

**Meeting of the Olean Urban Renewal Agency  
Wednesday, November 20, 2019  
8:30 a.m.  
Room 119 – Olean Municipal Building**

**REVISED**

**Attendance: Members - Vice Chairman John Ash, Deanna Foster, Earl McElfresh, and Nate Smith. Staff - Keri Stephen, Community Development Program Coordinator, Jack Hart, Attorney, and Tiffany Taylor, Managerial Confidential Administrative Secretary. Others - John Holloway, Jenna Holloway, Brad Earley, Blue Collar Workwear.**

**1. Roll Call**

Mr. Ash called the meeting to order at 9:00 a.m. and asked that the record show that all members were present except Charles Corcoran, John Crawford and Mayor Aiello, who were excused.

**2. Reading & Approval of the October 16, 2019 meeting minutes**

A motion to approve the minutes of the October 16, 2019 meeting was made by Ms. Foster, seconded by Mr. McElfresh. Voice vote, ayes all. Motion carried.

**3. October 2019 Financials**

Ms. Stephen explained that while reviewing the financials, she found that the larger CD is ready to mature. Ms. Stephen explained that the Maturity Date is December 12, 2019 and that when the CD previously matured in June 2019, the Agency chose to renew the CD for six months at the rate of 1.45%. The Agency's consensus was to renew the CD for another six months.

A motion to approve the October 2019 financials was made by Ms. Foster, seconded by Mr. Smith. Voice vote, ayes all. Motion carried.

**4. New Business**

**i. Blue Collar Workwear – Constitution Avenue**

Ms. Stephen explained that Mr. Holloway, Ms. Holloway, and Mr. Earley are present to discuss the parcel of land on Constitution Avenue that was recently sold to Blue Collar Workwear by the Agency. Ms. Stephen explained that based on the contract of sale, any portion to be sold or parceled off must be reviewed and approved by the Agency prior to any action of sale taking place.

Mr. Holloway presented the Agency with a site plan outlining the boundaries of the proposed transaction, and Mr. Earley explained that the Holloways are interested in purchasing the Barkz property and business. Mr. Earley explained that a portion of the Barkz driveway is on Blue Collar Workwear's property, and Mr. and Ms. Holloway are interested in trading a portion of the Barkz property to Blue Collar Workwear in order to obtain a portion of the Blue Collar Workwear parcel on which their driveway is located. Mr. Earley explained that Blue Collar

Workwear would also like to lease a portion of their property adjacent to the Barkz property to allow for room for parking as well as an outdoor fenced area for dogs.

Mr. Holloway explained that the building is two feet from the current property line, which is very tight. Mr. Smith asked if a vehicle will be able to drive around the building if this transaction occurs, and Ms. Holloway explained that this would be possible.

A motion to approve the removal of the restriction preventing the transfer of a portion of the Constitution Avenue parcel to authorize the specific transfer of property as specifically stated during this meeting and note that the sale does not trigger a re-vesting of the property; and to authorize the lease of a portion of property owned by Blue Collar Workwear to JLH Enterprises, Inc. was made by Mr. Smith, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

Ms. Stephen noted that in Mr. Corcoran's absence, he is aware of the proposed transaction and asked her to relay that he is in full support of moving forward as the transaction is presented.

## **5. Old Business**

### **i. Manufacturers' Hanover Building**

Ms. Stephen explained that she has been working with New York State Parks to get an executable agreement since February 2018, and diligently providing information and completing documentation to satisfy Parks' requirements. Ms. Stephen explained that we already have a resolution authorizing Mr. Corcoran to execute the agreement, and this will be done in the Grants Gateway System after the meeting.

Ms. Stephen explained that the meeting packets provided to the Agency contain a Preservation Covenant. Ms. Stephen explained that it was discussed several meetings ago that the Agency would be receiving this, and after speaking with Mr. Hart, it is best that a formal motion is made to authorize Mr. Corcoran to execute this Preservation Covenant. Mr. Hart explained that the Preservation Covenant essentially states that the Agency will not make changes to the building without the consent of Parks, but this is in the consideration of the receipt of the \$500,000 grant award from Parks. Mr. Hart explained that if the Agency does not take this funding, that these restrictions would not apply.

Ms. Stephen explained that the Parks funding, like ESD, is a grant with a reimbursement process. Ms. Stephen explained that the funding has been committed to the Agency, but that the project needs to be completed in order for the Agency to receive the reimbursement of the funding from Parks and ESD.

Ms. Stephen explained that she is continuing to work with Hodgson Russ and Municipal Solutions, who have advised that they need a better timeline as to when the Agency will be ready to go to market for financing the Manufacturers' Hanover Stabilization Project. Ms. Stephen explained that she has followed up with Bill Zografis, the Senior Project Manager handling the bid document, advising that she needs a better timeline so that the Agency can go to market and have funding available when the bid document is released. Ms. Stephen explained that Mr.

Zografis is working with RE Kelley, a masonry specialist, to make a determination regarding the extent of deterioration so that it may be included in the bid document. Ms. Stephen noted that they will be scheduling a time with her to get into the building to complete the analysis, so that Johnson-Schmidt can update that portion of the bid document.

Ms. Stephen explained that per Mr. Zografis the updated bid document should be received by the end of the year so it can then be sent to Parks for its review prior to release. Ms. Stephen explained that the Agency should have the short-term financing in February, and that she would assume that going to market for the BAN should occur around this time, as the funds come in quickly after that. Ms. Stephen explained that she would confirm the timeline with Savarino Companies to ensure that the bid doc is ready in time to prevent the Agency from obtaining funding too soon prior to receiving the bid document for review by Parks.

Mr. Hart asked if interest would need to be paid on the BAN, and Ms. Foster explained that interest is usually paid at a set time, either annually or semiannually. Mr. Hart explained that the BAN can be renewed annually for five years, and Ms. Foster explained that it would make sense that interest would be paid at each annual renewal.

Ms. Stephen explained that the bond counsel is still determining if the BAN is taxable or not, and if it will be issued with tax exempt status or not.

Mr. Smith asked if the grant reimbursement would cover the interest cost for the BAN, and Ms. Stephen responded that it will not. Mr. Smith asked if the Agency is aware of the interest cost for the BAN, and Mr. Hart responded that it will depend if the funding is taxable or not. Ms. Foster explained that the Agency should have plenty of funding to cover the interest payments for the BAN. Ms. Stephen explained that she will provide more information regarding the BAN and interest amounts when the Agency is further into the process.

Ms. Stephen explained, as an update to the Manufacturers' Hanover Project, that Mr. Savarino met last month with the CEO Alliance group. Ms. Stephen explained that she has not spoken with Mr. Savarino directly, but group members have relayed that they do not want this project to be comprised of income-restricted units. Ms. Stephen explained that the group has relayed to Mr. Savarino that they would like to see market rate upper floor housing and that Mr. Savarino has heard their requests, and he will most likely not be able to obtain any funding from the Office of Homes and Community Renewal, which filled a large gap in his budget. Ms. Stephen explained that it is her understanding that Mr. Savarino is still committed to the project; however, he is now looking for a different funding stack to account for the changes in his project.

Ms. Stephen explained that one of the items in the Market Rate Upper Story Demand Analysis is in regard to parking, which was read by Mr. Savarino. Ms. Stephen explained that she was able to provide for him contact information for Five Star Bank so he may work out some sort of agreement. Ms. Stephen noted that Mr. Savarino may be able to negotiate and coordinate with Mr. Belt as well.

A motion to authorize Mr. Corcoran to execute the Preservation Covenant was made by Ms. Foster, seconded by Mr. Smith. Voice vote, ayes all. Motion carried.

## **ii. Market Rate Upper Story Housing Demand Analysis – Update**

Ms. Stephen explained suggested the Agency should the update so that she can release the final payment to Ms. Payne and Ms. Lawrence, as well as show that the Agency is satisfied with their work. Ms. Stephen explained that she has gone through the Demand Analysis, and she has found that in 2015 the gap for market rate apartments was 45-60. She explained that in 2019 it has increased to 53-64. Ms. Stephen explained that this really shows the status and progress of the City moving forward. Ms. Stephen explained that there will be an anticipated 130 to 165 jobs available in the next twelve months, including 65-80 new hires from outside the area. Ms. Stephen explained that an anticipated 69% of these jobs will be in management, as found in research of employers in the area.

Ms. Stephen explained that the Market Rate Upper Story Housing Demand Analysis shows a breakdown of needs for 1, 2, and 3 bedroom apartments. Ms. Stephen explained that there is a need for 17-20 new one bedroom apartments with a rental amount of \$1,000 to \$1,300, 33-38 two-bedroom units with rental amounts of \$1,300 to \$1,600, and 3-6 three-bedroom units with rental rates of \$1,700 to \$2,250.

Ms. Stephen noted she believes that Ms. Payne and Ms. Lawrence have done a tremendous job and there is helpful data with the necessary backup in this report. Ms. Stephen explained that this will be tremendously helpful for the URA as well as for the City making future funding applications.

It was the consensus of the Agency to accept the updated Market Rate Upper Story Housing Demand Analysis.

## **6. Bills**

i. National Grid (101 NUS)	\$22.91
ii. National Grid (107 NUS)	\$31.65
iii. Crystal McDivitt	\$819.50

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

## **7. Executive Session**

A motion to enter into executive session to discuss the possible sale or lease of real estate was made by Mr. Ash, seconded by Mr. McElfresh. Voice vote, ayes all. Motion carried. Executive session began at approximately 9:05 a.m.

A motion to adjourn from executive session was made by Ms. Foster, seconded by Mr. Smith. Voice vote, ayes all. Motion carried. Executive session adjourned at approximately 9:15 a.m.

## **8. Next Meeting Date**

The next meeting of the Olean Urban Renewal Agency was tentatively scheduled for Wednesday, December 18, 2019 at 8:30 a.m. in Room 119 of the Olean Municipal Building.

**9. Adjournment**

A motion to adjourn was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 9:20 a.m.