

## **Mayor Paul A. Dyster – State of the City Address February 26, 2014**

City Council members, fellow public officials, department heads, community leaders, ladies and gentlemen—good evening and thank you for joining me for the 2014 State of the City Address. I want to express my particular thanks to those of you who braved the cold to come out tonight, given that my first two attempts to schedule this event fell victim to the Polar Vortex and a snow storm, respectively. It seemed for a while there that this event was cursed with bad weather. I thought of postponing it until May, but decided instead on late February—because if we did have one of those freakish late spring snowstorms, I didn't want to get blamed for bringing it on. So thank you for coming, and try to hang on for a few more weeks. Nothing in this world lasts forever—not even the winter of 2013-2014.

Before we get started, I wanted to take a few moments to remember two individuals who are part of our Niagara Falls family who are no longer with us. First, my long-time Executive Assistant Donna Winstanley, who passed away last week after a brief but courageous bout with cancer. Donna was my right-hand person for over six years, and she was dedicated to serving the citizens of the City of Niagara Falls. Second, we are all saddened by the tragic news that 20-year old Ricky Jones, a Niagara Falls High School graduate and son of Detective Lieutenant Dan Jones of the Niagara Falls Police Department, was killed in a multi-car pile-up while serving with the Marines in California. Ricky, a firefighter for the Frontier Volunteer Fire Company in Wheatfield, was trying to assist the driver in another car involved in the accident when he lost his life. Both of these wonderful people were a credit to our City, and both will be sorely missed by all who knew and loved them. I would ask that we now observe a moment of silence in their memory.

Thank you.

In spite of these recent tragic events, I want to start my speech on a note of optimism. I have a strong conviction that this is not only a good time to be mayor of the City, but a good time to be a citizen, or a businessman, or an investor. We have been through some tough times here in Western New York, but I think our fortunes are in the process of changing.

We as a city have begun our ascent, but we are not alone. You can feel it happening in Buffalo, too, and all across Western New York. For the first time in decades, it feels to many that the economic and political realities--in our region generally, but also specifically here in Niagara Falls--have put progress and economic growth within arm's reach. Our current climate calls to mind a passage from President Kennedy's 1961 Inaugural address—that was certainly a time of great optimism for the future:

“So let us begin anew – remembering on both sides that civility is not a sign of weakness, and sincerity is always subject to proof. Let us never negotiate out of fear. But let us never fear to negotiate.”

President Kennedy, of course, was concerned then with international relations and the threat of nuclear destruction during the Cold War. Here in Niagara Falls, where, luckily, the stakes are different in nature (no one is threatening to A-bomb anyone that I know of...), it is no less important that we begin anew, entering into the coming year with a commitment to civility, sincerity, and openness to discussion. It is time for the “Cold War” of Niagara Falls politics to end, and for everybody to get behind the wheel and push, hopefully in more or less the same direction.

It is only through communication--between citizens and government, and between the Mayor and the City Council--that we will succeed in making 2014 a turning point for the City of Niagara Falls.

Speaking of turning points, how about this? For many years, we have lamented our fall from prominence as the “Honeymoon Capital of the World.” Guess what? In 2013, City Clerk Carol Antonucci reports we issued 1,129 Marriage Licenses--the most Marriage Licenses issued in the City of Niagara Falls in 40 years! I can't image why that would be. Anyone have any theories? Well, I have one guess, but since it would be discriminatory for us to maintain marriage records by the gender of couples getting married, I'm afraid we may never have definitive proof. The last time we had a spike in the number of Marriage Licenses issued was in 2000, when we issued 1,119, and before that in 1973, when we issued 1,141. I have no idea what was going then, but it must have been good.

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Our revenue from Marriage Ceremonies performed by the two Marriage Officers in the Clerk's Office even increased to \$20,225, from \$12,625 in 2012. But that's not the thing of which I am most proud.

I am most proud of the many, many compliments our staff has received from the diverse folks to whom we issued licenses or whose ceremonies we performed. I have been told that, whatever their race, creed or gender, they have felt very welcome in Niagara Falls, and were treated very courteously and professionally, not only in the Clerk's Office, but in our restaurants, hotels and attractions. I have even had couples tell me that they have been referred to our Office by other municipalities who were unable to accommodate a request for issuance of a license outside of normal business hours, or performance of a ceremony at the convenience of the couple. Many couples have told us they chose Niagara Falls on the recommendation of friends of theirs who had a very positive experience here, maybe after getting a less than positive vibe somewhere else. Our world is changing in many ways, and change can be difficult to get used to. Fair enough. But that's no excuse for being rude or intolerant. Niagara Falls has always known how to roll out the red carpet for special occasions; I was a little worried there about Sochi, Russia. Hopefully they learned something about what it means to play host to the world.

In 2013, our Niagara Falls Police Department continued our City's war against crime, and achieved a significant 6% reduction in what we call Part I Crimes, including murder, sexual assault, robbery, aggravated assault, burglary, larceny and vehicle theft. What is the strategy that is getting such great results?

First, we're continuing our struggle against the triple threat of guns, gangs and drugs. Last February, we held our first gun buyback program. I'll admit I was a little skeptical to start, but when I saw the result—over 100 handguns, rifles, shotguns and assault rifles unwanted by their owners safely taken off the streets—I was very pleased. People asked why, say, a drug gang member would want to turn in their gun to the police. Well, they probably don't, but if they leave it in the closet at granny's house, she may have a different opinion. Many of the guns turned in had simply been abandoned by their original owners, and the person now in possession just wanted help to safely dispose of them.

Just a few weeks ago, we cooperated with New York State Attorney General Eric Schneiderman and other law enforcement agencies in Operation Lockport, which took down a drug-smuggling operation that used the City's Florida connection to move drugs in commercial packages.

Second, we're using our resources more and more efficiently over time. The City was an early adopter of the CompStat system developed in New York City in the early 1990s as a way of using modern information technology to track crime and apply scarce resources in a quantifiably justifiable way. With a little help from Senator Charles Schumer, we shifted that effort into high-gear with the OJP Diagnostic Center program, using data-driven solutions to improve public safety, including putting into practice customized strategies to address property and street-level crimes impacting downtown tourism.

Third, we're continuing to diversify the composition of our Police force. I pledged when elected to help recruit a police force that was more representative of our population—not just because it was the right thing to do, but because it would draw us closer to the community and make us more effective in the long-run. That process continues, not just in terms of new recruitment but in terms of senior leadership, too.

We're looking for every opportunity we can find to get our officers in contact with the community, with a special emphasis on young people. We want our kids to look on our officers as friends, mentors and role models, not outsiders or potential enemies. That's why we're so excited about programs like "Game Changers," that draw together multiple partners from law enforcement, academia, the business community and community-based organizations to help keep our kids heading in the right direction.

Fourth, under Chief DalPorto's leadership, we've changed the way we redeploy resources to give a greater emphasis to patrol activities. We're getting more bang for the buck by putting more cars on the street—and foot patrols and bicycles, too. OK, so not a lot of bicycles over the last several weeks, but even during the Polar Vortex I saw guys out there on foot patrol. That's not just talking the talk—that's walking the walk for sure!

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This coming season, we're bringing online a new program to put even more feet on the street, even if they're not armed officers. What is being called the "Ranger Program" would employ a civilian force of about 12 trained and uniformed individuals who would patrol the downtown area. These rangers would not carry police authority, but they would be equipped with radios to contact police if the need arises. The increased uniform presence will be a deterrent to crime, as well as giving people a chance to ask questions, get directions and generally feel better about being downtown.

Finally, we're continuing to use casino revenues to purchase new equipment to combat crime. Some of this stuff is pretty esoteric, and not likely to attract the public's gaze, but one significant change that is already becoming visible is the purchase of Chevy Tahoes for patrol vehicles. With no significant difference in gas mileage, we're getting more capable vehicles, especially in bad weather situations. Snow storms come immediately to mind, but after seeing my police chief charging into three foot deep water in the back of a Border Patrol pick-up truck last July, I'm thinking that floods have got to be counted a close second. We can't take the danger out of their jobs entirely—that's just part of what it means to be a police officer—but one of the things we can do is make sure our boys and girls in uniform have the best equipment we can afford to get them.

The same goes for our Niagara Falls Fire Department. First, we want to make sure we never forget the lessons learned about preparedness, but even more so about courage and sacrifice, on September 11, 2001. So, in cooperation with the Department of Public Works, work on the 911 Memorial at the Royal Avenue fire hall continued, and a new walkway was unveiled leading to our memorial, which includes a steel girder from the World Trade Center. Congratulations to all concerned on a job well done.

The return of casino revenues means that once again we can get back on track with purchases of capital equipment. Chief Colangelo and his staff are working on specs for a new rescue truck to go out to bid soon. It will incorporate a command center that will include various computer technology that will be used in all apparatus by year's end. In the meantime, the department set a record with 6,433 response runs in 2013. That busy season didn't stop the department from receiving a "Train the Trainer" grant in Fire Ground Survival. We were able to cover our costs for implementing the grant by charging outside fire departments to attend. Our certified instructors will now teach what they learned to members of our own department in 2014.

We're working with other Niagara County fire departments to find funding to rebuild a new fire training tower on the Hyde Park site where a dilapidated tower was recently condemned and torn down.

Fire-related inspections and enforcement activities were also ongoing in 2013. During last April, Chief Colangelo personally inspected the Rural Metro ambulances that service the City of Niagara Falls. They all passed, and the appropriate fees were collected. All city public schools were inspected in the spring, and private schools in December. All city service stations were inspected and "Flammable Liquid Retail" permits were issued. 1600 commercial inspections were done this year, as well as 70 pre-plan/site familiarization inspections. 330 fire investigations or code enforcement investigations were done. We continued our strong investigative work in support of arson prosecutions, leading to several arrests being made for arson, reckless endangerment and falsely reporting an incident in 2013.

We had only one fire fatality in 2013, but one is one too many. So we continue our work in the field of fire prevention. Our Fire Safety Trailer, and Life Safety Educator Al Hornung, reached over 2500 children and adults. Our community fire safety programs talked to over 8,000 people. We participated in the J-FIRE—Juvenile Fire Intervention Response and Education—program, which educates juvenile fire setters in the dangers of their actions. We took school kids on firehouse tours to meet firefighters and learn fire safety right in our firehouses. Finally, we deployed our secret weapon in 2013. Ladies and gentlemen, may I introduce Sparky, the Fire Safety Dog.

2013 was a busy year for the Department of Public Works as well. We had a number of projects come to completion, including construction of a new storage building for our fleet of tandems, bucket truck and other City equipment. I want to thank Councilman Anderson for his persistent advocacy for this project, which was an

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important part of “gittin’ her done.” Not only does this keep the equipment out of the rain and snow, but it makes it easier to plug in the engine block heaters on cold winter nights. I’ve got to believe that was an important consideration, especially this year. Thanks to the Engineering Department for their work on this and other projects as well. Working with the Fire Department, DPW also took care of a potential mold issue at 72<sup>nd</sup> Street Firehall—we hope for good. These are just highlights from a long list of facility improvements done in the last year. The main highlight of my presentation on the Department of Public Works, however, can only be one thing, especially in light of what the recent severe weather has done to our poor city streets. That topic, of course, is paving.

Since the beginning of my administration, we’ve tried to take a scientific, fact-driven approach to rebuilding our streets. One facet of the strategy has been trying to get our big, largely state-funded road reconstruction projects started and completed. This last year, we finished two big ones: Lewiston Road and Buffalo Avenue Phase I. That takes two of our biggest pothole-producing streets off the list for a long time to come, and lets us concentrate our efforts elsewhere. Once again this year, we will do City-funded, contractor-built reconstruction as well. 97<sup>th</sup> Street is a recent example. I don’t want to give away the secrets from the upcoming paving program announcement, but I’ve heard Macklem Avenue may at long last have made the top of the list.

At the other end of the spectrum, we’ve dramatically changed how we do street repairs. One technology we helped to pioneer, the Pothole Killer, is now in wide use—and one suspects, given the prevalence of potholes throughout the northeast, in great demand this year. I’m asking City Council at their next meeting to approve an expanded program for this year, because we want to nail down the scheduling and fix the price before the market catches up with us. While the Pothole Killer is doing its thing, our crews are freed up to use new equipment like the Zipper to repair whole stretches of bad road, taking out dozens of individual potholes in the process. Things are going to be tough for the next few weeks while we wait for the weather to improve and the asphalt plant to open, but rest assured we have a strategy in place to attack the pothole problem as soon as we are able. In the meantime, help us keep track of the really bad ones so we can do temporary cold patch repairs.

Finally, between the full-depth reconstruction of entire streets and the repair of potholes, there is the City’s in-house road reconstruction program. We used to call this “mill and overlay,” but as we expanded the depth to which we took the repairs—including binder and sometimes base as well as top coat—and as we added repair or replacement of manholes and catch basins to the program, we decided that was not really the right description of what we were actually doing. From measuring our progress by the number of streets, we drilled down first to square yardage and then to cubic yardage as the best measure of our progress.

The weather obviously is a factor, as was cash during the years of the casino crisis, but in 2010 we set a record with almost 300,000 yards of top and binder put down. This year, between CHIPS and casino funding, we’re prepared to do a record \$2.7 million dollars of in-house paving, if the Good Lord is willing and the weather cooperates. Our sidewalk program, which replaced almost 100,000 ft<sup>2</sup> at over 400 locations last year, is also preparing for a big year. To give you a feel for the cumulative impact of the paving program, look what happens when you overlay each year on top of the previous one. We’re not done yet—I don’t think in truth we ever will be—but over time we’re turning the corner on what many people once believed was an impossible problem.

Before I leave the topic of DPW, I want to note the great work done by our Clean Neighborhood Team, which was given 890 properties to address. 330 complied; 560 were cleaned. 1678 miscellaneous calls of complaint were received. 1451 orders of clean-up were issued, generating 2,535 letters. A job well done.

Finally, I would be remiss if I didn’t recognize the above and beyond service of the forestry department under some very trying circumstances. Of over 2500 routine requests for service and almost 1500 storm-related cases, over 3,000 requests were completed. That’s a great record. I had the opportunity to witness our entire City work force—not just Forestry and the rest of DPW but Police and Fire and Code Enforcement as well—reacting to some very severe weather, from summer floods to winter snow and ice storms this last year. I know every one of you who saw them in action—and not many neighborhoods did not—agrees with me they did a great job. Let’s give them all a big round of applause.

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While we're on the subject of statistics, the Department of Code Enforcement also had a very busy year. Revenues for the year were almost \$890,000, 116 new cases were written for Housing Court, inspectors made 200 court appearances, over 10,200 building inspections were done, and almost 3,400 housing complaints were investigated. Sounds like a lot of work. So guess how many inspectors there are in the department? 100? 10? No, 3! Those are some busy people, those code enforcement officers.

Our landlord licensing program has now registered a total of almost 4,700 properties; that's 90% compliance. Revenue for this program in 2013—an off-year on the two-year license—was \$35,000. We anticipate approximately \$110,000 in 2014. Licensing of demolition contractors brought in an additional \$10,000 last year.

Assessor Jim Bird reports that the rapid growth in the Military Road/Route 62 corridor that was so strong in 2013 will continue into 2014. L.A. Fitness is open, with a new Starbucks under construction out front and a new Hampton Inn nearing completion across the street, all basically at the corner of Niagara Falls Boulevard and Fashion Outlet Boulevard. The new Dunn Tire is open down the street. A new retail plaza off Military Road—114,000 square feet—is under construction that will house a Petco, Bed, Bath and Beyond and several other retail outlets. I heard that permits for the new Sam's Club in the Walmart plaza have now been pulled, foretelling an estimated \$9-10 million in construction to be completed by this October. Finally, I know none of us are happy about losing Mom's Restaurant in the Mil-Pine Plaza, but perhaps it's some consolation knowing Harbor Freight is coming to fill the void—though I don't think homemade soup is one of their specialties. All in all, there are a lot of jobs being created in construction, and isn't it about time.

One other 2013-2014 highlight for the assessor's office. The 2013-2014 State budget included legislation which requires all homeowners receiving the basic STAR exemption to register with the Tax Department to receive the exemption for 2014 and beyond. The staff of the assessor's department has put in many additional hours to register homeowners without access to computers. The process is ongoing until March of 2014, and our City staff will continue to do everything we can to make sure our taxpayers get every tax break they're entitled to receive.

Surely the most important function served by the Code Enforcement department, ably led by Building Commissioner Dennis Virtuoso, and working in conjunction with builders, developers and contractors, is making sure that construction projects in the city get done, and get done right. Last year, the \$463,000,000 Greenpac Project was opened and in operation right on schedule. If there was a larger green industrial project underway in our region, I don't know what it was.

Projects like Greenpac resulted in a large increase in our PILOT totals, even as the non-homestead base was stable. The homestead base increased, in large measure because we were successful in getting many city-owned properties back into the hands of private owners. Once again this year, the administration proposed and the Council approved a 20% shift in the homestead/non-homestead base proportions to continue our joint commitment to equalize tax rates and eliminate our existing two-tier tax system, which almost everyone agrees is a drag on economic development. In spite of IDA PILOTs taking many business properties out of the non-homestead base, we have continued our commitment to the shift while holding residential property taxes steady.

We are also working with the DEC, EPA and private sector partners like Honeywell and the Brightfields project to reclaim former industrial lands for new uses. For years, the Tract II area lay dormant under a jungle of weeds and brush, and the only sign of movement was people talking at public meetings. Now, we have turned that talk to reality, and the clean-up is well underway. We're working now to find new, job-creating uses for the freshly-cleaned land. One use we already know about is to use part of the land to restore park land lost to the nearby Hope VI project, but that's just the beginning of the new future for these lands.

Just a few hundred yards to the west, on the beautiful rim of the Niagara River gorge, the City of Niagara Falls has undertaken a multi-year, multiphase project to relocate Amtrak intercity rail service within a new station building located at the Whirlpool-Rapids International Bridge.

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The Project saw a groundbreaking in 2010 with the preservation and rehabilitation of the 1863 National Register, U.S. Custom House. That first phase work is complete. It is now our first important new heritage tourism attraction within the Niagara River Gorge section of the Greenway.

The Project's 2nd phase to replace the railway bridges and reconstruct Lewiston Road is not only complete, but also a great improvement. Who here remembers what that underpass looked like before we replaced the bridge, paved the road and installed new lighting? I do, and it was not pretty!

The final phase of the Station Project is out for bid and should be awarded and under construction this Spring.

More than the 200 direct and 400 indirect construction jobs, the Project creates an important gateway connecting Niagara Falls, NY to the Golden Horseshoe of Southern Ontario, to Buffalo, and to downstate. And it will prove to be a catalyst for new investment and business opportunities in the North End, including on Main Street.

And while some of you may have seen this video before, I think it is important to give you another glimpse of what future visitors to Niagara can expect to experience when arriving by train once the new station and multi-modal center is completed. As you can see, it will be a great addition to the City. A game-changer for sure, and something we will all be proud of for generations to come.

In 2013, the City of Niagara Falls continued to re-think city ownership of property, blight demolition and vacancy.

Niagara Falls Community Development, in partnership with the Legal and Planning Departments, started the Niagara Falls Open House Program, getting vacant houses and lots back on the tax roll. The community spoke and we listened. It is now easier to buy the vacant lot next to you for as low as \$500. We held our first Home Ownership Auction in September. Now three city owned houses, forgotten by tax auctions and headed towards costly demolitions, will be renovated by new homeowners. There will be more in 2014. This idea started as a conversation with members of the Memorial Parkway Block Club, and I thank them for being a part of this effort. Each sale was approved by the Planning Board and the City Council and I thank both for their leadership and foresight, navigating a new approach to an old problem.

Our partnership with the Isaiah 61 Project took major steps in 2013. What started as one agreement for one house on Whitney Avenue has spread to seven houses. Students continue to enroll in its trades training program that boasts a 75% job placement rate for graduates. Three out of four unemployed people that walk into that class leave with a job and a skill. Ladies and Gentlemen, that's real progress. When we talk about reclaiming a city, one house, one person at a time, that's what we mean.

Isaiah 61 continues to gain momentum and funding partners including Orleans/Niagara BOCES, the New York Power Allocation Board, Empire State Development, Key Bank, First Niagara Bank, M & T Bank, Deal Realty, the Niagara Community Foundation, and many more continue to come on board. Why? Because a good idea at the right time is transcendent. We will out do 2013 this year, and I point to the corner Highland Avenue and College Avenue as the flagship. Through a \$132,000 grant from the Western New York Regional Economic Development Council, the City is renovating a long vacant fire hall so it can become the official trades training center for the Isaiah 61 Project. Everyday people drive by that building and think about what it could be and we took notice. What is now an eyesore and a reminder of difficult economic times will become a place for our citizens to learn a trade and start a new life. Once again, the community had a bright idea and asked the right question: Can we salvage valuable items from homes before they are lost to demolition? The answer will be yes in 2014. The City is entering into an agreement with Isaiah 61 to allow them to salvage building materials at the re-use store at the renovated fire hall.

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The fire hall at 3721 Highland Avenue is more than just a building, more than just a project. It's proof that combining a good idea with public input and hard work produces results.

It didn't stop there. In 2013 we laid the ground work for three more neighborhood revitalization projects. We partnered with the Niagara Falls City School District to change the fate of long vacant and crumbling buildings. Again, this time through a public referendum, the community spoke and we listened. The former South Junior Building and Walnut Avenue Administration building are now part of a bricks and mortar plan instead of just being blighted liabilities. In combination, the Niagara City Lofts and Housing Visions Walnut Avenue Homes Development will re-purpose 147,000 square feet of vacant building space within a one mile radius, prevent over \$2 million in tax-payer funded demolitions, generated \$94,000 in sale revenue for the school district and city, and will return these properties to the tax roll for the first time in a decade. This did not happen by accident. We went out and found developers with a solid track record and the ability to finish tough jobs. We partnered with YWCA's Carolyn's House, the School District, Niagara Falls Memorial Medical Center and Neighborhood Housing Services Inc. to strengthen our case. We held public meetings and facility tours to get everyone involved. In the City's North end, we're working at Applewalk with Norstar and the NFHA to demolish ancient 3-story walk-ups and replace them with attractive, modern apartments.

Of course the naysayers came out and of course they tried used their familiar misinformation tactics and personal attacks to stop progress, but failed. Why? Because we put the decision in the hands of the people who actually live in, and care about, this community. We put the decision in your hands. The land sale referendum for both projects passed by a margin of six to one. These developments are moving forward because our community told us, in a resounding voice, to focus on what matters: neighborhoods, not negativity.

As these renovation projects move forward, we remain committed to strategic demolitions. It is unfair for neighbors to live with blight. We also know that the demolition cannot be the end of the story. When we demolish, we now look beyond that parcel and look at the block and how to best serve it. I present the 400 Block of Memorial Parkway as the example of the new strategy. We demolished 446 Memorial Parkway in December, and immediately started the vacant lot sale process with the neighbor on one side, a home previously renovated with a Community Development deferred loan. On the other side of that lot is the first approved home ownership auction home. So it's not just a demolition program anymore – it's a neighborhood revitalization strategy.

Economic development must become not mere bureaucratic rhetoric, but a living, real force in the lives of everyday people in every neighborhood of the city. When city government partners with the private sector, everyone in the local economy benefits: new tax revenue; renovated vacancy and blight; new jobs and commerce; lower government costs--these benefit every homeowner and resident.

The 400 Block of Third Street is proving these facts right now. A group of local developers have spent over \$800,000 to purchase 27,000 square feet of vacant and under-utilized building space over the past six months. Note I didn't say, "are going to spend..." I said, "have spent."

In partnership with USA Niagara and Empire State Development, an additional \$950,000 will be spent to renovate these buildings, starting new businesses and creating new market-rate apartments. In total, that's \$1.7 million in new investment happening on one street at one time. This did not happen by accident.

These developers, all local and proven business people, could have invested anywhere in the region...downtown Buffalo, Amherst, Lewiston...but they didn't. Thanks to the recruitment efforts of existing Third Street business owners, and the proactive work of Niagara Falls Community Development, they chose Niagara Falls. That's a win. Are any of you investors out there? (If any are there...a thank you for "doubling down" on Niagara Falls would be appropriate.)

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My administration's role was simple and straightforward – listen to the local business community and neighborhood and then make smart investments. Through the help of Western New York Regional Economic development and HUD grants, we cleared out 11 blighted structures on 4<sup>th</sup> simultaneously in 2013. We created a matching grant program to stimulate needed market rate apartment renovations, as well as commercial façade improvements. We invested less money in these projects than in years past because we did it strategically. We did not commit general fund dollars, instead applying for grants and using dollar for dollar reimbursable agreements with the building owners. All together, the City's investment in this transformation is less than \$100,000 and brings a 21 to 1 return on investment. By any measure, and even to the most critical of skeptics, 21 to 1 is a solid business choice.

We are committed to market rate, walkable neighborhoods and commercial amenities that serve tourists and residents alike. It's becoming a reality and you do not have to take my word for it. When critics say people don't want to move into Niagara Falls remind them that downtown market rate apartments are at full capacity. Or, just drive down Third Street and you will see the construction crews already working on new apartments. Drive down Rainbow Blvd and see a hotel construction site, again owned by a local development, where a long vacant lot and crumbling alley once sat.

New construction. New investment. New jobs. New hope. It's not just a plan any more – it's action.

A lot of great things happened in Niagara Falls over the last year, and that progress will continue. But there are a couple stories that undoubtedly will be remembered as turning points for the City in 2013—not least because they had such momentous importance for the City's fate going forward.

One, of course, was the prolonged financial crisis faced by the City, created by the multi-year impasse in the casino cash dispute between the State of New York and the Seneca Nation of Indians. It may be difficult now for many people to remember the distressed situation the City faced as we started 2013, and the general gloom and pessimism that permeated many people's prognosis of the likely outcome. I kept saying it was all going to be OK in the end, but I had this sneaking feeling that not many people believed me. Well, guess what? (Hold up giant check.) You didn't think we were going to throw that away, did you?

Throughout it all, month after month, then stretching to years, two things remained constant. First, all agencies of City government, from the Controller's office to the City Administrator to the Departments—and even the City Council most of the time—worked together to manage the City's dwindling cash reserves while simultaneously meeting the City's debt, payroll and other financial obligations, protecting the City's bond rating, preventing layoffs, keeping critical capital projects moving forward and meeting weather-related emergency demands on the City's resources. We operated under a spending freeze on all non-essential expenditures, spent a lot of time on the phone with our bond rating agencies, and borrowed from tribal fund reserves earmarked for projects that had not yet started. But in the end, we made all bi-weekly payrolls, union contractual obligations, debt payments, contractor and vendor payments—all on time, and all without having to incur short-term debt. Yes, you can applaud—in fact, I think you should! It wasn't easy, but we did it—and I'm not sure how many other municipalities in New York State or anywhere else for that matter could have weathered the storm like we did.

But we had an “ace in the hole,” as the card sharks say. The second thing that remained constant throughout the crisis was the personal commitment of our great Governor, Andrew Cuomo, that in the end, no matter what else happened in the State-Seneca dispute, we would be made whole. We had fulfilled all our obligations as the host community and deserved to be paid the full amount owed to us. In the end, it was the personal diplomacy of Governor Andrew Cuomo, working with Seneca Nation of Indians President Barry Snyder to find common ground, that blazed the trail forward to resolution of the long-standing disagreement. Nya:weh sgeno, President Snyder. Nya:weh sgeno, Governor Cuomo. Thanks for being there—for us.

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On August 1<sup>st</sup> the City received a \$1 million “good faith” payment, then, on August 22<sup>nd</sup>, the balance of almost \$88 million due to the City for the years 2009 through May 31<sup>st</sup>, 2013 was transferred to our account. We promptly paid the stakeholders who are designated to receive a share of our share—the Niagara Tourism and Convention Corporation, the Niagara Falls School District, Niagara Falls Memorial Medical Center, the Niagara Frontier Transit Authority, and the Niagara Falls Underground Railroad Heritage Commission. We repaid our own General Fund and the Tribal Fund reserves for funds borrowed during the cash flow crunch--\$22.6 million to the former and \$7.2 million to the latter. Fitch, Standard and Poor’s and Moody’s all removed their negative watch, restoring the city’s stable status and restoring the City’s investment grade status.

The second major turning point in 2013, I believe history will record, was the successful conclusion of a development agreement for the vacant lot at 310 Rainbow Boulevard—the “Balloon Parcel,” in the popular parlance—with the Hamister Development Group. The project numbers speak for themselves--\$25 million in total investment, 100 new hotel rooms, a couple dozen market rate apartments, ballroom facilities, street-level retail and restaurants, etc. But a couple of things strike me as unique and noteworthy about this project.

First, it is the first mixed-use building to be constructed downtown since the urban renewal of the 1970s. Think of how significant that is. We scoff now about urban renewal and tend to make fun of the people who tried to implement it. But they were not fools, regardless of how short-sighted their actions may seem to us today. They wanted to make the City better. They tried their best. But in spite of all their efforts, including the wholesale bulldozing of much of the City’s precious architectural heritage, they could not call forth from the leveled and cleared ground, in a trial that lasted for decades, a single project on a scale with what we now are about to witness. That’s a game-changer if ever there was one, folks.

Second, once again, as in the case of the casino cash dispute, the personal intervention and diplomatic skills of Governor Andrew Cuomo were essential to the positive outcome. Borrowing again from the gambler’s lexicon, the Governor “doubled down” on Niagara Falls. Do you know what that means, to “double down?” I’m not a gambler myself, so I decided to look it up. It’s when you’re so confident of success that you take the opportunity to bet even more on the likelihood of a positive outcome.

What coming up next for downtown Niagara Falls? We’re working with the Governor’s economic development team at USA Niagara and Empire State Development to meet the Governor’s Challenge to leverage hundreds of millions of dollars of new investment, with a focus on tourist amenities and attractions—new things for visitors, especially families with children, to do when they visit at whatever time of year. We’re analyzing the competing proposals and getting ready to recommend to the City Council a preferred developer for the remainder of the long-vacant Rainbow Centre Mall. We’re looking for experienced private-sector partners to help expand our outdoor recreation offerings, from horseback riding to zip-lining to rock-climbing, and everything in between. Building on our successful partnership with NCCC here at the Culinary Institute, we’re working with USAN and Niagara University to create the Niagara Global Tourism Institute – a high-tech center for innovation that will help lead the worldwide tourism industry in the 21<sup>st</sup> Century. Finally, after a generation of activism and mostly frustration, we’re finally taking steps to undo the damage done to the City’s waterfront by the Robert Moses Parkway. We’re even getting ready, at long last, to give the famous Old Stone Chimney its proper and long-overdue place in our region’s history.

And we better get moving with all this stuff, because the hotel industry is building more high-quality product and needs us to work hard to make sure all these new visitors have plenty to see and do. For years we worried that hoteliers wouldn’t build more rooms without more attractions, and attraction operators wouldn’t build attractions without more rooms to support them. Well, the hotel people went first, and now we need to catch up.

**Mayor Paul A. Dyster – State of the City Address  
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One institution that's helping lead the charge is our own Aquarium of Niagara. Here are a few artists' renderings of what the first phase of their planned \$14 million expansion and renovation project will look like. Along with the new opportunities provided by the new gorge access at the Maid of the Mist docks, the Cultural District in the City's Strategic Master Plan is on its way to becoming a reality. How appropriate, especially this winter, that the rebirth of Niagara Falls tourism attractions should start with finding a new home for penguins. I don't know about you, but I think I'm starting to feel like a penguin myself.

Ladies and gentlemen, there is a new spirit of optimism and a new energy sweeping across our Western New York region. From the Medical Campus to the Buffalo Waterfront to downtown Niagara Falls, a new future is being forged for the region we call home. Niagara Falls, as the center of regional tourism but even more so as a symbol of our region's great natural wealth and worldwide fame, has a critical role to play in shaping that new future.

From the "winter" of the Great Recession, the long years of industrial decline, and the internal Cold War of our own politics, the first signs of rebirth—the first signs of "spring"—are starting to appear. Let us count ourselves as blessed that we are the generation chosen not just to witness but to create with our hands and minds a new Niagara Falls.

The name of the game is rebirth and revitalization. Economic development is the top priority of the day. The stage is set; we all know our appointed roles. It's time for dreams to finally become realities, for plans to finally give way to action. For once, people, let's not blow it! I predict 2014 is going to be a turning point year in our City's history—but only if we all believe, and work together to make it happen. Goodbye, winter. Hello, spring. We thought you'd never get here!

Goodnight, God bless you, and keep warm til the crocuses and tulips rise to greet you once again.