

**N.F.C. DEVELOPMENT CORP.
1022 MAIN STREET
P.O. BOX 69
NIAGARA FALLS, NEW YORK 14302**

June 20, 2013

TO: N.F.C. Development Corporation Board

FROM: Paul A. Dyster
Chairman

RE: Agenda for Board Meeting
Date: Thursday, June 27, 2013
Time: 4:00 P.M.

PLACE: City Hall Council Chambers

REVISED AGENDA

1. Call to Order
2. Roll Call
3. Approval of Minutes of Meeting Held March 25, 2013 **VOTE**
4. Vote to Approve 15,000 Grant for Mario DeMita, Jr. d/b/a Mario's Pizza **VOTE**
5. Vote to Approve \$10,000 Grant for Stephanie Signorelli, Makeup Palace **VOTE**
6. Vote to Approve \$10,000 Grant for Mary Nadeou, WNY Tents & Awnings **VOTE**
7. Vote to Approve \$10,000 Grant for Robert Ventry's Pizza and Subs **VOTE**
8. Vote to Re-Authorize Rental Rehab Program **VOTE**
9. Vote to Extend National Development Council though May 31, 2014 **VOTE**
10. Old Business
11. New Business
12. Adjournment

N.F.C. DEVELOPMENT CORP.

June 27, 2013

TO: NFC Board of Directors
FROM: Joseph Collura, Economic Development Professional
RE: National Development Council (NDC) Contract Extension

As you know, the contract with National Development Council has expired and is up for renewal. As I have asserted in the past, 'Economic Development,' professionally carried out, is critical to the future sustainability of the City. NDC provides the necessary additional capacity and capabilities that cannot otherwise be brought to bear on behalf of the City and its economic development interests. Therefore, I am strongly recommending that NFC and NDC extend the services contract for the coming year. The NDC liaison, Mr. Robert Sweet will continue to provide the City with the necessary expertise and contacts.

While it is true that projects that the City and NDC have been working on have not resulted in a "shovel in the ground," I would modify that to read —not yet. Certainly everyone's desire is to move projects more quickly, but the reality is that economic development projects are complex undertakings for the investors looking for a relatively stable situation and a reasonable return for their investment, particularly in this economic climate. Sorting out the private and public financing, public-interest obligations and responsibilities, as well as, conducting appropriate due diligence expertise takes time.

Currently, Mr. Sweet is working closely with staff in continuing their discussions with NFR and other existing businesses in the city. Additionally, Mr. Sweet is having discussions with developers from outside the region who have expressed interest in exploring various development opportunities with us. Over the past year this has enabled the City to advance each of the projects listed below closer to an implementation decision.

- Canadian Niagara Hotels, Inc. — An "expansion" of *Sheraton at the Falls Hotel*, and "rehabilitation and upgrade" of *Days Inn Downtown Hotel* as well as other subsequent development opportunities /projects downtown.
- NFR Corp. — New "downtown development."
- JBI, Inc. — A "manufacturing expansion project" in the Buffalo Avenue Industrial Corridor Brownfield Opportunity Area.
- Working with a Canadian developer on "mixed-use downtown development," including possible new housing construction.
- TM Montante Development — "Re-development" of the former Unifrax World Headquarters on Whirlpool Street as well as other subsequent development opportunities/projects.

- Blue Sky Optimum Energy Inc. —A proposed “research, manufacturing and office” projects in the Highland Brownfield Opportunity Area.
- Brightfields —A mixed commercial business park, “brownfield remediation and redevelopment project” in the Highland Brownfield Opportunity Area.
- Globe Metallurgical Inc. — A “manufacturing expansion project” in the Highland Brownfield Opportunity Area.
- SantaRosa Holdings – A proposed technology project on his Brownfield site on College Avenue.

Without NDC, the City of Niagara Falls will lose the ability to obtain ‘no-cost’ professional training for staff. The NDC has trained and will provide additional training needed for our ED staff to fully have the necessary tools to handle potential applicants. At the current time, NDC is in the process of developing better NFC guidelines and regulations; it is reviewing the existing application process and will be making recommendations for new requirements, standards, and possible new programs. Staff training ensures a better intake process, ensures more consistent ongoing review of approved loans/grants and more effective monitoring of delinquent loans.

Under the auspices of NFC, I am presently working with NDC in establishing the ‘Grow Niagara Falls Fund.’ Under the NDC’s Grow America Fund, the NFC can establish a long-term, revolving loan fund designated to help local business expansion It can provide long-term financing, low equity requirement, flexible underwriting criteria and limited pre-payment penalties. The Fund will be able to provide debt refinancing and permanent working capital, which is funding that, is very difficult to obtain otherwise. Application intake and processing will be performed by NFC staff (once trained). The NDC staff will perform underwriting. The NFC will be able to leverage its funds 4 to 1!

In the coming year, city staff and Mr. Sweet will continue to work at attracting new interest from outside developers for priority initiatives. And, Mr. Sweet will continue to work with potential developers to identify creative financing options for projects and in providing additional analytics for evaluating the feasibility of potential projects.

Both NFC and NDC will continue meeting with NFR and Smokin Joes working toward a framework for advancing new projects. And both will work to persuade an appropriate developer to utilize the city’s Restore NY grants.

In addition to advancing individual projects or talking to individual developers, I want to highlight that the expertise of NDC’s entire national organization is an irreplaceable benefit to the City. NDC’s expertise adds an overall capability to the City for advancing projects farther and faster than it can otherwise.

Most importantly, without a contract with NDC, the availability of “New Market Tax Credits” for financing large-scale City economic development is gone. These tax credits are a financial instrument of some complexity that are not readily available to all, but are to NDC. And NDC can and will administer this tool as needed by individual project developers, such as the proposed expansion project being developed by Globe.

With the City in constant need of outside investment and local budgets under constant pressure to accomplish more with less, it is easy for me to recognize the value that NDC represents to this community in achieving our economic development goals.

Again, I recommend that NFC renew our contract with NDC in the amount of \$72,000 and in so doing, join with me in not jeopardizing the progress we have gained with current prospects.

Thank you for your consideration. Should you have any questions please feel free to contact me at your convenience.

Will the directors vote to approve the extension of the National Development Council contract for another year, from June 1, 2013 through May 31, 2014?

Joe