

**Special Meeting of the Olean Urban Renewal Agency  
Tuesday, February 25, 2020  
9:00 a.m.  
Room 119 – Olean Municipal Building**

**Attendance: Members – Chairman Charles Corcoran, Vice Chairman John Ash, Deanna Foster, Earl McElfresh, Nate Smith, and Mayor Aiello. Staff - Keri Stephen, Community Development Program Coordinator, Jack Hart, Attorney, and Tiffany Taylor, Managerial Confidential Administrative Secretary. Others – Sam Savarino, Savarino Companies, LLC.**

**1. Roll Call**

Mr. Corcoran called the meeting to order at 9:00 a.m. and asked that the record show that all members were present except Paul Gonzalez, who was excused.

**2. Manufacturers' Hanover Building Update**

Mr. Savarino explained that he had requested the Special Meeting today because there is a bit of urgency regarding a particular piece of business. Mr. Savarino explained that the Agency's approval to allow him to submit the Part II application to SHPO and the National Parks Service for tax credits for the Manufacturers' Hanover and Siegel's properties is imperative, and Agency approval is required because the Agency holds title to the properties.

Mr. Savarino explained that he has submitted updated plans for the development of the properties as the Agency has requested, a copy of which is in the member's meeting packets. Mr. Savarino explained that the revised plans are consistent with the discussions that he has had with both Agency representatives and the CEO Executive Alliance. Mr. Savarino explained that he had discussed the possibility of having the project be comprised of mixed use affordable housing, and the discussions he has since had with local representatives has indicated that market rate housing was everyone's preference, and that market rate housing would do a better job meeting community needs.

Mr. Savarino explained that the change from affordable housing to market rate housing eschewed any financial assistance from the Office of Homes and Community Renewal, which would have provided some credits or assistance for putting affordable units in the buildings. Mr. Savarino explained that he has instead secured New Market Tax Credits, which are Federal tax credits normally used in distressed areas. Mr. Savarino explained that in a qualified census tract, the City of Olean qualifies as a "distressed area" due to unemployment and poverty rates, as well as the area median income. In addition, Olean is considered a non-metro, rural city community. Mr. Savarino explained that a portion of the Federal New Market funds are specifically targeted for communities such as ours.

Mr. Savarino explained that he has been hard at work since meeting with the CEO Executive Alliance when he heard a lot of views about what people in the community wanted to see as a result of this redevelopment. Mr. Savarino explained that he has changed the design to include less one bedroom units and more two bedroom units, as well as overall larger units. Mr. Savarino

explained that he is responding to the local need for higher end market rate housing. Mr. Savarino added that he had provided layout plans last night, which were since revised based on comments he had received last night to include three bedroom units as well as to make the one and two bedroom units larger.

Mr. Savarino explained that the New Market Tax Credits have been secured as of last week, and he has received a firm commitment from a community development entity who provides the tax credits. Mr. Savarino explained that \$7 million has been allocated towards the redevelopment of the Manufacturers' Hanover and Siegel's properties. Mr. Savarino explained that this funding is probably a capital equivalent to what he would have received from the Office of Homes and Community Renewal, and it fills a gap in the capital stack. Mr. Savarino explained that it is his intention to follow through with the funding, and to have the project ready to go this year.

Mr. Savarino explained that the biggest variable holding up the project at this time is the approval from the Agency to submit the Part II application for approval for Historic Preservation Tax Credits. Mr. Savarino explained that the application needs to be submitted to SHPO, who will then review the application and forward the information to the National Parks Service. Mr. Savarino explained that this could be a sixty day, ninety day, or even longer process. Mr. Savarino explained that he anticipates that SHPO will make comments that will require him to do more in regards to the Part II application. Mr. Savarino explained that he is looking for approval regarding the Part I application from the Agency, which will then allow him to submit the Part II application. He explained that he is happy to address any questions or concerns that any Agency member has.

Mr. McElfresh explained that it would be really nice to have lights on in the building again, and Mr. Savarino explained that the good news is that if the timing of everything works, a project will be started a lot faster with a lot less restrictions.

Mr. Smith asked if there will be any affordable housing in the buildings, or if it will all be market rate housing. Mr. Savarino explained that there will be no affordable housing as defined by New York State, which was what was previously proposed for the project. Mr. Savarino explained that some of the units will be priced so they are considered "affordable" to those earning 80% of the median income for the area; however, that is not unusual for housing projects in the area. Alderman Smith explained that he is more concerned with what New York State would consider "affordable housing", which is not what he wants to see in the development plans.

Mr. Corcoran asked if the Agency is in a position to approve the signing of the Certifications as presented, and Mr. Hart explained that what the Agency would be agreeing to is the general concept and general layout of the project, which could be altered as the project unfolds. Mr. Hart explained that the Agency would move forward with the preparation of the Land Disposition Agreement if this meeting was to result in an affirmative decision to proceed and authorize the signing of the Certifications for each property. Mr. Hart explained that the Agency would not be losing control of the project by doing this, but that the Agency and the developer would continue to work together until the project is complete.

Mr. Hart explained that he is unsure as to what Mr. Savarino means when he states that he must be at a certain point by the end of the year in relation to these credits, and Mr. Corcoran asked if

the project needs to be under construction by the end of the year. Mr. Savarino explained that in order to receive the credits, a closing transaction must occur prior to the end of the year. Mr. Savarino explained that the agency providing the funding would like to see the closing occur by the end of March; however, he understands that it is not feasible. Mr. Savarino explained that he would like to hold title to the properties by the end of June. Mr. Savarino noted that the agency providing New Market Tax Credits may have some concerns as to what the Land Disposition Agreement says.

Ms. Stephen explained that the roof and stabilization project needs to take place prior to the transfer of title for the Manufacturers' Hanover property. Ms. Stephen explained that the bid document needs to be created and sent to Parks for their review and approval prior to moving forward with the stabilization project. Ms. Stephen explained that the construction needs to occur, the reimbursement requests need to be submitted and the grants need to be closed out prior to the transfer of title.

Ms. Foster asked if this process could possibly be completed by June, and Ms. Stephen responded that she did get all of the contracts out to R.E. Kelly, S.E.G. Construction, Neesson Clark Associates and E & M Engineers with a March 20, 2020 deadline to have the work completed. Ms. Stephen explained that she has received a majority of the contracts back, and is currently waiting on insurance certificates. Ms. Stephen explained that she will coordinate with the contractors so that they can get on the roof to complete the parapet survey. Ms. Stephen explained that Roy Pedersen can do an engineering report to be sent to Elise Johnson-Schmidt, and it will then be up to her to drive the schedule with the creation or alteration of the bid document. Ms. Stephen explained that she does not know if she can answer how quick this will all happen.

Mr. Savarino explained that it is his understanding that with the current condition of the roof that the roof cannot be fixed with the parapet structure being fixed, but the parapet can be fixed without work being done to the rubber roof itself. He explained that when his project is being performed, there will be penetrations on the roof so replacing the rubber roof at this time would really be wasted work. Mr. Savarino explained that doing the parapet work would be the best way to utilize the funding that the Agency has received for the stabilization project. Mr. Savarino explained that it seems that the time to do this work would be short if the weather is good, and he walked away from the meeting last week feeling that the project would be done in time to close in June.

Mr. Savarino explained that the Part II application that is being submitted is really a narrative of what is being done with all of the historical aspects of the building. Mr. Savarino explained that the narrative was created before he was really involved in the project, so it is pretty simple as he is not doing anything to the exterior of the structures besides restoring what is already there. Mr. Savarino explained that the Part II draft really says the same thing, that he is not doing anything besides restoring the exterior and is not doing anything unusual. Mr. Savarino explained that a lot of changes reflect what he is doing inside regarding the historic corridor, the bank floor, and vault preservation. Mr. Savarino explained that he is preserving historic features on the interior of the structures to ensure that they stay intact. Mr. Savarino noted that the Part III will be submitted when the work is done, and the National Park Service will at that time ensure that all of the work that was indicated in the Part II application was completed as described.

A motion to enter into Executive Session to discuss contractual matters was made by Ms. Foster, seconded by Mr. Smith. Voice vote, ayes all. Motion carried. Executive Session began at approximately 9:20 a.m.

A motion to adjourn from Executive Session was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried. Executive session adjourned at approximately 9:35 a.m.

Mr. Corcoran explained that in the Part II application, it is indicated that there are apartments on the second floor of the Siegel's building. Mr. Corcoran asked if that is being changed, and if the wording will be changed on the application. Mr. Savarino responded that he has decided not to put apartments in the Siegel's building, only commercial space to fulfill the 25% requirement. Mr. Savarino indicated that this will be updated prior to submission.

A motion to authorize the signing of the Certification by Mr. Corcoran and that the Olean Urban Renewal Agency has no objection to the filing of the Part I Evaluation of Significance and Part II Description of Rehabilitation with the New York State Historic Preservation Office and National Park Service consistent with the documentation submitted to the Agency or amended with the Agency's input in regards to the 101 North Union Street property was made by Mr. Smith, seconded by Mr. Ash. Voice vote, ayes all. Motion carried.

A motion to authorize the signing of the Certification by Mr. Corcoran and that the Olean Urban Renewal Agency has no objection to the filing of the Part I Evaluation of Significance and Part II Description of Rehabilitation with the New York State Historic Preservation Office and National Park Service consistent with the documentation submitted to the Agency or amended with the Agency's input in regards to the 107 North Union Street property was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

Mr. Corcoran explained that during the last Agency meeting, members discussed that the sidewalk in front of the Manufacturers' Hanover addition has settled, and Richard Peck Construction has since come in to do an examination and exploratory work. Mr. Corcoran explained that there is no basement underneath the sidewalk, and that the earth has settled. Mr. Corcoran explained that the contractor has suggested looking into why the earth has settled before filling the area back in, and he thinks that a roof drain pipe coming in underneath there may be cracked causing moisture to seep into the ground.

Mr. Corcoran explained that the City has agreed to do a dye test and send a camera down to find the problem. Mr. Corcoran explained that if the problem can be found, then the pipe will have to be fixed prior to filling in the area. Mr. Corcoran explained that at the last meeting, the Agency approved \$400 to be spent for Richard Peck Construction to investigate the issue. Mr. Corcoran explained that in order to move forward, it will be an additional \$800 to do more concrete filling. Mr. Corcoran explained that he would like to authorize Ms. Stephen to spend up to \$2,500 to get the project done. Mr. Corcoran noted that this will not include new sidewalk, but will get the area patched. Mr. Corcoran explained that the roof drains are going into the sanitary sewer, not the storm sewer, and there is no storm sewer on that section of North Union Street.

Ms. Savarino explained that he imagines that the pipes are 100 years old, and that if the Agency decides to put a new line in, he would like it sized correctly so that he does not have to do it again when he takes possession of the property. Mr. Savarino explained that the size that he would use is probably an inch or two larger than what is in there because of the residents that will be in the building. Mr. Corcoran explained that he believes that this is only a roof drain, but he will find out for sure.

Mayor Aiello explained that Mr. Ring, the Director of Public Works, will return tomorrow. Ms. Stephen explained that she believes that the DPW crew is done in the building now. Ms. Stephen explained that she met with them earlier this morning, and they advised that the sewer line is fourteen feet down in the front of the building so they do not believe that is the issue. Ms. Stephen advised that after the meeting she will check in with DPW to see if there is an update.

A motion to authorize Ms. Stephen to spend up to \$2,500 to address the sidewalk sinking issue at the Manufacturers' Hanover property was made by Mayor Aiello, seconded by Mr. Smith. Voice vote, ayes all. Motion carried.

### **3. Adjournment**

A motion to adjourn was made by Mr. Ash, seconded by Ms. Foster. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 9:45 a.m.