

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

May 16, 2022

The City Council  
Niagara Falls, New York

***RE: Agreement to Terminate the City Market Lease (Muto Development LLC)***

Council Members:

Pursuant to a lease agreement dating back to October 1999, Alfonse Muto and Muto Development, LLC (“Muto”), has been a tenant of the City of Niagara Falls relative to the real property known as the Niagara Falls City Market. Muto currently operates the farmers market at the City Market and subleases retail space in the market property to several businesses. Currently, this lease agreement runs through July 2032, with an additional 44-year option that would extend it through 2076.

The Administration believes that the termination of the long-term City Market lease will provide the City with a once in a generation opportunity to plot a course that will not only allow the City Market to reach its full potential, but to serve as a catalyst to the revitalization of the Pine Avenue corridor and its nearby neighborhoods. Accordingly, it is hereby proposed that the City enter into an agreement with Muto Development to terminate the City Market ground lease.

Under the proposed agreement, the following will be accomplished: 1) Muto’s ground lease agreement to operate the City Market will be terminated; 2) the City will assume the subleases that Muto currently has with the commercial tenants at the City Market; and 3) the City will acquire six (6) parcels of real property owned by Muto adjacent to the Market. The total cost for this transaction is Two Million Dollars (\$2,000,000.00). This price considers the present value of the underlying City Market ground lease through its projected end date in 2076. Funding is available from American Rescue Plan funding using Treasury Guidance Expenditure Category 6.1, which is “Revenue Replacement for the Provision of Government Services.”

It is important to note that upon termination of the ground lease, the City will temporarily assume all operations at the City Market until such time as an agreement with a new operator can be reached. While it serves as operator of the City Market, the City will receive rent payments pursuant to the lease agreements of the retail tenants which will serve to offset expenditures related to this project.

Bax \_\_\_\_\_ Myles \_\_\_\_\_ Tompkins \_\_\_\_\_ Zajac \_\_\_\_\_ Spanbauer \_\_\_\_\_

Will the Council so approve and authorize the Mayor to execute an agreement terminating the existing City Market lease, along with any additional documents necessary to accomplish the same, provided that they are satisfactory to the Corporation Counsel in both form and content?

Respectfully submitted,

ROBERT M. RESTAINO  
Mayor

Funding Approval:

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Daniel Morello, City Controller