

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

September 30, 2022

The City Council  
Niagara Falls, New York

**Re: *Contract for Redevelopment of 550 Main Street, Niagara Falls, NY 14301  
(Niagara Wanderlusting, Inc.)***

Council Members:

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

The City subsequently issued a Request for Proposals and the proposal submitted by Penn Terra-USRE Corp. (“Penn Terra”) scored the highest; by resolution dated November 14, 2018, the City Council then designated 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. Following City Council approval, the City sold the Cannon Block parcels to Penn Terra in February 2020 for the sum of \$54,000.00, conditioned upon Penn Terra commencing construction of the development within two months of the closing and completion of the project within 24 months of that date.

Unfortunately, short of amalgamating the parcels, Penn Terra made no effort to commence any redevelopment of the parcel in question (all of the parcels were merged into one, 550 Main Street – S/B/L No. 159.21-1-46.1). This Administration then took action to reacquire the property under the terms of the development agreement. The City Council approved the reacquisition of the property and the City then tendered the original purchase price of \$54,000 to Penn Terra to complete the transfer of ownership back to the City.

As development of the parcel in question continues to be a priority, it is requested that the City Council authorize the designation of Niagara Wanderlusting, Inc. as the “Preferred Developer” for the Premises, as its proposal was the second highest scored proposal submitted in response to the City’s original development RFP.

Niagara Wanderlusting is a Niagara Falls-based, MWBE business with a long track record of successful ventures. The proposed plan for the premises will provide enhanced amenities and for improving travel experience of visitors, while simultaneously providing a centralized corporate headquarters for a growing MWBE industrial supply company. The Plan is

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to demolish all existing structures on the premises and to replace them with five duplex structures each containing two (2) vacation rental units and one commercial building. Construction will be phased over a 48 to 60 month period, starting with the commercial building and one duplex and continuing with the addition of at least one additional duplex yearly until completion.

In addition to designating Niagara Wanderlusting as the Preferred Developer, it is requested that the City Council authorize the Mayor to execute a sale, purchase and development agreement with Niagara Wanderlusting which will contain the terms of the development of the Premises.

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.

Will the Council approve the requests contained herein and authorize the Mayor to execute any agreements in this regard that are satisfactory in form and content to the Corporation Counsel?

Respectfully submitted,

Robert M. Restaino  
Mayor