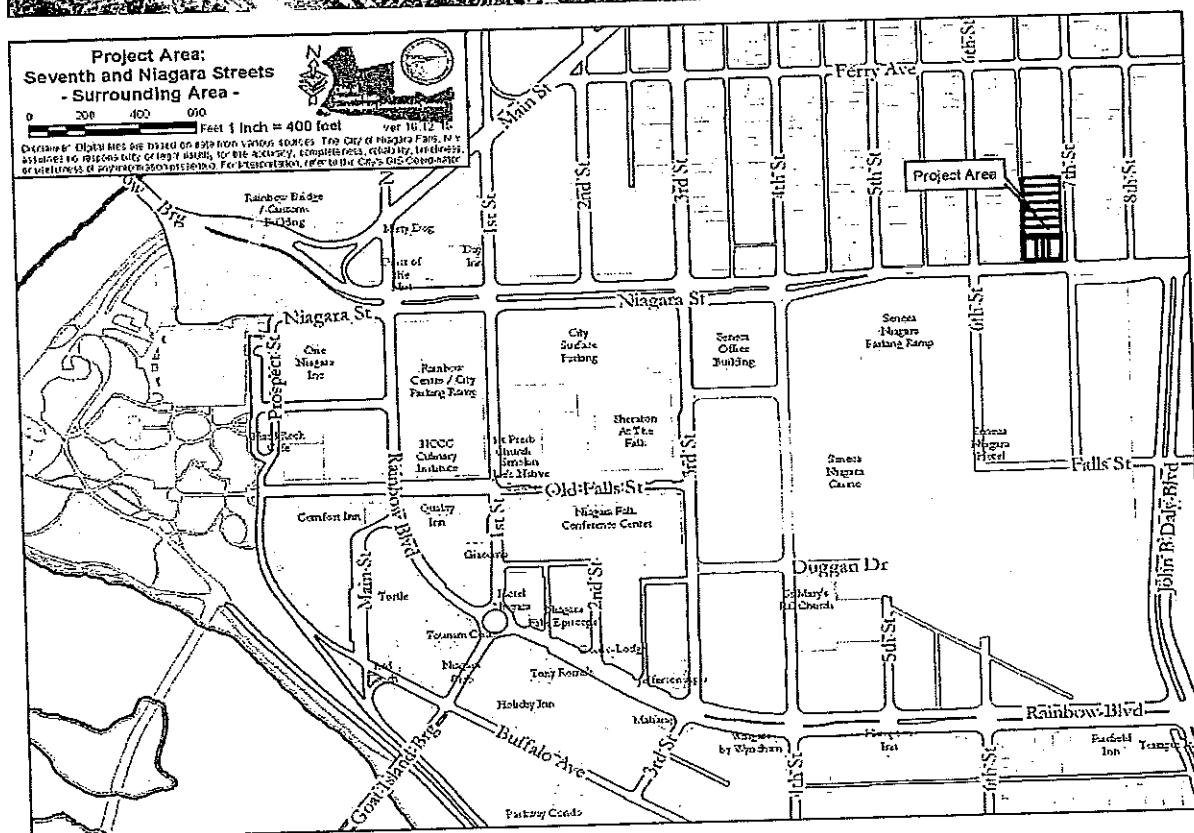
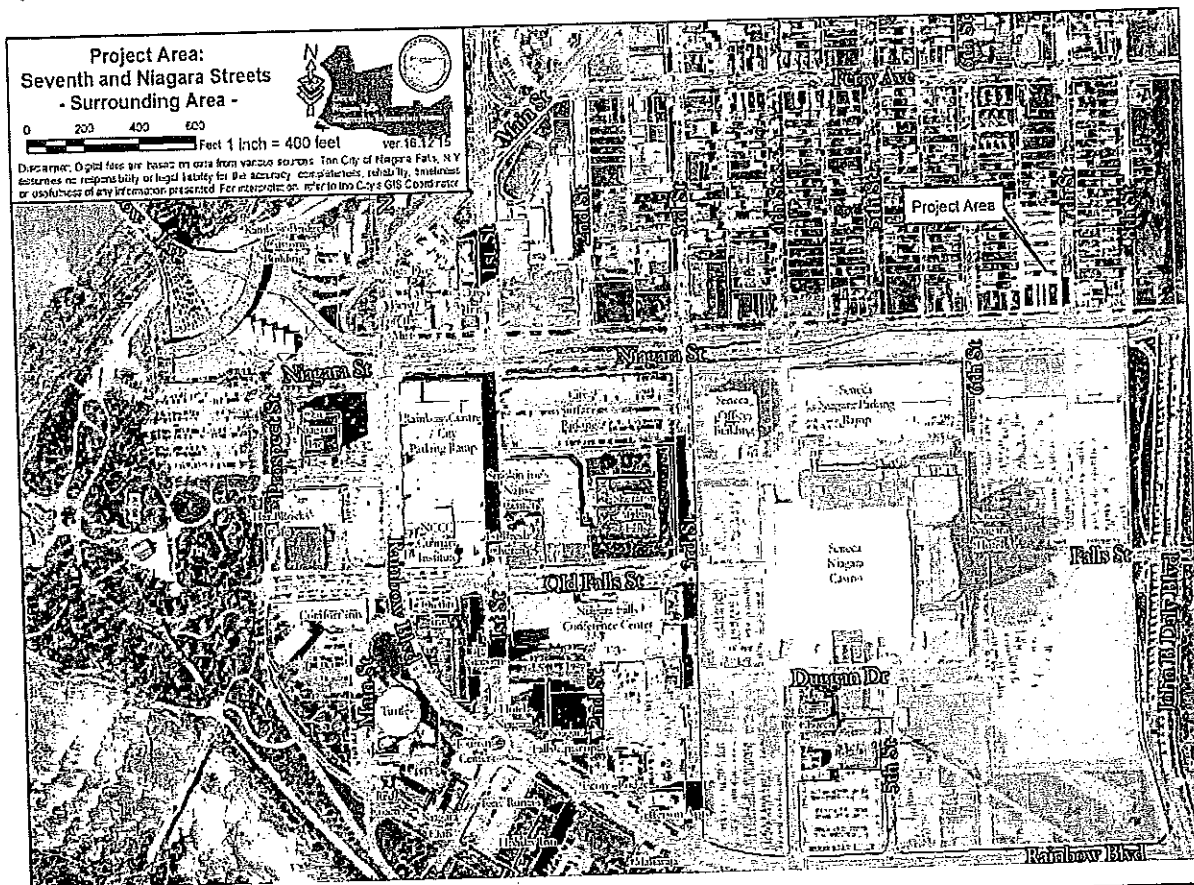
420 Seventh Street
422 Seventh Street
424 Seventh Street
426 Seventh Street
428 Seventh Street

The City of Niagara Falls is willing to entertain a larger and more comprehensive development plan for the area from a qualified developer that is in keeping with identified redevelopment goals for the area. The City would also support Zoning amendments necessary to accomplish such a planned redevelopment proposal.



City of Niagara Falls – Request for Proposal Parcels at Seventh & Niagara Streets

February 2017



Environmental/Structural Concerns

As compiled by the firm of Clark Patterson Lee

Hazardous Materials

It is recommended that an asbestos, lead and PCB survey be executed for each of the three buildings. The age of the buildings predates asbestos and PCB containing materials, however there may have been renovations that added hazardous materials such as floor tiles and window caulk. It is likely that the roof plies and flashing contain asbestos. Lead may be present in paint on window frames and wood trim. Since the buildings have been vacant and exposed to moisture from broken windows and minor leaks, a survey for mold presence should also be done. At the last walk-through a broken 4-inch water pipe in basement of 624 was issuing a steady stream of water, creating a moist environment hospitable to mold throughout the entire building.

Building Interiors

Interior layouts on the first floor are open with some minor support rooms in the rear of each space. Ceilings of suspended acoustic tile are falling down. 624-Niagara contains original pressed tin ceilings, which are damaged. The plaster substrate should be patched to maintain the fire barrier and reproduction panels used to replace the damaged areas. 610 will require new gypsum board ceilings to provide a code-required separation between the retail and residential occupancies. All first floor ceilings are at least twelve feet high. These spaces could be gutted, stripped down to the masonry walls and wood sub-floors and with some clean up of the brick could be suitable for tenant build-outs, highlighting the exposed vintage construction. The apartment layouts could be maintained with some minor alterations to comply with building codes. Wood stud interior walls are finished with wood lath and plaster. 610-Niagara was broken into and all metal and copper piping, radiators, and metal bathtubs removed by vandals. Holes were punched in plaster walls and ceilings and floors were heavily damaged. It will be simpler to remove and replace the plaster with drywall wherever holes exist. Where vandals did not open up the walls, plaster walls can remain. In 624, the walls have less damage and can remain in many rooms. The floor finishes will all need to be removed and replaced. Most rooms have a suspended acoustic tile ceiling below a plaster ceiling. Both have extensive damage and should be removed and replaced with drywall attached to the wood joists. Many original paneled wood doors remain and could be stripped and refinished. Wood baseboards and trim can be stripped of paint and refinished. Some original kitchen cabinets remain in both buildings and are worth saving and reusing for their vintage appeal.

REQUIRED PROPOSAL CONTENTS

Proposals should contain specific information organized as follows:

1.) Cover Letter/Executive Summary

Provide an overview of major contents of the proposal, at a minimum including:

- Overview of proposed Development team;
- Narrative summarizing the overall proposal; and
- Table summarizing proposed uses by type.

2.) Proposer Team

Provide a description of the Proposer Team, with a complete organizational chart of key team members. If applicable, descriptions of team member companies (particularly proposed architectural, engineering, contracting professionals, etc.), including:

- Names, addresses, email, and telephone numbers of those individuals who may be contacted during the period of the proposal's evaluation
- Resumes of key professionals (no more than one page in length).
- List and describe past projects, including cost of development, with drawings and photos.

3.) Development Plan

Provide a Development Plan that fully describes the proposed actions to be undertaken. Identify properties, building(s), and any other improvements proposed to integrate these elements with the setting surrounding the Site. The Development Plan must include the following elements:

a. A written description of the proposed development, including:

- An overview of the anticipated target market(s) that the development is intended to capture.
- Proposed uses in the development program, even if preliminary, specifying square footages by use or type, and any other appropriate descriptive measures.
- An explanatory statement that describes how the project's improvements and operations are consistent with objectives for downtown Niagara Falls as specified in the Niagara Falls Comprehensive Plan and in accordance with applicable regulations contained within the city's Zoning Ordinance and Urban Design Standards.

b. A series of graphic depictions of the proposed development, including, but not limited to:

- An overall conceptual site plan (to scale), indicating, where applicable, proposed building footprints, internal site access (internal drives, walkways, etc.) and proposed frontage improvements (sidewalks, landscaping, etc.), as well as the relationship of these site elements to components in adjoining street rights-of-way and to existing buildings/structures/site components on adjacent parcels.
 - Typical, to-scale, ground-level and upper-level(s) floor plans (i.e., conceptual) indicating primary uses and gross square footages.
 - Typical building elevations noting proposed architectural details and types of materials, which should demonstrate a consistency with urban design and zoning standards.
- c. A description of the proposed ownership/management structure post-construction.
- d. Project timetable, including dates for obtaining financing, closing, start, and completion of construction.

4.) Financial Plan

Each proposal must include sufficient data to evidence that the proposed (re) development and operation of the Site will be successfully accomplished by the Proposer Team and achieve the objectives of this RFP. The Financial Plan show all anticipated sources and uses of funding but in particular the Proposer's equity, amounts, and any terms and conditions of financing —if applicable.

The proposal's Financial Plan must include detailed pro-forma financial projections, with supporting calculations, for ten (10) years that includes the following information:

- An offer/bid for the parcel(s)/properties comprising the proposed Project;
- Estimated costs associated with capital improvements and investments;
- Projected operating revenues;
- Projected operating/maintenance expenses and net operating income;
- Local property tax payments;
- Debt service payments on any short-term or long-term financing for improvements; and
- Projected or targeted internal rate of return (IRR).
- Sources and amounts of financing and proposers' equity to be invested in the development and operation of the Site; and
- Evidence of financing consistent with sources and uses, including but not limited to: expressions of interest from lenders, letters of credit, and performance bonding capacity.
- A proposed Financial Plan shall not assume any form of City, State, and/or other agency funding assistance in the 10-year pro forma other than assistance that would be generally available, or prescribed in this document, from existing programs/sources for which the developer may be readily entitled or eligible to apply (e.g., Historic Tax Credits).

SELECTION CRITERIA

The City, in its sole discretion, will evaluate the proposals on the following basis:

1. Extent that the proposal represents the *highest and best use* of the land.
2. Extent that the proposed Project is *consistent with or advances policies* in the Niagara Falls Comprehensive Plan and is in conformance with requirements of the Niagara Falls Zoning Ordinance and associated City Urban Design Standards.
3. Extent that the proposed Project yields the *highest level of public benefits* such as private taxable investment, new jobs/opportunities, highest return on the land, and external benefits to the City's setting (e.g., expansion of residential and retail choices/offerings, and/or quality of life improvements, etc.) with the least amount of public investment. (Please note: The total investment may however represent more than one developer's proposal for the site[s].)
4. Extent that the proposed development *expresses the following elements*: a) a mixed-use, pedestrian-oriented concept; b) a concept involving the integrated use of multiple parcels available under this RFP; and c) restoration/reuse of the State/National Register-eligible structures; d) creation of non-subsidized/market-rate/workforce housing.
5. The *overall quality of a proposed development plan* and the extent that the proposed Project would complement and/or enhance local community development/tourism objectives and other existing/planned development projects.
6. Extent that the proposed Project Team *demonstrates a proven record of accomplishment* in successfully completing similar urban redevelopment efforts.
7. *Expeditionessness* of the proposed date of completion for the Project (earlier completion will be favored) as well as documentation on the ability to meet the proposed timetable. (Note: Construction for any phase of a proposed Project should commence no later than April 1, 2018)
8. The *quality of the overall financial plan and positive impact* of the proposal, including:
 - a. The use of reasonable and attributable assumptions;
 - b. The level of proposed private investment;
 - c. The level of demonstrated financial capacity to realize the proposed Project, documented through sources such as, but limited to expressions of interest from lenders, letters of credit, and/or performance bonding capacity; and
 - d. Projected long-term economic benefits to the local community (e.g., property/sales/bed tax revenues, job creation, etc.).

9. Extent that the proposed Project Team, and/or individual members or member firms on the Team, *meet the requirements of NYS Office of State Comptroller* policies on procuring Responsible Vendors. Specifically in the following four major categories: a) Financial and Organizational Capacity to Undertake the Project; b) Legal Authority to do Business in New York State; c) Integrity; and d) Previous Contract or Project Performance with the City. (Should the selected developer receive grant funding through New York State.)

Please note, given that submitted proposals may vary with regard to the number of available properties proposed for use, the City reserves the right to select more than one proposal as “preferred,” provided they do not conflict with one another (e.g., do not include multiple uses for the same property).

Acquisition Price. The purchase price will be determined by a negotiation between the city and the selected proposer. The proposed sale price should be factored into financial documents provided at time of submission. Proposals that provide the highest total investment will be favored. The degree of private participation in a project is an evaluation factor.

Environmental Conditions. The successful Proposal(s) will assume all responsibility for all conditions on the site. The selected Developer will be authorized to perform a Phase I and Phase II environmental assessment on the Premises within ninety (90) days of the date of acceptance of the Proposal, at Developer's discretion and expense. In the event that the assessments disclose environmental conditions requiring remedial work, the Developer will have the option of performing any necessary remedial work, or of withdrawing its Proposal. In that event, the deposit shall be returned. Under no circumstances shall the City be considered responsible for remedial work.

Subsequent Approvals and Closing Procedure. The successful Proposal is subject to City Planning Board and City Council approvals, as may be required. In connection with the approval process, the successful Developer will be required to submit information sufficient for compliance with the requirements of NYS Environmental Conservation Law Article 8, Environmental Quality Review (SEQRA). The successful Developer would obtain Site Plan approval from the Planning Board. Any proposed zoning amendments or variances necessary for the project would also be subject to Zoning Board of Appeals and/or Planning Board and City Council approvals.

Closing and transfer of the property to the successful Developer(s) will take place when the Developer(s) has obtained all such required approvals. Closing will take place at the time of closing of the construction financing by the Development Team. Construction should start within 30 days of closing. In the event construction ceases for any unreasonable period of time, the City may deem the project abandoned and the property will revert to the City.

The City reserves the right to reject any or all proposals and to select any one proposal at its sole discretion. The City reserves the right to negotiate with the successful Developer as to any terms contained herein.

Evaluation Scoring

The proposals will be evaluated and scored/ranked using a “best value” selection process, using the criteria laid out in sections 1-8, on page 16. Specifically, the Selection Committee will score each criterion according to what degree the proposal delivers the best/greatest value and (all criteria considered being referred to collectively as the “Selection Criteria”) are in the best interests of the City Of Niagara Falls. The criteria listed below are of significant concern:

The scoring committee shall score each of the criteria according to the scale below for all submittals:

- Extent that the proposal represents the highest and best use of the land and the extent that the proposed Project is consistent with or advances policies in the Niagara Falls Comprehensive Plan (20 points)
- Extent that the proposed Project yields the highest level of public benefits such as private taxable investment, new jobs/opportunities, highest return on the land, and external benefits. (20 points)
- Extent that the proposed development expresses the following elements:
 - a) a mixed-use, pedestrian-oriented concept;
 - b) a concept involving the integrated use of multiple parcels available under this RFP; and
 - c) restoration/reuse of the State/National Register-eligible structures;
 - d) creation of non-subsidized/market-rate/workforce housing. (10 points)
- The overall quality of a proposed development plan (10 points)
- Extent that the proposed Project Team demonstrates a proven record of accomplishment in successfully completing similar urban redevelopment efforts. (10 points)
- Expeditionousness of the proposed date of completion for the Project (earlier completion will be favored) as well as documentation on the ability to meet the proposed timetable. (10 points)
- The quality of the overall financial plan and positive impact of the proposal (20 points)

PROPOSAL INSTRUCTIONS

SUBMISSION OF PROPOSALS: RFP respondents are required to submit six copies of their proposal. The proposal must contain the information requested in the submission requirements. *Proposals must be submitted on or before 12 Noon, May 5, 2017* by mail or hand delivered. Six copies of the proposal shall be sent as directed below:

Purchasing Agent – City of Niagara Falls
City Hall Room 17
745 Main Street
City of Niagara Falls, New York 14302-0069

LATE SUBMISSIONS: Submissions received after the date and time prescribed will not be considered.

REVIEW: The Selection Committee shall review all complete proposals and selection of a preferred developer will be chosen. All developers submitting proposals will be notified on or around May 26, 2017 of the selection of the successful developer.

ACCEPTANCE OF TERMS & CONDITIONS: Submittal of a proposal in response to this RFP constitutes acceptance by the Proposer/Developer of all terms and conditions contained herein.

RIGHT OF REJECTION: The City reserves the right to reject any or all proposals in whole or in part. Proposal rejection is at the sole discretion of the City and shall not incur any direct or indirect financial exposure to the City of Niagara Falls for the costs incurred unless such eligible costs are contained in the DSA as authorized by the City Council in due session authorizing such. The City reserves the right to reject any or all proposals and to select any one proposal at its sole discretion. The City reserves the right to negotiate with the successful Developer as to any terms contained herein.

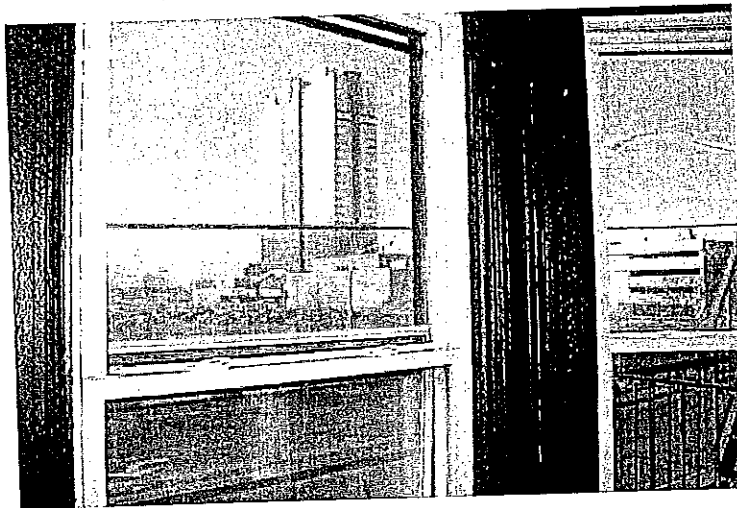
The items previously described herein must be submitted by all respondents to be considered for exclusive development rights. Failure to place relevant information in the structure outlined in the RFP shall be deemed non-responsive.

Additional information regarding the site and the proposal requirements should be obtained from the Economic Development Office. Questions should be directed to:

Mr. Anthony Vilaro
Director of Business Development
anthony.vilaro@niagarafallsny.gov
716.286.4280



Exterior of 624-Niagara, with bay windows on east façade.



View of Seneca Niagara Casino from an upper-storey residential unit



Interior of 624-Niagara, tin roof in first floor commercial unit

GENERAL TERMS & CONDITIONS

The City makes no representations or warranties whatsoever with respect to this RFP, without limiting the foregoing, representations or warranties as to: the accuracy or completeness of any information or assumptions contained in or provided in connection with this RFP or otherwise furnished to respondents; the use or development, or potential use or development, of the Project or any portion thereof; the physical condition, environmental condition, layout, configuration, size, boundaries, access, location, systems and utilities for all land and improvements constituting the Project and for the adjacent properties; the absence or presence of hazardous substances or toxic materials in, under or upon the Project and the adjacent properties; compliance with environmental laws; tax assessments that may be made by the City, tax rates that may be established by the City and/or the amount of PILOT payable; and the suitability of the Project for any specific uses or development.

Each respondent shall make its own analysis and evaluation of the Project Site, including, without limiting the foregoing: the physical condition, environmental condition, layout, configuration, size, boundaries, access, location, systems and utilities for all land and improvements constituting the Project and for all adjacent lands; the absence or presence of hazardous substances or toxic materials in, under, or upon the Project Site and adjacent lands; compliance with environmental laws; and the suitability of the Project Site for any use or development. Each respondent shall obtain its own independent legal, accounting, engineering and technical advice on all matters relating to the Project, including, without limiting the foregoing: examination, review and verification of any information provided by or on behalf of the City; land and improvements constituting the Project Site and adjacent to the Project Site; all local laws, regulations and conditions that may affect the use and development of the Project; and all other matters that may be material.

Respondents shall not rely upon any statement or information given to respondents by the City including, without limiting the foregoing, any information contained in this RFP or made available pursuant to this RFP, or otherwise.

In the event that the selected respondent does not execute a Development Agreement for the Project, the City may, in their sole discretion, invite any of the other respondents to participate in a further competitive process to determine a new selected respondent.

In addition to those terms and conditions stated elsewhere, this RFP is subject to the following:

- a. The preferred developer must comply with all applicable federal, state and local laws and regulations.
- b. The preferred developer must accept the Project Site in "as is, where is" condition on the date of disposition.
- c. Conveyance by the City shall be governed by a Development Agreement.

- d. Demolition, removal, alteration or conversion of any existing improvement or portions thereof at the Project Site is to be performed at the sole cost and expense of the preferred developer after closing under the Development Agreement.
- e. The City will not pay for or refund any costs and expenses incurred by any respondent in responding to this RFP or subsequent selection stages or by any preferred developer following selection and/or designation.
- f. All determinations as to the completeness or compliance of any response/proposal or as to the eligibility, qualification or capability of any respondent will be within the sole and absolute discretion the City.
- g. Selection or designation of any respondent pursuant to this RFP or subsequent selection stages will not create any rights for the respondent including, without limitation, rights of enforcement, equity or reimbursement. The City shall have no obligation or liability whatsoever to any person or entity whose response/proposal is selected or designated as a result of this RFP unless and until a Development Agreement shall have been fully executed and delivered by all parties thereto and all necessary consents and approvals necessary for the City entry into such agreement have been obtained, and then all such obligations and liabilities shall be solely in accordance with the terms and conditions of such Development Agreement.
- h. A respondent may be rejected the City determine, in their exercise of sole and absolute discretion, that such respondent, any respondent partner, or member of a respondent team or any principal, partner, officer, director, affiliated person, or principal shareholder of the respondent, of any respondent partner, or of any member of a respondent team, has been convicted of, or pled guilty or nolo contendere to, a felony or crime of moral turpitude, is an "organized crime figure," under indictment or criminal investigation, or is in arrears or in default on any debt, contract, or obligation to the City or any of their respective affiliates, subsidiaries, agencies, departments or instrumentalities. Each respondent, respondent partner, and member of a respondent team and any principal, partner officer director, affiliated person, or principal shareholder of the selected respondent, respondent partner, or member of the respondent team may be required to complete a background questionnaire with respect to the foregoing, or other matters, and may be subject to investigation by the City. The City is under no legal obligation to dispose of the Project through a competitive bid process. This RFP does not constitute an offer of any nature and does not obligate the City to undertake any action or to proceed with the Project.
- i. The City will review all responses/proposals for completeness and compliance with the terms and conditions of this RFP, and may request from any and all of the developers, at any time during the selection process, additional information, material, clarification, confirmation or modification of any submitted response and/or proposal. The City may also, but is not obligated, to make requests for additional material or for clarification or modification of any submitted response and/or proposal that is incomplete or non-conforming as submitted.

- j. The submission of a response and/or proposal shall constitute the respondent's permission to the City to make such inquiries concerning the respondent and members of the respondent's team, which the City in its sole discretion, deem useful or appropriate including, without limitation, authorization to contact the respondent's bank(s) and credit references, and any other persons identified in the proposal and to obtain pertinent financial and other information. Except at the request or by the consent of the City, in its sole discretion, no respondent will be entitled to change its proposal once submitted.
- k. The City may, at any time, exclude those proposals, which in its sole discretion fail to demonstrate the necessary qualifications for development or which fail to comply with the terms and conditions of this RFP.
- l. The City reserves the right, in its sole discretion, to reject at any time any or all proposals; to withdraw the request without notice; to negotiate with one or more developers submitting proposals and/or to negotiate with respect to, and dispose of the Project (including to parties other than those responding to this request) on terms other than those set forth herein. The City reserves the right to waive compliance with and/or change any of the terms of this request and to waive any informalities or irregularities in the request process.
- m. Under no circumstances will the City pay or be liable for any costs incurred by a firm/team in responding to this RFP or subsequent stage or in connection with the transfer of the Project Site.
- n. **Responses and/or proposals shall be accepted from principals only.** No brokerage fees, finder's fees, commissions or other compensation will be payable by the City in connection with the selection of a respondent or the disposition of the Project Site. Submission of a statement of interest and/or proposal in response to this RFP or subsequent stage constitutes an undertaking by the respondent to hold harmless and indemnify and defend the City from and against any and all expenses, damages or liability (including, without limiting the foregoing, attorneys' fees and disbursements) arising out of any claim for such fees, commissions or other compensation made in connection with such respondent's response to this RFP or subsequent stage, selection or (non-selection) thereunder or execution (or non-execution) of a Development Agreement.
- o. Respondents of this RFP shall make no news/press release pertaining to this RFP or anything contained or referenced herein without prior written approval from the City. Any news release pertaining to this RFP may only be made in coordination with the City.

- o. Public access to material submitted by respondents to this RFP or subsequent stage shall be governed by the relevant provisions of the Freedom of Information Law, which constitutes Article 6 of the New York State Public Officers Law ("FOIL"), and regulations adopted pursuant thereto. If any respondent submits information, which it believes to be a trade secret, or otherwise exempt from disclosure under FOIL, it must specifically identify such information and state in writing as such along with the reasons why the information should be exempt from disclosure. Notwithstanding the foregoing, the City shall not be liable if the City releases information pursuant to FOIL which the respondent believes to be a trade secret or detrimental to its business.
- p. In the event that the City becomes aware of any material misrepresentation in the information supplied by a developer, the City shall have the right to reject at any time the response and/or proposal of the respondent, to refuse to negotiate or continue negotiations with the respondent and to take any other action, including retaining any deposit made by the respondent, as shall be deemed appropriate by the City, in their sole discretion.
- q. The selection of a preferred developer will create no legal or equitable rights in favor of the selected developer, including rights of enforcement or reimbursement. A developer's response and/or proposal for the Project Site is not assignable and only the party identified as the developer/principal in the selected developer's submission will be permitted to execute the Development Agreement.
- r. By submitting a response and/or proposal for the Project, the developer agrees to be bound by all the terms and conditions of this RFP.




Request for Proposal: Multiple Properties at 7th & Niagara Streets

City of Niagara Falls, NY
May 17, 2017

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Executive Summary

Market
View

TM Montante Development is proposing a multi-phase development project on approximately 1.02 acres at the corner of 7th Street and Niagara Street. The project encompasses 11 city-owned parcels that are currently part of a public RFP process and would be completed based on market demand.

- Phase 1 involves the adaptive reuse of all National Register-eligible structures on site into a mixed-use development that includes 16 market rate residential units, approximately 9,600 square feet of ground floor commercial space, which will be occupied by the Niagara Global Tourism Institute ("NGTI"), as well as new and secure, gated parking.
- Phase 2 would be based on market demand; however, we currently envision either the construction of up to 10 new rowhomes along 7th Street, or the construction of a 30,000 square foot mixed-use building along 7th Street with ground floor commercial space and market rate residential apartments on the upper floors.

TM Montante Development feels that this redevelopment proposal represents the highest and best use for the parcels included in the RFP. It is grounded in existing market conditions, advances the Comprehensive Plan for the City of Niagara Falls, and is anchored by the NGTI. TM Montante Development has signed a letter of intent for all 9,600 square feet of Phase 1 commercial space with NGTI, an affiliate of Niagara University. Pat Whalen, former COO of the Buffalo Niagara Medical Campus ("BNMC") and current Director of NGTI, played a central role in shaping the BNMC into an economic development engine for the City of Buffalo. We firmly believe that under his leadership, NGTI will have a similarly transformative impact on Niagara Falls.

Further, based on TM Montante Development's extensive experience redeveloping urban properties, which includes the transformative Gates Circle Redevelopment Project and the Planing Mill adaptive reuse project in Downtown Buffalo, we feel that we are the ideal partner to work with Niagara Falls to deliver an excellent project that serves as a catalyst for investment along Niagara Street and adds to the growing momentum in Downtown Niagara Falls.

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Proposed Uses

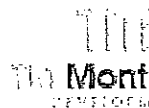
Phase 1: Mixed-use Historic Conversion			
TYPE	USE	NOTES	SQUARE FEET
Commercial Office Space	NGTI Offices	<ul style="list-style-type: none"> Offices Conference Rooms Classroom Space Commercial Kitchen Access 	3,500 sf
Co-working Incubator Space	Co-working Tier 1	<ul style="list-style-type: none"> Open work space Access to Shared Amenities 	1,600 sf
	Co-working Tier 2	<ul style="list-style-type: none"> Semi-private work space Full Access to Shared Amenities 	1,500 sf
	Co-working Tier 3	<ul style="list-style-type: none"> Private offices for startups Access to Shared Amenities 	1,500 sf
	Shared Amenities	<ul style="list-style-type: none"> Shared Conference Rooms Shared Reception Shared Event Space Kitchen/ Breakroom, Print and IT Service 	1,500 sf
	Common Space		350 sf
Residential Apartments	One-bedroom	<ul style="list-style-type: none"> 12 total units Between 800 and 950 square feet 	10,300 sf
	Two-bedroom	<ul style="list-style-type: none"> 4 total units 1,200 square feet each 	4,800 sf
	Common Space		1,500 sf
Total Phase 1			26,550 sf
Potential Phase 2: Concept A – Residential Townhomes			
Residential Row Houses	Two and Three-bedroom townhomes	<ul style="list-style-type: none"> Up to 10 total units About 2,000 sf each over three stories Secure parking 	30,000 sf
Potential Phase 2: Concept B – Mixed-use Building			
Mixed-use Building	NGTI Commercial Space	<ul style="list-style-type: none"> Undetermined mix 	10,000 sf
	One and Two-bedroom Apartments	<ul style="list-style-type: none"> Up to 20 total units About 1,000 sf each Secure parking 	20,000 sf
Total Phase 2			30,000 sf

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CONSTRUCTION

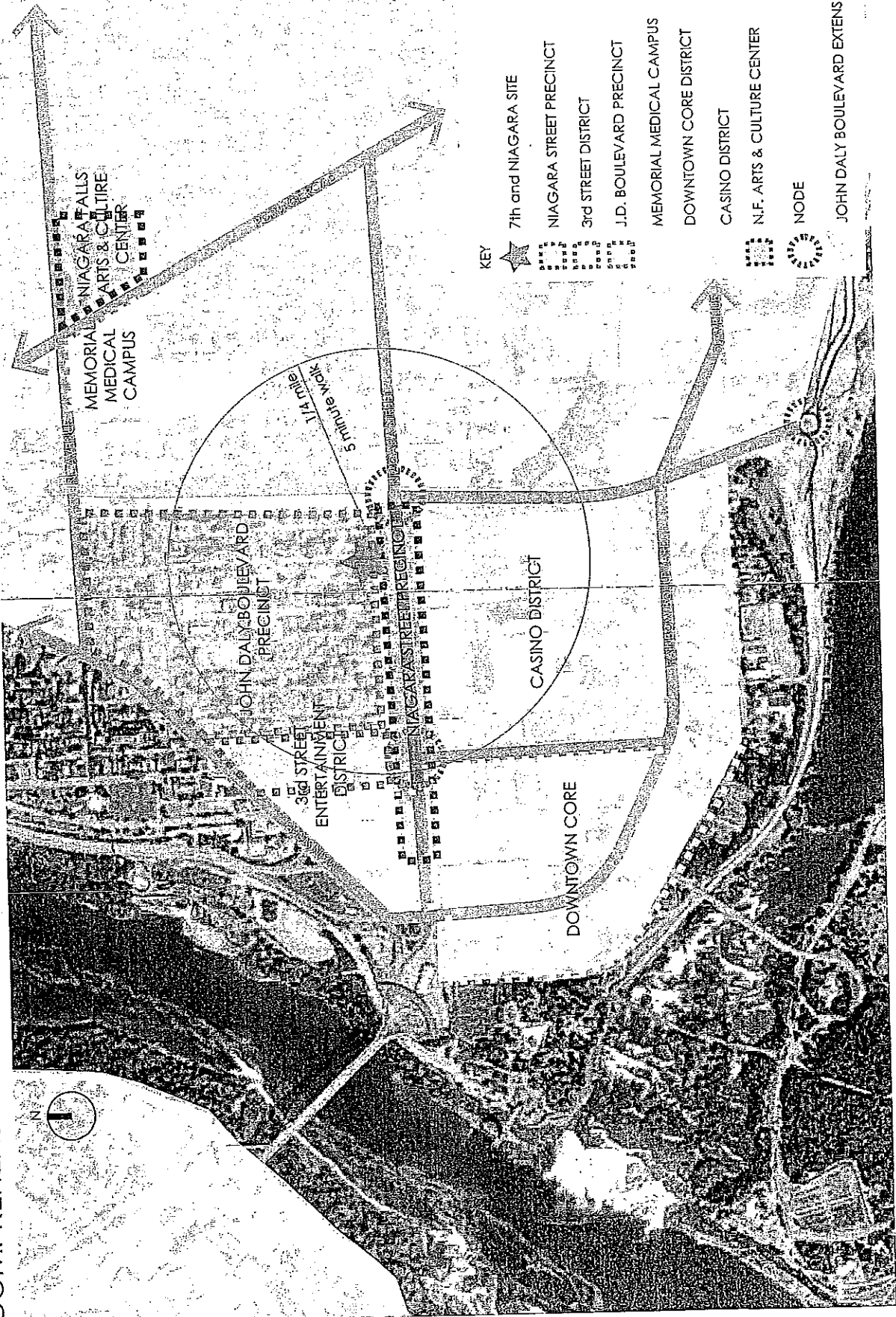


The Montante
CONSTRUCTION

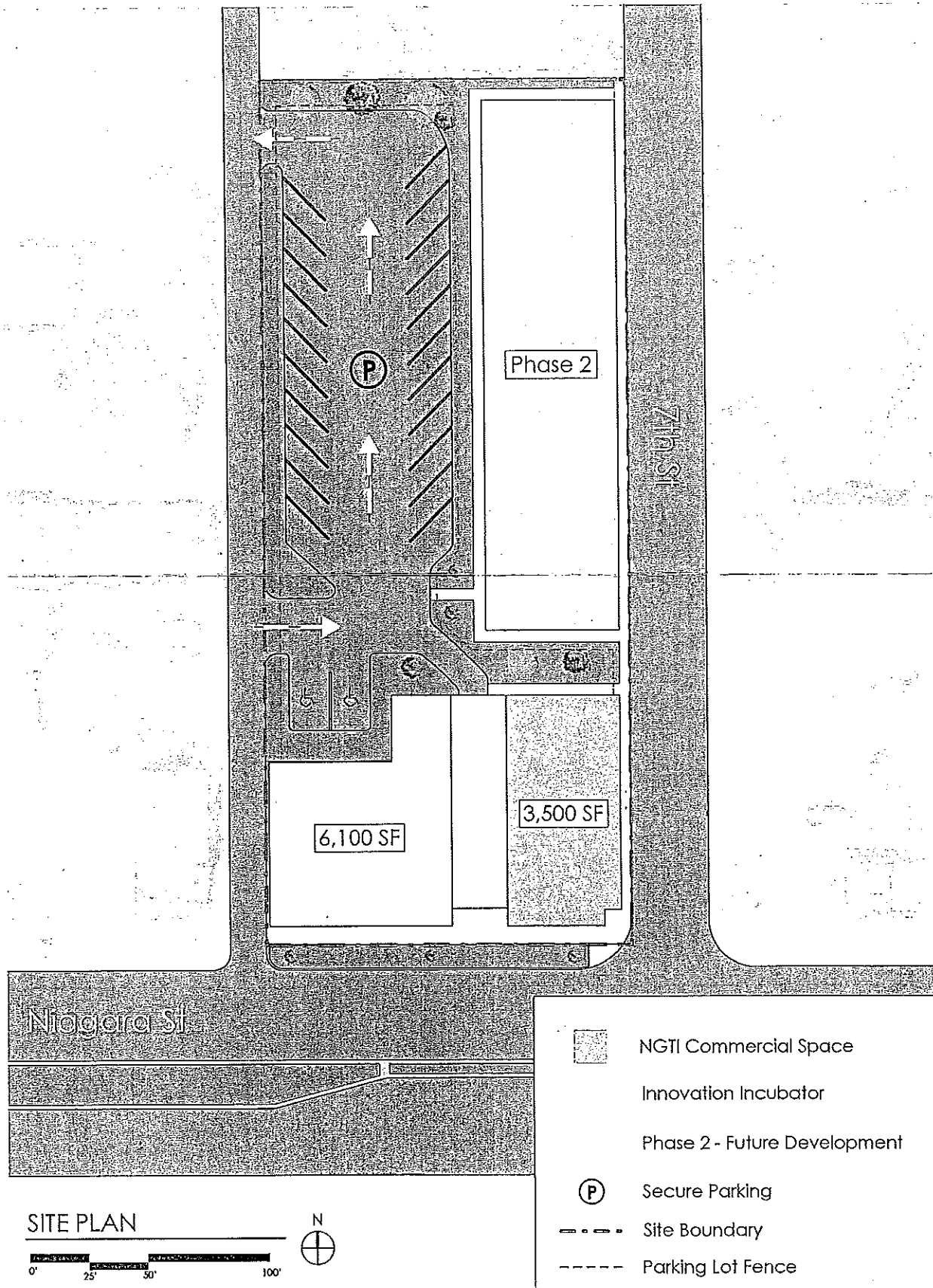


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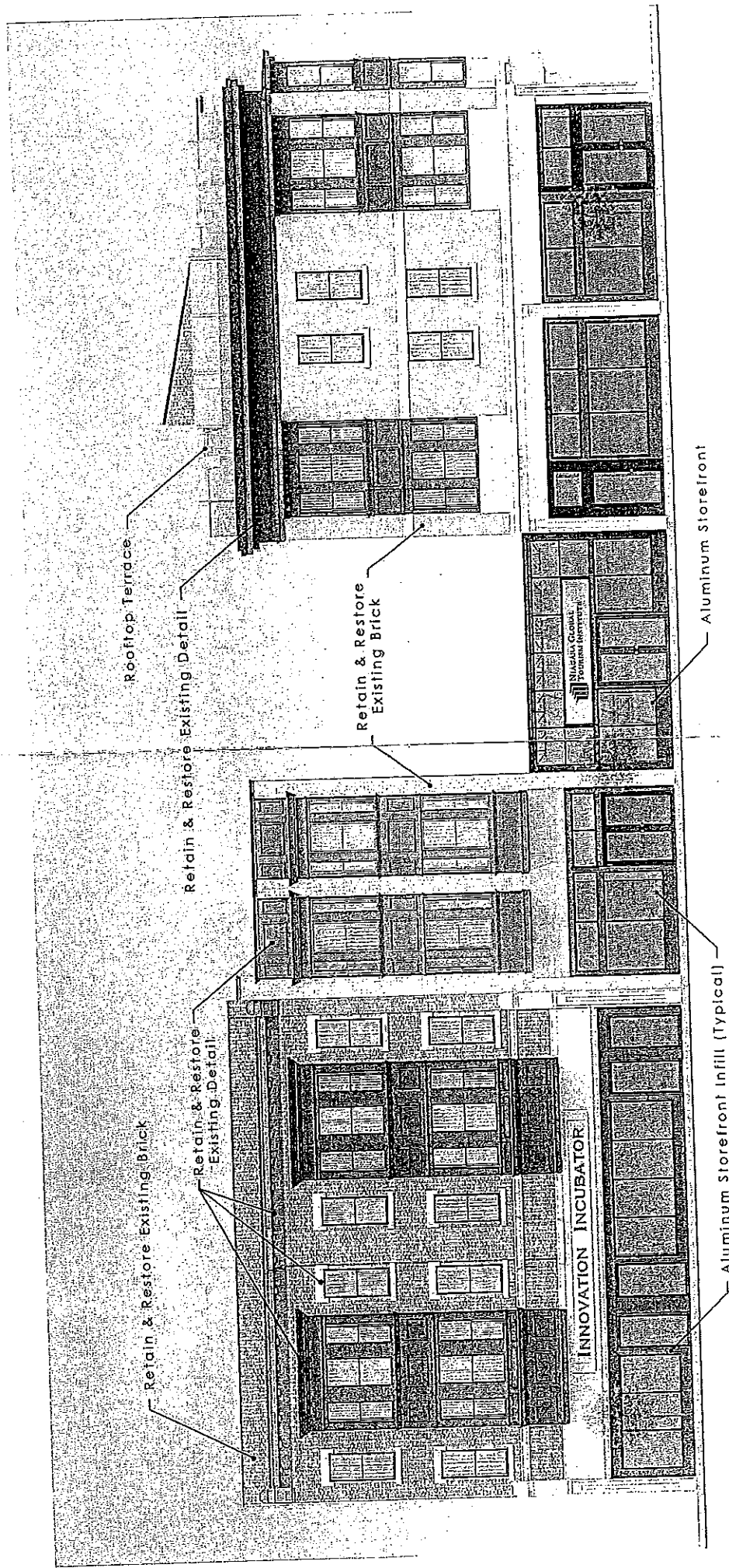
COMPREHENSIVE PLAN FOR THE CITY OF NIAGARA FALLS



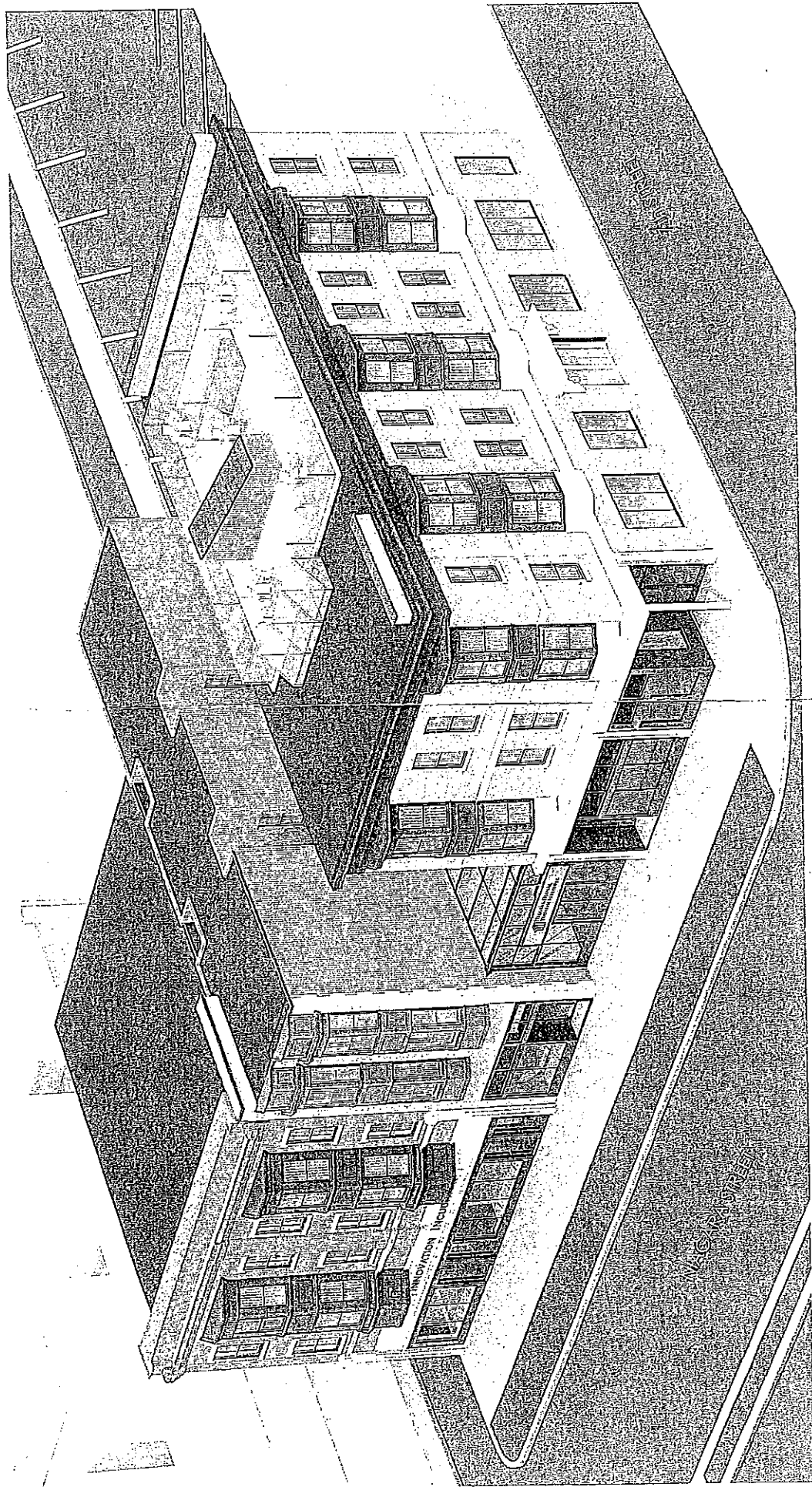
SITE PLAN



NIAGARA STREET ELEVATION



NIAGARA STREET AERIAL PERSPECTIVE



Phase 1 Financial Plan

TM Montante Development has estimated that the acquisition and rehabilitation of the properties as proposed for Phase 1 of the Project will total approximately \$5.1 million (See Exhibit C for a detailed summary of development and construction costs) and has identified the following as long-term sources and uses of funds that will complete the project.

Sources of Funds - Long Term

Bank Financing	\$2,540,000
Estimated Tax Credit Investor Contributions	1,372,000
ESD Grant	750,000
Sponsor Equity - Contributed Fees	240,000
Sponsor Equity - Contributed Capital	180,000
TOTAL SOURCES	<u>\$5,082,000</u>

Uses of Funds

Property Acquisition	\$0
Development and Construction (Hard and Soft Costs)	<u>\$5,082,000</u>
TOTAL USES	<u>\$5,082,000</u>

TM Montante believes that the adaptive reuse concept proposed for Phase 1 of the Project represents the highest and best use for the existing buildings along Niagara Street. Reactivating these vacant properties will have a transformative impact on Downtown Niagara Falls.

The redevelopment proposal, however, carries a considerable amount of market risk and generates only a modest rate of return. Based on our project pro forma (See Exhibit D), Phase 1 would result in an 8.5% rate of return. This projection factors in a \$750,000 grant from Empire State Development, historic tax credits, and several tax abatements available through both the City of Niagara Falls and the Niagara County IDA.

To further alleviate risk and ensure a successful project, TM Montante Development proposes to pay \$0 for the acquisition of the properties and plans to pursue additional incentives. This will minimize the amount of short-term capital required, while increasing the projected rate of return to one that is more consistent with current market returns of 10%-12%.

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TM Montante Development will be contributing significant up-front capital to get Phase 1 of the project constructed. Ultimately, the majority of this short-term capital will be taken out by the ESD grant and tax credit investor equity. TM Montante Development will also be contributing personnel and overhead costs and deferred development fees to advance this project that, as mentioned above, carries a considerable amount of risk and will generate a modest rate of return. Further, TM Montante Development will provide guarantees on all loans – construction, permanent, and bridge – needed to complete Phase 1 of the Project.

LAND ACQUISITION

TM Montante Development is proposing to pay \$0 for the acquisition of the land. The simple justification for this is that the Project carries a considerable amount of risk and only generates a modest return. Eliminating acquisition costs alleviates some risk and allows TM Montante Development to redirect those funds into the Project as short-term capital to help serve as a bridge to ESD grant funds and tax credit investor equity.

ESD GRANT FUNDING

TM Montante Development will work with the City of Niagara Falls to utilize a \$750,000 grant awarded by Empire State Development in December of 2016. This is a source of capital in the long-term financial plan and is factored into the project pro forma.

TAX ABATEMENTS

TM Montante Development will apply for sales tax and mortgage recording tax abatements from the Niagara County Industrial Development Agency, based on the Project's qualification as a market rate residential project, as well as real property tax abatements through the City of Niagara Falls' 485-a Program. These tax abatements are reflected in the proposed project pro forma.

HISTORIC TAX CREDITS

Because these buildings are eligible for nomination to the National Register of Historic Places, the company will work with Preservation Studios to access state and federal historic tax credits. These additional sources of public funds are factored into the project pro forma. TM Montante Development will be working with a tax credit investor to monetize these credits, allowing them

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TM Montante Development LLC
7th and Niagara Streets
Development and Construction Costs

	<u>Sq Ft/ Acres</u>	<u>Rate</u>	<u>Amount</u>
Land / Building Acquisition Cost			
11 parcels: 610 - 624 Niagara; 414 - 428 7th	1.02	\$	-
TOTAL LAND / BUILDING ACQUISITION COST	1.02	\$	-
Construction Costs			
Residential	15,100	\$ 140	2,114,000
NGTI	9,600	\$ 140	1,344,000
Common Areas	1,850	\$ 140	259,000
	26,550		3,717,000
Demo and Abatement			152,350
Sitework			61,550
Sales Tax		8.00%	-
Contingency - Construction Overage		5.00%	196,545
TOTAL CONSTRUCTION COSTS	26,550	\$ 155	4,127,445
Soft Costs			
Architectural & Engineering		4.00%	165,000
Operating Costs / DPE			50,000
Permits / Fees / Reports / Misc			20,000
HTC Consultant Fees			37,000
IDA Fees & Counsel			77,000
ESD Fees & Counsel			15,000
Mortgage Recording Tax			-
Commitment Fee - Construction Loan			27,000
Closing Costs / Legal - Construction Loan and HTC Investor			100,000
Construction Interest Reserve			162,000
Commitment Fee - Permanent Loan			13,000
Closing Costs / Legal - Permanent Loan			15,000
Contingency - Soft Costs		5.00%	34,050
TOTAL SOFT COSTS			715,050
Subtotal Land, Construction, Soft and Loan Costs			4,842,495
Developer Fee			240,000
TOTAL PROJECT COSTS	26,550	\$ 191	5,082,495

Sources of Capital - Long Term

Bank Financing	2,540,000
Estimated Tax Credit Investor Contributions	1,372,274
ESD Grant	750,000
Sponsor Equity - Contributed Fees	240,000
Sponsor Equity - Contributed Capital	180,221
TOTAL SOURCES	5,082,495

TM Montante Development LLC
7th and Niagara Streets
Cash Flow Analysis

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rents - Residential	217,440	221,789	226,225	230,749	235,364	240,071	244,873	249,770	254,766	259,861
Gross Rents - NGTI	96,000	97,920	99,878	101,876	103,913	105,992	108,112	110,274	112,479	114,729
Other Revenue (fees, pels, etc.)	800	816	832	849	866	883	901	919	937	956
Vacancy	(15,712)	(16,026)	(16,347)	(16,674)	(17,007)	(17,347)	(17,694)	(18,048)	(18,409)	(18,777)
TOTAL REVENUE	298,528	304,499	310,589	316,800	323,136	329,599	336,191	342,915	349,773	356,769
Expenses										
Operating Expenses	44,779	45,675	46,588	47,520	48,470	49,440	50,429	51,437	52,466	53,515
Real Estate Taxes	14,440	14,440	14,440	14,440	14,440	14,440	14,440	14,440	14,440	14,440
TOTAL EXPENSES	59,219	60,115	61,028	61,960	62,910	63,880	64,869	65,877	66,906	67,945
Net Operating Income (Cash Flow)	239,309	244,384	249,560	254,840	260,226	265,719	271,322	277,038	282,867	288,823
Debt Service Coverage Ratio	1.28	1.31	1.33	1.36	1.39	1.42	1.45	1.48	1.51	1.54
Less: Tax Credit Investor Priority Return	(16,474)	(16,474)	(16,474)	(16,474)	(16,474)	(16,474)	(16,474)	(16,474)	(16,474)	(16,474)
Less: Syndication Put						(171,606)				
Net Cash Flow Before Debt Service	222,835	227,910	233,086	238,366	243,752	249,245	254,848	260,563	266,393	272,349
Less: Interest Expense	(138,485)	(135,738)	(132,837)	(129,772)	(126,534)	(123,113)	(119,500)	(115,683)	(111,650)	(107,390)
Less: Principal Repayment	(48,689)	(51,436)	(54,337)	(57,402)	(60,640)	(64,080)	(67,674)	(71,491)	(75,524)	(79,784)
Distributable Cash Flow	35,661	40,736	45,912	51,192	56,578	61,953	67,674	73,390	79,219	85,175
Cumulative Dist. Cash Flow	35,661	76,397	122,309	173,501	230,079	292,032	359,706	428,096	497,315	567,490

Rate of Return 8.5%



AMENDMENT TO
REQUEST FOR PROPOSAL:
MULTIPLE PROPERTIES at
7th and NIAGARA STREETS

City of Niagara Falls, NY

June 7, 2017

TMT
TM Montante
DEVELOPMENT

June 7, 2017

Purchasing Agent – City of Niagara Falls
Attn: Anthony Vilardo
745 Main Street, City Hall Room 17
Niagara Falls, New York, 14302-0069

Re: Amendment to Request for Proposal: Multiple Properties at 7th and Niagara Streets

Dear Mr. Vilardo,

TM Montante Development would like to emphasize the excitement and enthusiasm we have for this project, and acknowledge that we recognize and respect the position the City of Niagara Falls is in at this point of the selection process. Choosing the right developer for this project will not only impact the future of this site, but will also effectively set the stage for the future of the Niagara Street Corridor. We hope that through this RFP process the City of Niagara Falls is able to realize the highest and best use for this site, and that it will strengthen and benefit the Niagara Street corridor over the long-term.

We respectfully submit the following amended proposal to address the concerns raised regarding our original response to this RFP.

ECONOMIC DEVELOPMENT POTENTIAL

We feel strongly that our overall proposal represents the highest and best use for this site long-term. By allocating a significant amount of ground floor commercial space to Niagara Global Tourism Institute ("NGTI"), NGTI will be given an opportunity to evolve and grow into an operation that can have a transformative impact on the tourism economy of Niagara Falls.

The mission of NGTI is to transform Niagara Falls from a visitor attraction to an international tourist destination by focusing on collaborative partnerships between the public and private sector. It is our belief that NGTI, under the leadership of Pat Whalen, will be able to make a more meaningful impact on the growth of Niagara Falls by re-locating to 7th and Niagara Streets in a space that is tailored to their current and future needs. Furthermore, NGTI's co-working and incubator space will foster new businesses within the Downtown Core, creating opportunities for young companies to deepen their relationships with both the public and private sector in Niagara Falls, and ideally positioning Niagara Falls as the logical choice for the location of their operations as they move out of the incubator space to continue their growth.

Ultimately, the diversification of the economic base through this incubator space – which brings with it new job opportunities and new demand for both residential and commercial space – will encourage additional private-sector development along Niagara Street, and drive new demand for the type of ground floor commercial and retail users that the City of Niagara Falls values as a component of their comprehensive plan.

TM Montante does see tremendous potential for vibrant and successful retail offerings along Niagara Street *in the long-term*, and we feel that appropriately setting the stage for such retail offerings by first bringing residential and commercial density – which in turn will drive retail demand – is crucial to the long-term success of the Niagara Street Corridor.

RETAIL RISK IN THE SHORT TERM

In the short-term, TM Montante Development feels that incorporating retail offerings into the project at 7th and Niagara Streets will create additional project risk, and importantly may discourage a vibrant and successful retail corridor over the long-term. Based on the current lack of pedestrian traffic in and around the site, we feel it is likely that any retail operations introduced to this neighborhood in the near term would fail, creating a situation whereby the project would contain one or more vacant storefronts. It is for this reason that we would favor incorporating additional *commercial* tenants into the project (instead of retail), such as professional services firms or non-profit entities. Because such tenants do not rely on pedestrian traffic or significant residential and commercial density for their success, we see this type of user as the most viable in the short-term.

All of that said, we feel strongly that in time retail operations will thrive on Niagara Street, aided by a new influx of jobs and residents to Niagara Falls, and specifically to the Niagara Street Corridor. TM Montante Development would very much like to be part of the blossoming of the retail component of the Niagara Street Corridor, and we are very open to the possibility of converting ground floor commercial space to retail at the appropriate time.

AMENDMENT TO PHASE 1 PROPOSAL

In response to the concerns expressed by the City of Niagara Falls to further diversify the allocation of ground floor commercial space, this amendment to our original proposal offers a tactful and prudent compromise, which will contribute to the desired vibrancy at the street level, while also mitigating the risk to the developer that would be imposed by adding speculative retail space. To that end, we are now proposing a mix of NGTI office space, co-working incubator space, additional commercial space, and food service. Please refer to Exhibit 'A' for an updated project rendering, as well as an amended ground floor plan and site plan.

We amend our original proposal as follows:

- TM Montante Development, through our partnership with NGTI, is prepared to dedicate approximately 750 square feet of space at the corner of Niagara and 7th Streets to develop a food service component in the form of a café and coffee shop. By locating the coffee shop at this highly visible corner, it would serve as a beacon to tourists and other visitors to Niagara Falls. In addition to serving the general public through a dedicated storefront, the coffee shop would also serve NGTI and the tenants of the co-working and incubator space directly. This coffee shop operator would sub-lease space from NGTI, and would collaborate with NGTI on food service and catering for the many events to be hosted in the adjacent atrium space.
- In addition, we are prepared to allocate approximately 1,500 sq. ft. of space at the ground floor of 610 Niagara Street to be reserved for a dedicated commercial tenant, independent of NGTI. TM Montante Development feels that bringing in an additional commercial tenant could strengthen this project, and we will actively start searching for an additional tenant immediately once we are awarded this project. TM Montante Development will commit to conducting this search for a minimum of 12 months. If we are unsuccessful in finding a credit-worthy commercial tenant that is consistent with the vision for this project in that time frame, it would be our intent to dedicate this space to NGTI as described in our original proposal.

EMPIRE STATE DEVELOPMENT GRANT TERMS

TM Montante Development is open to moving forward with a phased dispersal of the ESD grant. Based on the significant amount of risk that this project carries in the short-term, as well as the uncertainty surrounding the market for historic tax credits, we will agree to a 90%/10% split, which would provide \$675k of the ESD grant to Phase 1 and \$75k to Phase 2. In our view, the success of the overall project hinges on the success of Phase 1, and therefore the significant majority of the ESD funds should be allocated to Phase 1 to ensure that the overall project has the highest likelihood of success.

We feel that this amended proposal fully addresses the concerns raised about our original proposal by the City of Niagara Falls and we look forward to continuing an active dialogue about this project if there are additional comments or questions.

Thank you for your ongoing consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Campos', with a stylized flourish at the end.

Christian Campos
President, TM Montante Development

EXHIBIT A
NIAGARA STREET RENDERING

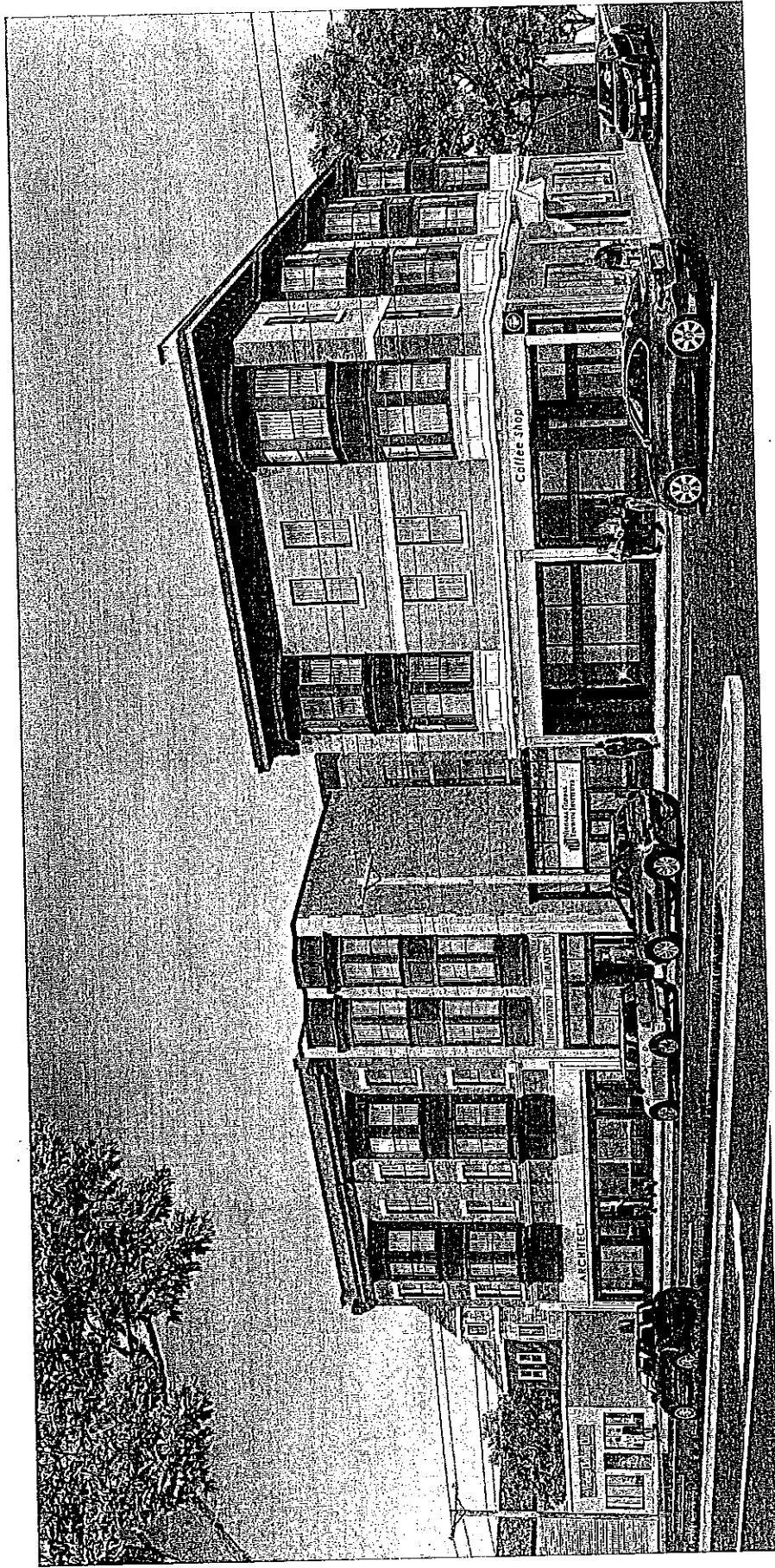


EXHIBIT A GROUND FLOOR SPACE PLAN

PROGRAMMING NOTES:		
NGTI OFFICES	Offices & Conference Rooms Access to Event Space Commercial Kitchen Access	2,750 SF
COFFEE SHOP/CAFE	AFFILIATED NGTI	750 SF
CO-WORKING TIER 1	Open Work Space Conference Room Access Access to Shared Services Event Space	1,600 SF
CO-WORKING TIER 2	Semi-Private Work Space Conference Room Access Access to Shared Services	750 SF
CO-WORKING TIER 3	Private Offices for Start-Up Companies Conference Room Access Access to Shared Services	750 SF
SHARED AMENITIES	Shared Conference Rooms Kitchen/Tree Food & Beverages Print and IT Services	1,600 SF
COMMERCIAL	PROFESSIONAL SERVICES	1,500 SF

KEY

- NGTI OFFICES 2,750 SF
- COFFEE SHOP/CAFE 750 SF
- CO-WORKING TIER 1 1,600 SF
- CO-WORKING TIER 2 750 SF
- CO-WORKING TIER 3 750 SF
- SHARED CONFERENCE ROOMS
- SHARED PRINT SERVICES
- SHARED KITCHEN/AMENITIES
- COMMERCIAL 1,500 SF

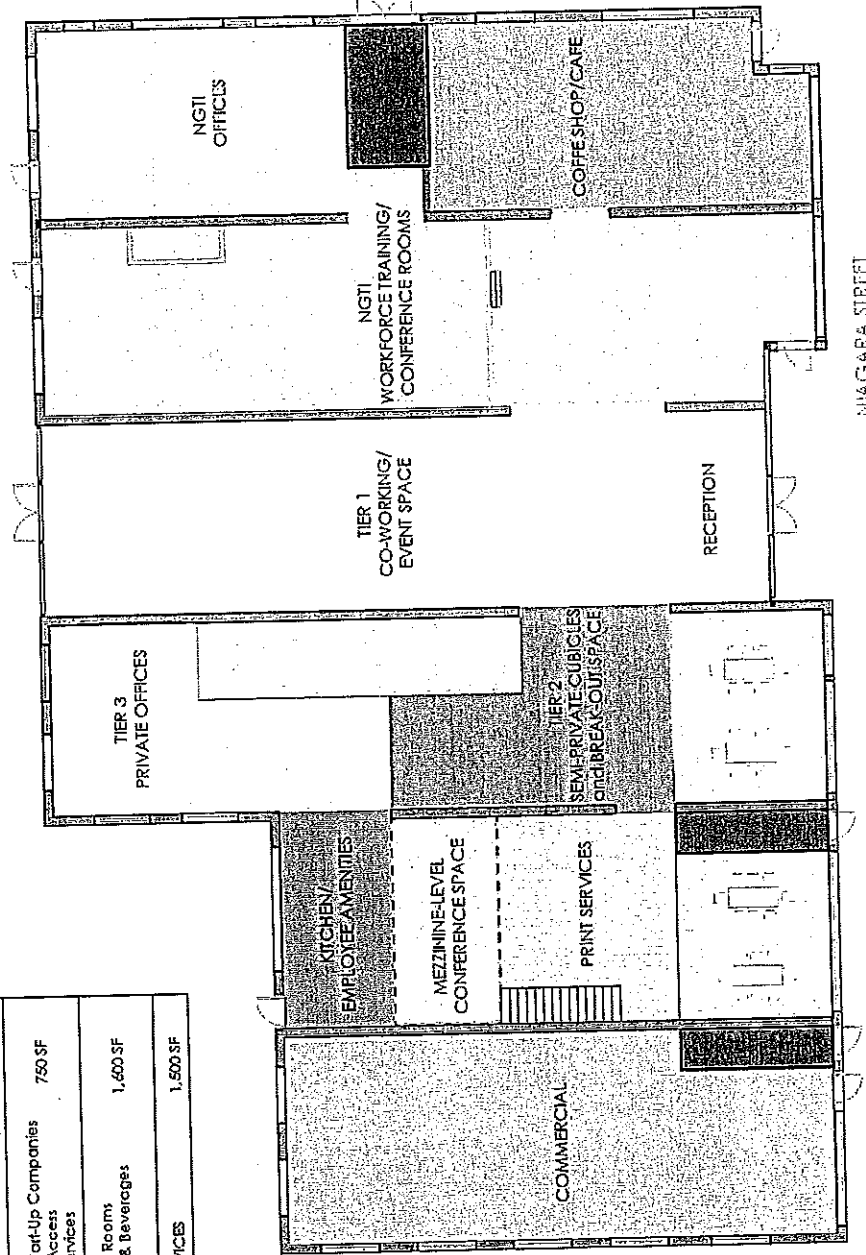


EXHIBIT A SITE PLAN

