

CITY OF NIAGARA FALLS, NEW YORK

TO: City Council
FROM: Mayor Paul A. Dyster
DATE: January 23, 2019
RE: **City Council Agenda Item: African Heritage Economic Initiative, Inc.
Contract Extension and Mortgage Document**

Council Members:

In July of 2018, the City awarded CDBG funds to African Heritage Economic Initiative, Inc. (the “subrecipient”) to establish a food cooperative in the North End neighborhood of the city. These funds were made available to for site acquisition, renovation, and store operations. The contract for this project was executed on July 16, 2018.

The contract carried strict time requirements. The subrecipient was allotted six months from the execution date of the contract to close on the purchase of a property and four months for the subrecipient to renovate the property and open the store to the public. Funding for the operation of the co-op would be available for four months following the co-op’s opening to the public. The maximum total timeline for the project was to be fourteen months.

The subrecipient was able to close on the property on September 13, 2018, well within the six month timeframe requirement. The current contract required that rehab be completed within four months of this date, and for the food co-op to open on January 13, 2019. The subrecipient has had difficulty identifying contractors to perform the required renovation work, and the 2018-19 holiday season produced further delays in contractor procurement. The four month timeline has not be met. The subrecipient has asked for more time to complete renovations, and anticipates that the co-op will be open by the end of February if the contract is extended.

Because acquisition of the co-op site took place well ahead of schedule, Community Development recommends that the contract be amended to allow for both renovation and operations costs to be paid through September 16, 2019. In addition, the contract would be amended to require that a mortgage document be signed by the subrecipient and recorded in the Niagara County Clerk’s office to further secure the subrecipient’s performance of provisions already present in the current contract.

It is requested that Council approve an amendment to the contract to allow renovation and operations expenditures through September 16, 2019, and to require a mortgage on the property at 2616 Highland Avenue to secure the subrecipient’s performance.

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

Nicholas Melson, City Administrator

Seth A. Piccirillo
Director of Community Development

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