

CITY OF NIAGARA FALLS
NEW YORK

DATE: October 29, 2020

TO: Chris Mazur
Corporation Council

FROM: Thomas J. DeSantis, AICP, Senior Planner,
Director, Planning Environmental & Economic Development

SUBJECT: 
Disposition of City-owned Properties—
670 Ashland (144.70-1-56), 528 & 528 ½ - 6th Street (159.21-2-21), and
449 - 9th Street (159.30-4-48), to Niagara Hospitality to Renovate for Rental

Niagara Hospitality has acquired 33 properties in the City within the last 12 months that were condemned, or in need of significant “studs-in repairs” and restoration: inside and out. They are seeking to purchase the above parcels and to undertake complete a full renovation of each.

On October 14, 2020 the Planning Board voted in the affirmative on the disposition of the above referenced properties to Niagara Hospitality. The proposed purchase price while substantial less than normally offered or expected (\$1.00), this has been deemed otherwise acceptable because the properties in question were/are all slated for demolition by the City. Demolition by the City will be a substantial cost to the city if carried out (without a sale and renovation). Removing these properties from the list of contracted demolitions will provide a reciprocal savings to the City through cost-avoidance –estimated at \$15,000+ per property.

Additionally, the Planning Board recognizes that this sale and dispositions will also ensure that these same properties are not only maintained on the tax roles but will see an increase in taxable value once the renovations are completed and see an overall benefit to the surrounding neighborhood. Niagara Hospitality is proposing to restore these properties within 3 years.

If you have any questions or concerns, please contact me at extension 4477.



City of Niagara Falls, New York

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

September 23 2020

NIAGARA FALLS PLANNING BOARD

RECOMMENDATION TO CITY COUNCIL
Allow 91 various City owned parcels go for Disposition

Pursuant to action taken by the Niagara Falls Planning Office on the 23rd day of September 2020 your request is hereby **APPROVED**.

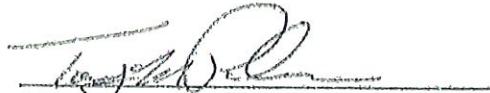
NAME OF OWNER: City of Niagara Falls

ADDRESS OF ACTION: 91 various City Owned Parcels

PURPOSE: Make properties available for Disposition to achieve the re-development goals in the South End Gateway District

This Recommendation to City Council is hereby APPROVED.

DATE: September 23, 2020


Tony M. Palmer, Chairman
Niagara Falls Planning Board

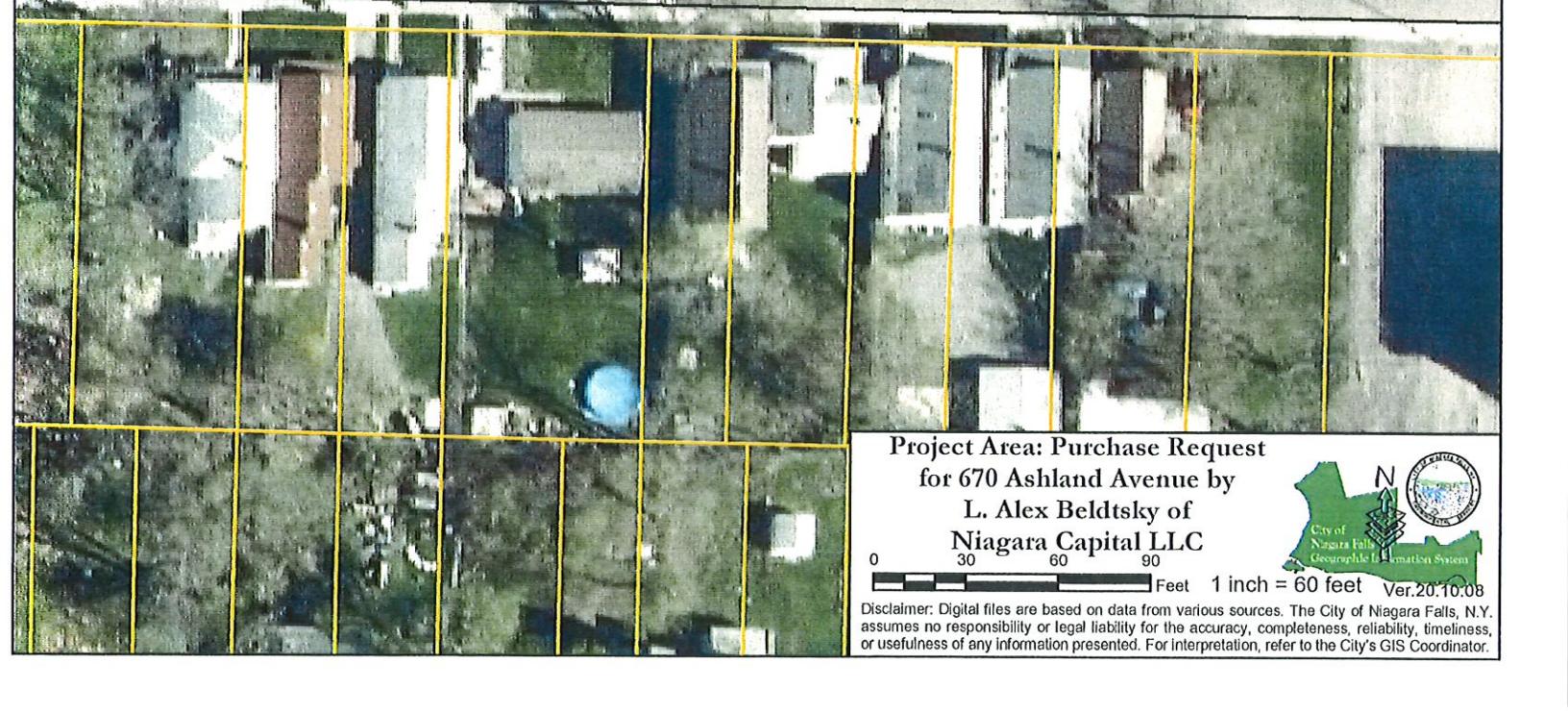
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CITY CLERK'S OFFICE
NIAGARA FALLS
CITY OF
RECEIVED



Chilton Ave

Requested Property

Ashland Ave

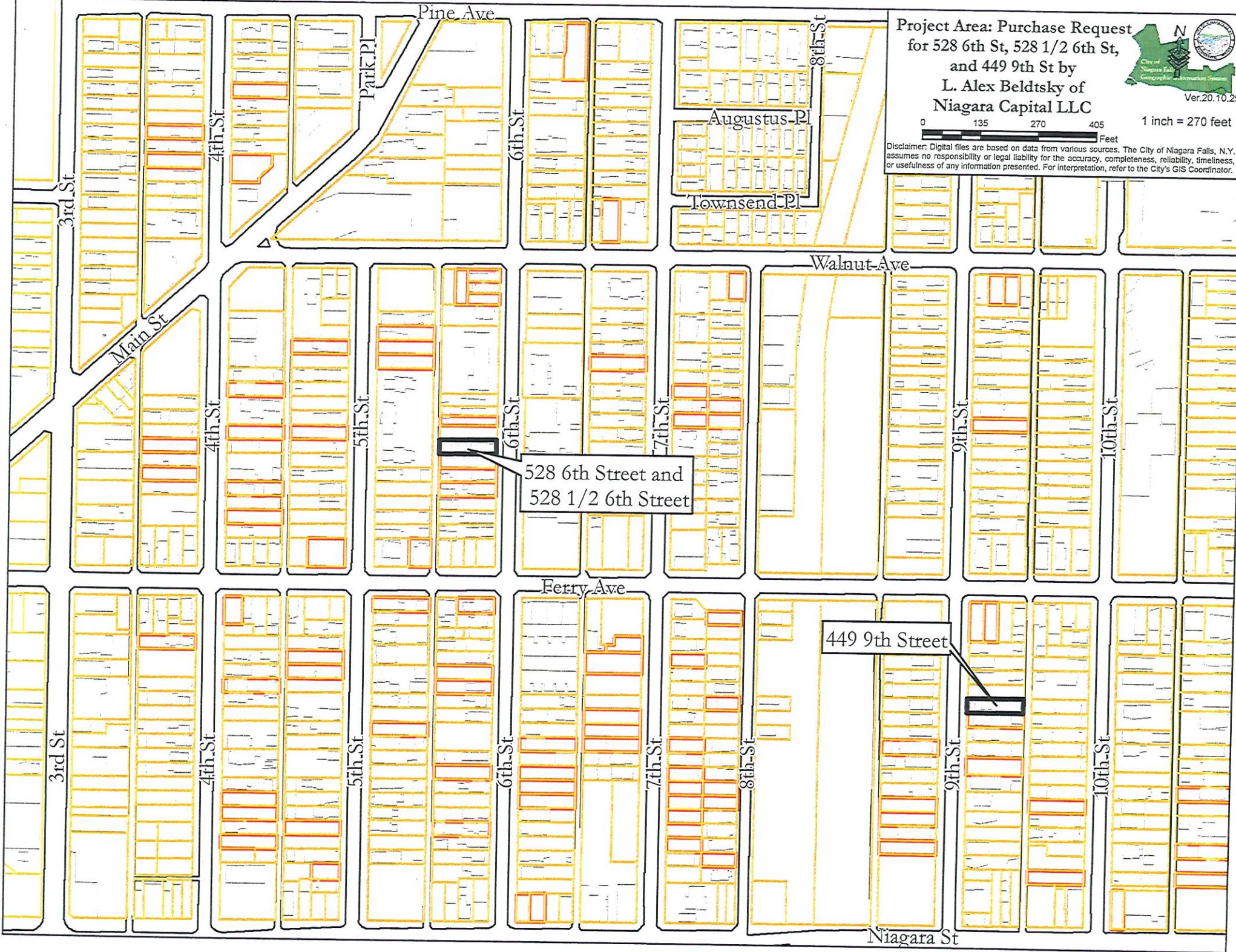


Project Area: Purchase Request
for 670 Ashland Avenue by
L. Alex Beldtsky of
Niagara Capital LLC

0 30 60 90
Feet 1 inch = 60 feet Ver.20.10.08

Disclaimer: Digital files are based on data from various sources. The City of Niagara Falls, N.Y. assumes no responsibility or legal liability for the accuracy, completeness, reliability, timeliness, or usefulness of any information presented. For interpretation, refer to the City's GIS Coordinator.





COVER LETTER

Niagara Falls City Properties

528 6th street

528 ½ 6th Street

449 9th Street

Niagara Hospitality

498 19th Street

Niagara Falls, NY 14303

Phone: (617) 735 -9400

Email: abeletsky@niagara-hospitality.com



Niagara Hospitality

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Executive Proposal Summary

Niagara Hospitality is committed to continue its investment in the Niagara Falls Community. We have acquired 33 properties in the last 12 months that were either condemned, or in need of significant studs-in repairs and restoration; inside as well as out. We have invested in several local businesses providing construction work and home services. We moved our banking relationships locally and are closed a significant investment in an office building in a prominent. Power City Building, 225 Old Falls Street.

Our goals are long-term and we plan on a continued expansion although we have run into some short-term challenges. The issues can be broken down into 3 categories, only one of which we have any control of:

- a) Shortage of a dependable workforce – We've had significant difficulty hiring and retaining dependable staff. As a corporation, it's our problem to solve and we've made investments in construction, property management and are about to launch a program with a business partner who we encouraged to open an office in the Niagara Falls area for cleaning and maintenance services by guaranteeing them a minimum budget per year (based on the number of working assets we have) which gives them a cushion to come into market, hire staff and implement best practices.
- b) Regulatory Uncertainty – Based on our last conversation with City Hall, we received some direction which we could base our forecasts on. That was Pre-Covid, and we understand that changed City priorities. At the time of the last conversation, we had 4 operating units for Short-term rentals, and based on our understanding at the time, moved forward with full construction and renovations with 10 more to be completed by June. The Rental season in Niagara Falls is short (Mid May to end of September), and our plan was to make the most of it with the 14 properties. This is what we forecasted to our investors at the time. Our hope is

that despite Covid, we can salvage some of the season and try to operate them starting in August, should we get approval from the city.

c) Niagara Visitor Impressions – Our goal is to provide our visitors with the best possible experience in Niagara Falls. We have extensively renovated the homes we operate to provide a clean, modern feel. We specialize in large families, and most of our bookings are for parties of 10 or more individuals. We've made arrangements with local vendors and restaurants, provide our visitors with a city guide and continuously engage with them throughout their stay. We receive consistent positive feedback from our customers on our accommodations, and also negative feedback on the other boarded up homes on the same street (reference Exhibit B). While we cannot do much about the impact and havoc that the pandemic has caused, we believe, that together with the city we can have a significant positive influence on the impression the city leaves with the tens of thousands of visitors when frequent the Falls.

Our proposal is simple and straight forward:

- 1) We acquire the houses that the city owns on the same street as ours.
- 2) We do a complete renovation of the properties within 3 years of taking ownership and put them into service.
- 3) After 3 years, the city re-assesses the homes and begins to collect tax revenue.
- 4) The city endorses our plan and assists us in acquiring Airbnb licenses for those properties.
- 5) We submit a \$3,000 escrow deposit for each property that gets released to us as soon as the permit is pulled when renovations begin.

Appendix A has our proposal for the 3 lots slated for demolition.

- 528 6th and 528 ½ 6th Street
- 449 9th Street
- 670 Ashland Ave

09/30/2020
 Niagara Hospitality is prepared to show proof of funds that we can accomplish the renovations for each acquired house.

We thank you in advance for your time and consideration of this opportunity.

Sincerely,

 L. Alex Beletsky
 Managing Partner
 Niagara Capital LLC.

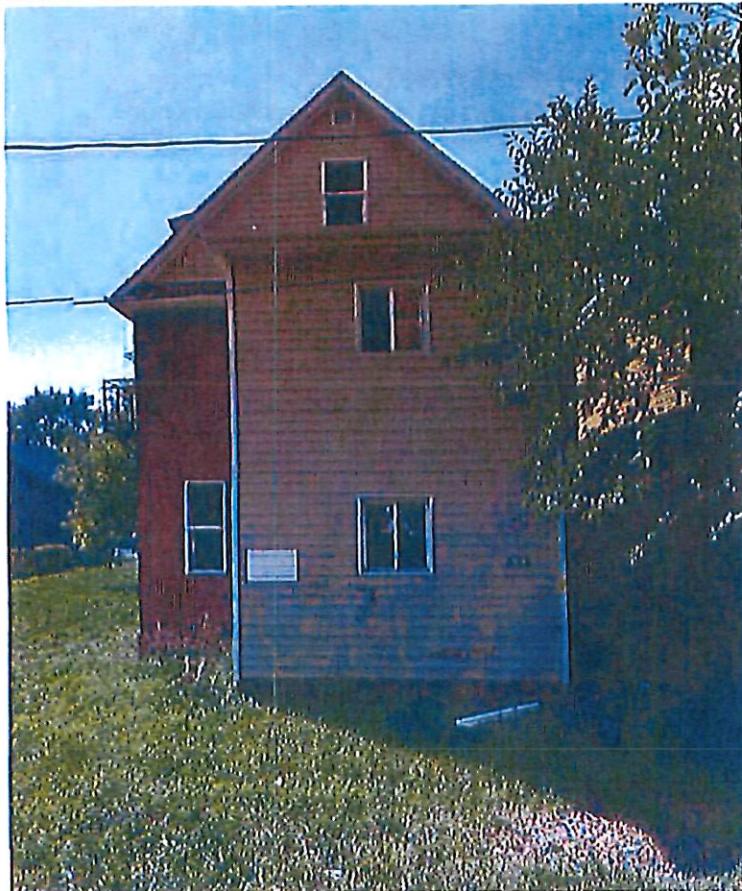
Appendix A – Demo Property Proposal

We ask that the City give Niagara BYG Capital LLC (DBA Niagara Hospitality) a 3 year Preferred Developer Status to expedite future acquisitions. Niagara Hospitality will put down a \$3,000 escrow deposit for each property the City agrees to develop with us. Once Niagara Hospitality applies for a construction permit, the City releases the escrow funds.

Properties in Appendix A:

- 528 6th and 528 ½ 6th Street
- 449 9th Street
- 670 Ashland Ave

528 6th Street



Analysis - This house has sound structure and can be renovated

Proposal - Niagara Hospitality will offer the City the cost of demolition \$15,000. The proposed renovation budget for this house is \$175,000. Niagara Hospitality will initiate work in 2021 with an estimated completion prior to May 2022.

528 1/2 6th Street



Analysis - This house has sound structure and can be renovated

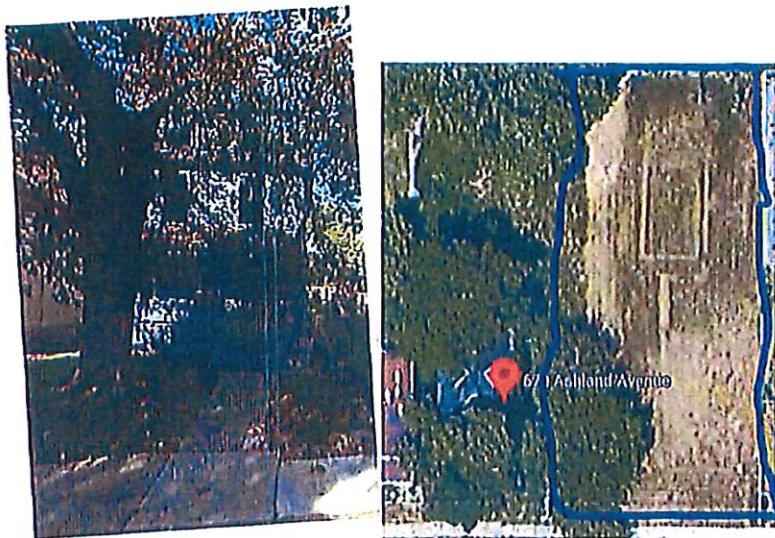
Proposal - Niagara Hospitality will offer the City the cost of demolition \$15,000 for this house along with the lot next to it (if the city owns it). The proposed renovation budget for this house is \$75,000. It will also include the improvement of the lot next door to maintain a well landscape continuous space. Niagara Hospitality will initiate work in 2021 with an estimated completion prior to May 2022.

449 9th Street

Analysis - This house has sound structure and can be renovated

Proposal - Niagara Hospitality will offer the City the cost of demolition \$15,000 for this house along with the lot next to it (if the city owns it). The proposed renovation budget for this house is \$200,000. It will also include the improvement of the lot next door to maintain a well landscape continuous space. Niagara Hospitality will initiate work in 2021 with an estimated completion prior to May 2022.

670 Ashland Ave



Analysis - This house has sound structure and can be renovated

Proposal - Niagara Hospitality will offer the City the cost of demolition \$15,000 for this house along with the lot next to it (if the city owns it). The proposed renovation budget for this house is \$175,000. It will also include the improvement of the lot next door to maintain a well landscape continuous space. Niagara Hospitality will initiate work in 2021 with an estimated completion prior to May 2022.

Appendix B – Request for Purchase Forms

CITY OF NIAGARA FALLS, NEW YORK

Procedure for Offer to Purchase City Owned Property (Vacant Lots Only)

Please fill out the attached "Request to Purchase City Owned Property" in the following manner:

Section A: Print your name, full address and telephone number.

Section B: Enter the address of the property you are interested in. The "SBL" number for the property must be obtained from the City Assessor's Office.

Section C: Enter your bid for the purchase of the property. Please note that a **minimum bid of Five-Hundred Dollars (\$500.00)** is required for any size vacant lot. A bid for less than \$500 will be denied without any notice to you.

Section D: Please indicate your intended use for the property. Also, if you own a home directly next to the property you are bidding on, please write "Adjacent Property Owner."

Important Notes:

As mentioned above, a minimum bid of \$500.00 is required on any parcel; any bids lower than this amount will be automatically rejected, without further notice.

Please understand that several City Departments must review your request to purchase and approve if acceptable. This process can take some time to complete.

Sale is subject to approval by the City Planning Board and the Niagara Falls City Council.

In order to complete the purchase of the property, you will be required to pay a portion or all current Niagara Falls City and School Taxes (depending on the time of year you close).

Purchaser is required to pay all recording fees and transfer taxes upon closing to the Niagara County Clerk. These fees are based on the purchase price and classification of the subject property. Please refer to <https://www.niagaracounty.com/Departments/County-Clerk> for more details.

Also, you may be required (at the City's discretion) to hire a licensed surveyor to prepare and submit a re-subdivision map to combine the property you currently own with the adjacent property you are purchasing. If necessary, it is recommended that you contact a licensed surveyor concerning the process to file and record the re-subdivision.

If you fully understand and agree to the above, please fill out
the attached request form and return it by mail to:

City of Niagara Falls Law Department
745 Main Street, P.O. Box 69, Niagara Falls, NY 14302-0069

Thank you for your interest in the City of Niagara Falls.

528 and 528 1/2 6th Street

REQUEST TO PURCHASE CITY OWNED PROPERTY

SECTION A

Name: L. Alex Beletsky on behalf of Niagara BYG Capital LLC, DBA Niagara Hospitality

Address: 498 19th Street

City: Niagara Falls State: NY Zip: 14303 Phone: 617-735-9400

SECTION B

Address of Properly Requested for Purchase: 528 and 528 1/2 6th Street

SBL # (Contact Assessor's Office for this): # 159.21-2-21

SECTION C

Your Bid for the Subject Property: \$ 1 + the avoidance cost of demolition estimated at \$15,000. For clarity, Niagara Hospitality will take over the property and restore it within 3 years.

SECTION D

Briefly Describe Your Intended Use for the Property: Niagara Hospitality will begin renovation work on the property in the 2021-2023 calendar years and will intend to use it as a short/long term rental property.

Date: 09/30/2020

By:


Requesting Party

Please forward this completed form to

City of Niagara Falls Law Department
745 Main Street, P.O. Box 69, Niagara Falls, NY 14302-0069

449 9th Street

REQUEST TO PURCHASE CITY OWNED PROPERTY

SECTION A

Name: L. Alex Beletsky on behalf of Niagara BYG Capital LLC, DBA Niagara Hospitality

Address: 498 19th Street

City: Niagara Falls State: NY Zip: 14303 Phone: 617-735-9400

SECTION B

Address of Property Requested for Purchase: 449 9th Street

SBL # (Contact Assessor's Office for this): # 159.30-4-48

SECTION C

Your Bid for the Subject Property: \$ 1 + the avoidance cost of demolition estimated at \$15,000. For clarity, Niagara Hospitality will take over the property and restore it within 3 years.

SECTION D

Briefly Describe Your Intended Use for the Property: Niagara Hospitality will begin renovation work on the property in the 2021-2023 calendar years and will intend to use it as a short/long term rental property.

Date: 09/30/2020

By: L. Beletsky
Requesting Party

Please forward this completed form to

City of Niagara Falls Law Department
745 Main Street, P.O. Box 69, Niagara Falls, NY 14302-0069

670 Ashland

REQUEST TO PURCHASE CITY OWNED PROPERTY**SECTION A**Name: L. Alex Beletsky on behalf of Niagara BYG Capital LLC, DBA Niagara HospitalityAddress: 498 19th StreetCity: Niagara Falls State: NY Zip: 14303 Phone: 617-735-9400**SECTION B**Address of Properly Requested for Purchase: 670 AshlandSBL # (Contact Assessor's Office for this): # 144.70-1-56**SECTION C**

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Please forward this completed form to

City of Niagara Falls Law Department
745 Main Street, P.O. Box 69, Niagara Falls, NY 14302-0069

CITY OF NIAGARA FALLS
NEW YORK

DATE: November 9, 2020

TO: Chris Mazur
Corporation Council

FROM: Thomas J. DeSantis, AICP, Senior Planner,
Director, Planning Environmental & Economic Development

SUBJECT: Disposition of City-owned Properties—
Additional Disposition of 442 - 9th Street (159.30-4-48),
to Niagara Hospitality to Renovate for Rental

Niagara Hospitality has acquired over 30 properties in the City within the last 12 months that were condemned, or in need of significant repairs and restoration. They are seeking to purchase the above parcel in addition to the other parcels that they have previously identified as part of Niagara Hospitality's overall plan to undertake and complete a full renovation of each property so identified.

On September 23, 2020 the Planning Board voted in the affirmative on the disposition of the above referenced property.

The proposed purchase price while substantial less than normally offered or expected (\$1.00), that price has been deemed otherwise acceptable because the property in question is recommended for sale on condition that a substantial repair and renovation is to be carried out by Niagara Hospitality.

Additionally, the Planning Board recognized that there were no other likely redevelopment path for the property other than to ensure that its' disposition/sale is to a reputable re-developer. Niagara Hospitality is proposing to restore city-acquired properties within 3 years.

If you have any questions or concerns, please contact me at extension 4477.



City of Niagara Falls, New York

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

September 23 2020

NIAGARA FALLS PLANNING BOARD

RECOMMENDATION TO CITY COUNCIL

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NAME OF OWNER: City of Niagara Falls

ADDRESS OF ACTION: 91 various City Owned Parcels

PURPOSE: Make properties available for Disposition to achieve the re-development goals in the South End Gateway District

*This Recommendation to City Council is hereby **APPROVED**.*

DATE: September 23, 2020



Tony M. Palmer, Chairman
Niagara Falls Planning Board

2020 SEP 24 AM 10:45

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CITY OF NIAGARA FALLS
PLANNING BOARD
1000 AM 24 SEP 2020
2020 SEP 24 AM 10:45



