

**Meeting of the Olean Urban Renewal Agency
Wednesday, December 19, 2018
8:30 a.m.
Room 119 – Olean Municipal Building**

Attendance: Members - Chairman Charles Corcoran, Mayor William Aiello, Earl McElfresh, John Ash, and John Crawford. Staff - Keri Kerper, Community Development Program Coordinator; Jack Hart, Attorney, Wagner & Hart, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

1. Roll Call

Mr. Corcoran called the meeting to order at 8:30 a.m. and asked that the record show that all members were present except Deanna Foster and Nate Smith, who were excused.

2. Reading & Approval of the November 14, 2018 meeting minutes

A motion to approve the minutes of the November 14, 2018 meeting was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

3. November 2018 Financials

Mr. Corcoran questioned if the Agency should keep \$75,000 in the checking account, or if \$50,000 could be placed in a Certificate of Deposit. Ms. Kerper advised that she would contact Community Bank to discuss placing the funds in a CD, and asked the Agency what its desired maturity period for the CD would be. Mr. Corcoran responded that he would like to see the funds placed in a three month CD to be on the safe side. Ms. Kerper asked if the Agency would like the same signatories on the CD as the one currently held by the Agency, and Mr. Corcoran replied that would be acceptable.

Mr. Crawford asked what the status is of the \$109,000 CD that matured on December 15, 2018, and Ms. Kerper replied that she rolled the CD over for the same six month period that the Agency had done at the last maturity.

A motion to approve the November 2018 Financial Statements was made by Mayor Aiello, seconded by Mr. McElfresh. Voice vote, ayes all. Motion carried.

4. New Business

None

5. Old Business

i. Manufacturers' Hanover Building

Ms. Kerper explained that in the packet provided to the Agency, members will find Savarino Companies, LLC's Notice to Proceed, which includes the preliminary Project budget, the preliminary plan for financing the Project, the proposed schedule for pre-construction activities and construction start dates for the Project, the preliminary construction timetable for the construction activities, and the results of the Company's title examination. Ms. Kerper explained that receiving these items along with the entire Notice is one of the last goals outlined in the Development Agreement, and receiving the Notice to Proceed triggers the Agency to move onto the preparation of the Land Disposition Agreement. Ms. Kerper advised that Mr. Hart has prepared the Land Disposition Agreement, and it has been forwarded to Savarino Companies, LLC for its review. Ms. Kerper explained that this, as well as the appraisal, is the mechanism that gives the Agency the tool to negotiate the sale price of the property with Savarino Companies, LLC.

Mr. Crawford asked if this is indeed a \$13 million dollar project, and Ms. Kerper replied that based on the Project budget, the cost is just over \$13 million. Mr. Corcoran added that the purchase price of the property listed in the budget is \$75,000, which is still subject to negotiation with the Agency.

Ms. Kerper explained that she sent a sample document to the New York State Department of Parks, Recreation, and Historic Preservation noting it was a the Pass Through Agreement that the City had done recently for a separate project. She explained that the City was awarded grant funding about ten years ago in the amount of \$1 million for the former ExxonMobil properties located on Buffalo Street. She explained that at the time, ExxonMobil did not want to deal with the conditions placed on the funding, and years later the City was able to pass the funding through to Olean Gateway, LLC, who now owns the parcel and is beginning development. Ms. Kerper explained that Parks had requested a Management Agreement between the Agency and Savarino; however, she does not feel that the Agency has the capacity to fund the necessary match in order to receive the funding, but Savarino Companies, LLC does. For this reason, Ms. Kerper explained, she has sent the sample language for the Pass Through Agreement to Parks and asked if the Agency would be able to do something similar. Ms. Kerper explained that she did this the first week of November, and followed up one month later. Parks advised that the sample language was sent to Albany, but no response has been received yet. Ms. Kerper advised that she will follow up again and will update the Agency at the next meeting.

ii. 107 North Union Street

Ms. Kerper advised that in the packet provided to the Agency, members will find the SEQR document, which was prepared on October 1, 2018 and sent to Interested and Involved Agencies for their review. All Agencies have responded that they concur with the Agency's request for Lead Agency status.

A motion to declare the Olean Urban Renewal Agency Lead Agency for a coordinated NYSEQRA review for the disposition of 107 North Union Street, Olean, was made by Mr. Crawford, seconded by Mr. McElfresh. Voice vote, ayes all. Motion carried.

Ms. Kerper explained that the Full Environmental Assessment Form was provided to the Agency in October for their review, and said document is just a refresher of what was previously provided. The Agency reviewed Parts I and II of the Long Environmental Assessment Form prepared for the project. Ms. Kerper further advised that she has prepared Parts II and III of the Full Environmental Assessment Form on behalf of the Agency.

After brief discussion, a motion indicating that the Olean Urban Renewal Agency made a finding that the project would have no significant impact, and that the Olean Urban Renewal Agency therefore issues a Negative Declaration for the Disposition of the 107 North Union Street Property in accordance with the NYSEQRA was made by Mayor Aiello, seconded by Mr. Crawford. Voice vote, ayes all. Motion carried.

Mr. Kerper explained that last Tuesday, December 11, 2018, the Common Council held a Public Hearing during which Courtney Cox from Savarino Companies, LLC presented the Project to the Council. She explained that the Council then passed a Resolution to designate Savarino Companies, LLC as the “Qualified and Eligible Sponsor”, approving the Development Agreement and qualifying the disposition of the 107 North Union Street property, a copy of which is provided for the Agency members. Ms. Kerper advised that this allows Mr. Corcoran to execute the Development Agreement and forward it to Mr. Savarino for his execution.

Ms. Kerper explained that the execution of the Development Agreement puts the Agency on a timeline. She explained that the Agency’s Due Diligence period begins, and the Agency will have until January 3, 2019 to provide to Savarino Companies, LLC any and all documents which the Agency may have in its possession pertaining to the property including all site plans, plans and specifications, drawings, all information and environmental reports and asbestos surveys, title insurance policies / commitments, surveys, easements, rights of way, construction drawings, blue prints, soil tests and reports, permit approvals, architectural plans, engineer’s drawings, structural reports, licenses, permits, tax assessments, restrictive covenants, variances, rezoning petitions and approvals, engineering plans, service contracts, leases, contracts, agreements, occupancy agreements, rental agreements, developer agreements, pro forma operating statements, sales tax reports, insurance policies, notices and correspondence from any local, state or federal governmental agency or authority, pleadings, notices of pendency, notices and correspondence from insurers, correspondence relating to any pending or threatened litigation or proceeding affecting the property, and any and all other such document the Agency may have in its possession or control related to the property. Ms. Kerper explained that her office has been working on preparing these documents, and they will be sent out today.

Ms. Kerper explained that once these documents are provided to Savarino Companies, LLC, they will then have sixty days to conduct their due diligence investigations, inspections and review of the property and improvements thereon at the Company's sole cost and expense. Ms. Kerper noted that this period will end on or around March 4, 2019.

Ms. Kerper explained that Savarino will then have fifteen days to provide to the Agency their Notice to Proceed, a preliminary project budget, a preliminary plan for financing the project, a proposed schedule for pre-construction activities and construction start dates for the project, a preliminary construction timetable for the construction activities, and the results of their title examination. She noted that Savarino and the Agency will then continue with the milestones and goals outlined in the Agreement.

Mr. Corcoran asked what the anticipated project end date is, based on the presented timetable. Ms. Kerper responded that, if there are not extensions requested, the deadline to execute the Land Disposition Agreement is June 17, 2019, the deadline for approval of the final plans is September 25, 2019, and the sale closing could possibly occur in October or November of 2019. Mr. Hart added that the Agency will have ninety days after receiving Savarino Companies, LLC's Notice to Proceed to negotiate and execute a mutually agreeable Land Disposition Agreement. Mr. Hart explained that we are ahead of the 107 North Union Street process with the 101 North Union Street property, as a draft Land Disposition Agreement has been provided to Savarino Companies, LLC for its review and comment. He explained that Mr. Savarino is unsure of how long the State Historic Preservation Office's process will take in order to receive Historic Tax Credits for the project, so that may slow down the project.

Mr. Hart explained that the calculated closing date is speculative because a lot of other approvals need to occur in the meantime. Ms. Kerper explained that Savarino may need more time with Parks and SHPO, noting an extension of their Due Diligence period was previously requested for their other project, which throws off the original timeline. Mr. Corcoran noted that as time passes, the project costs rise, so he anticipates that the developer will not extend the process any more than absolutely necessary.

A motion to authorize Mr. Corcoran to execute the Development Agreement with Savarino Companies, LLC for the 107 North Union Street property was made by Mr. McElfresh, seconded by Mr. Ash. Voice vote, ayes all. Motion carried.

Ms. Kerper explained that last Friday, December 14, 2018, Mr. Klauk of KWL Appraisal Group went through the 107 North Union Street property, and should have the appraisal to the Agency in the near future. Ms. Kerper noted that this is the same independent third party company that completed the appraisal for the 101 North Union Street property.

iii. Blue Collar Workwear – Purchase of Real Property (Constitution Avenue)

Ms. Kerper explained the Agency will find an amendment for the sale of the Constitution Avenue property in their packets, which outlines the removal of the right-of-way language in the original agreement. She explained that once this amendment is accepted by the Agency, Mr. Hart can amend the necessary documents so that the Agency can close on the property with Blue Collar Workwear.

A motion to accept the amendment and authorize Mr. Corcoran to execute the amendment was made by Mr. McElfresh, seconded by Mr. Ash. Voice vote, ayes all. Motion carried.

6. Bills

i. National Grid (107 NUS)	up to \$50
ii. National Grid (101 NUS)	up to \$50
iii. Wagner & Hart	\$810
iv. Olean Times Herald	\$88.58
(Legal Notice of Public Hearing – 107 NUS disposition)	
v. TYCO	\$175
vi. Crystal McDivitt (07/18-12/18)	\$828

Ms. Kerper noted that she will soon need to turn on the heater in the 101 North Union Street property so that the alarm does not malfunction, so the Agency can expect to see higher National Grid bills for that property in the near future to cover the costs associated with heating the area in which the alarm panel is located.

A motion to approve the payment of bills was made by Mr. McElfresh, seconded by Mayor Aiello. Voice vote, ayes all. Motion carried.

7. Executive Session

A motion to enter into Executive Session to discuss the proposed acquisition or disposition of real estate was made by Mayor Aiello, seconded by Mr. Crawford. Voice vote, ayes all. Motion carried. Executive session began at approximately 8:55 a.m.

A motion to adjourn from Executive Session was made by Mr. McElfresh, seconded by Mayor Aiello. Voice vote, ayes all. Motion carried. Executive session adjourned at approximately 9:05 a.m.

8. Next Meeting Date

The next meeting of the Olean Urban Renewal Agency was tentatively scheduled for Wednesday, January 16, 2019 at 8:30 a.m. in Room 119 of the Olean Municipal Building.

9. Adjournment

Mr. Crawford asked what the long term outlook for the Agency is, now that the sale of the 101 North Union Street and 107 North Union Street is on the horizon. Mr. Corcoran replied that hopefully the Agency will have money in the bank after the sales of the properties, but that the

Agency has nothing on the backburner at this time. He explained that the next two years will consist of the process to sell the two properties.

Ms. Kerper explained that the Agency has been working on these properties for so long that it has not had a chance to think that far ahead and it will take the next couple of years to administer the grant funds awarded on the project.

Mr. Hart explained that the Agency, at times, has taken on blighted things, as the Agency has capabilities that the Council does not.

Ms. Kerper explained that she was recently in the vault and found Agency documents from the 1960's to present, and it is really interesting to see how the Agency had demolished properties in the 1960's to make way for new development.

Mr. Crawford explained that he agrees that the Common Council cannot act in some areas where the Agency is positioned to. He explained that he feels that blight will continue to be an ongoing effort, and he would like the Agency to consider if it should look into finding and acquiring blighted properties for later demolition, rehabilitation or disposition. Mr. Hart replied that it is worth evaluating. Mr. Crawford explained that he feels that revitalization will never have an end date, and Mr. Hart explained that at some point, the Agency should sit down to consider its future.

A motion to adjourn was made by Mr. Ash, seconded by Mr. Crawford. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 9:10 a.m.