

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

May 10, 2019

The City Council
Niagara Falls, New York

RE: Request to approve Purchase, Sale and Development Agreement of the Cannon Block

Council Members:

Please recall that as a result of litigation commenced by the U.S. Attorney's Office against the former owner of properties located at 550 Main Street, 557 Third Street, 561 Third Street, 565 Third Street, 569 Third Street and 571 Third Street, the City acquired title to those properties (the "Cannon Block").

The City subsequently issued a Request for Proposals in September of 2017 and by resolution dated November 14, 2018, the City Council designated Penn Terra Group Limited, dba Penn Terra-USRE Corp. ("Penn Terra") as the Preferred Developer of the Cannon Block. The proposal called for Penn Terra to amalgamate all parcels and construct a new residential building with on-site parking which will be used primarily for student rentals and for vacation rentals.

Subject to City Council approval, the City has agreed to sell the Cannon Block parcels to Penn Terra for the sum of \$54,000.00 in order to redevelop the Cannon Block.

The City is the named grantee in a Restore NY Grant made by the New York State Urban Development Corporation, dba Empire State Development ("ESD") in the amount of \$2,000,000.00 which is for the redevelopment of the Cannon Block. The Grant Award and accompanying Grant Disbursement Agreement will name Penn Terra as the designated beneficiary within the Grant Disbursement Agreement for the purpose of effecting the proposed development. Penn Terra shall be bound to all New York State Grant NWBE Contract Participation Goals contained in the Grant Disbursement Agreement and any City participation goals as outlined in the Purchase, Sale and Development Agreement. The balance of the project cost will be borne by Penn Terra through either bank financing or private equity participation.

It is anticipated that the redevelopment of the Cannon Block will create new jobs, raise property values, create community amenities, bring in local tax revenues and be attractive for new residents and businesses.

Attached hereto is a copy of the Purchase, Sale and Development Agreement that has been agreed to by both parties, subject to City Council approval.

Kennedy_____ Scott_____ Tompkins_____ Voccio_____ Touma_____

Will the Council so approve and authorize the Mayor to execute on behalf of the City all documents relating to the transfer of the properties, grant disbursements, and redevelopment of the Cannon Block, provided that final agreements and documents and such related documents are in a form acceptable to the Corporation Counsel?

Respectfully submitted,

PAUL A. DYSTER
Mayor