

Special Meeting of the Olean Urban Renewal Agency
Thursday, November 5, 2020
8:30 a.m.
Room 119 – Olean Municipal Building

Attendance: Members – Chairman Charles Corcoran, Vice Chairman John Ash, Deanna Foster, Earl McElfresh, and Mayor Aiello. Staff - Keri Stephen, Community Development Program Coordinator, Jack Hart, Attorney, 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 Paul Gonzalez, who was excused.

2. 101 & 107 North Union Street Properties

Ms. Kerper explained that she has provided in the Agency's packet a document titled "License Agreement." Ms. Kerper explained that at the beginning of the Manufacturers' Hanover Stabilization Project, Parks had notified the Agency that it could not transfer ownership of the property until construction was complete, reimbursement occurred, the M/WBE reporting was final, the reimbursement requests were done, and closeout and audit of the project occurred. Ms. Kerper explained that Savarino Companies are in jeopardy of losing \$7 million in funding in the form of historic and new market tax credits based on their funders and their timeline. Ms. Kerper explained that Mr. Hart and herself worked with Savarino's legal counsel to draft this License Agreement to provide to New York State Parks and ultimately to the appropriate offices in Albany. Ms. Kerper explained that this is the vehicle that would ultimately allow the Agency to transfer the property sooner without all of the stipulations she had previously outlined occurring.

Mr. Hart explained that it is a complicated situation because we needed to have an agreement that was going to be approved in a day or two because the timeline is so compressed. Mr. Hart explained that this License Agreement gives the Agency the authority to be on the roof from Savarino Companies because that will be required to complete the grant requirements with Parks. Mr. Hart explained that this would allow a waiver by Parks of the grant requirements being completed prior to the transfer of the property. Ms. Kerper explained this would allow the property to be transferred prior to the completion of the grant requirements. Ms. Kerper explained that the document was approved by Parks. Mr. Hart explained that it was signed off on by three levels in Albany, and Ms. Kerper explained that the document was signed off on by Parks and was executed by Savarino Companies.

Ms. Kerper explained that ultimately, this allows the Agency to transfer the property sooner. Ms. Kerper explained that a closing date of Tuesday, November 10, 2020 has been set. Ms. Kerper explained that with this License Agreement, Parks has advised that there are other stipulations that the Agency must meet.

Ms. Kerper explained that the next item in the Agency's packet is a cover letter that she drafted to Parks on Mr. Corcoran's behalf advising of the things that we will do. Ms. Kerper explained that the Agency is agreeing that it will continue to fund the expenditures on the parapet and roof stabilization project, and any of the reimbursements from Parks will still come back to the Agency. Ms. Kerper explained that we will segregate the Agency's Stabilization Project from Savarino's construction project and their tax credit work. Ms. Kerper explained that the Agency is agreeing that the Preservation Covenant will be filed in the County Clerk's office, which we previously executed. Ms. Kerper explained that the letter also states that we will provide Parks with the deed, which is the next item in the Agency's packet. Ms. Kerper explained that Mr. Hart has worked on and updated the deed and it has been approved by Parks, although the Agency will need to provide the Commissioner with an executed copy of Mr. Corcoran's signature.

Ms. Kerper explained that the Agency will also need to provide Parks with the executed Land Disposition Agreement. Ms. Kerper explained that although the Agency is being authorized to transfer the property rather quickly, the Agency is agreeing to complete the grant requirements, which Ms. Kerper will do on the Agency's behalf. Ms. Kerper explained that the grant requirements and closeout need to occur by the end of this year and Ms. Kerper explained that she is absolutely confident that she will meet all of Parks' deadlines.

Mr. Hart explained that the deed has the same language built in as previous transactions that gives the Agency the authority to review and approve the specifications and activities planned for the development of the project. Mr. Hart explained that this has not been done by the Agency at this time, other than approving the generalities of the project. Mr. Hart explained that at some point in the near future, the Agency will sit down with Savarino Companies to view the detailed specifications and to discuss how the project will be done. Mr. Hart explained that all that has been approved currently on the project is the general layout of the floors.

Mr. Hart explained that the deed also includes language that would prevent Savarino Companies from transferring the property for a period of five years, and during construction the use of the premises has to be as they have previously agreed. Mr. Hart explained that the five years begins after the date of the deed and there will be vesting of title by the Agency if Savarino Companies fails to proceed with construction as approved by the Agency. Mr. Hart explained that Savarino Companies will have three years to complete construction and if that does not occur, the Agency will be able to take title to the property back. Mr. Hart explained that this is highly unexpected.

Mr. Hart explained that Ms. Kerper and he were notified two or three days ago that the Agency needed to include within the deed the Preservation Covenants. Mr. Hart explained that they had previously executed, with the authority of the Agency, a Preservation Covenant that dealt with certain important elements to Parks and SHPO. Mr. Hart explained that what goes on inside and outside of the building will be monitored and if changes are to be made, they need to be approved by SHPO. Mr. Hart explained that the deed contains three pages of covenant requirements so it will be a matter of public record and will follow the history of this property for the next twenty-five years. Mr. Hart explained that this is a transaction that will close next week so the building will transfer title if all goes as planned next Tuesday.

Ms. Kerper explained that she has been updating the other funding agency, Empire State Development, throughout this entire process. Ms. Kerper explained that she provided ESD with the License Agreement as well and they are in agreement of the transfer of the property. Ms. Kerper explained that she feels that we have followed every aspect that we should have to get to this point to be in compliance with the Authorities Budget Office and our funding agencies.

A motion to approve the execution of the License Agreement, to authorize the signing of the letter drafted to Parks and ultimately to authorize Mr. Corcoran to execute any and all documents related to the sale and transfer of the properties located at 101 and 107 North Union Street upon the review and approval of the documents pertaining to the transfer by Mr. Hart was made by Mr. McElfresh, seconded by Ms. Foster, voice vote, ayes all. Motion carried.

Ms. Kerper explained that Paramount Roofing is on the roof and construction is projected to be complete on November 11, 2020. Ms. Kerper explained that she has scheduled the final inspection and walkthrough with Parks on November 19, 2020. Ms. Kerper explained that the Agency's packet contains the updated Form E with expenditures to date, and we still have not gone one penny over and we will not. Ms. Kerper explained that the final payment and retainage will be released in a couple of weeks when the work is complete.

Mr. McElfresh asked if the Agency would be able to go on the roof to see the finished project, and Ms. Kerper advised that she would need to receive authorization from Savarino as the Agency will no longer be the owner of the property.

Mr. Corcoran noted that the Land Disposition Agreement was supposed to include a down payment, and Ms. Kerper advised that we have received it. Ms. Kerper explained that it was received on Wednesday, October 25, 2020 and was deposited on Thursday, October 26, 2020. Ms. Kerper explained that the remainder of the payment due for the purchase will be received Tuesday, November 10, 2020 at the time of closing.

Mayor Aiello explained that he has been working with Ms. Kerper to set up a ceremony in front of the Municipal Building looking up at the Manufacturers' Hanover. Mayor Aiello explained that it would be a ceremonial signing of the documents. Mayor Aiello explained that his secretary, Ms. McElfresh, is working on a timeline of the history of the building. Mayor Aiello explained that the ceremony will need to be small to remain within the COVID-19 limits set by the Governor. Mayor Aiello explained that he feels that it will be a nice finishing touch at the end of this process. Mayor Aiello asked Agency members to advise Ms. Kerper, Mr. Corcoran or himself if they have any ideas regarding the ceremony.

Ms. Foster asked when the construction on Savarino's project will start, and Ms. Kerper explained that their construction is scheduled to begin on November 16, 2020. Ms. Kerper explained that Savarino Companies has bid out some work already and will begin construction quickly. Ms. Foster asked if the scaffolding will be removed when Paramount Roofing is done with the roof. Ms. Kerper explained that the scaffolding will remain in place because the FRP panels are still being made and are not expected to be complete until January. Ms. Kerper explained that it will be too much of an expense to take the scaffolding down and rebuild it later. Mr. Corcoran explained that this is the golden opportunity for Savarino to do any exterior work with the scaffolding in

place. Ms. Kerper explained that R.E. Kelley has gone under contract with Savarino Companies to complete the FRP panel molds and installation. Ms. Kerper explained that it is up to Savarino Companies to decide if they would like to hire R.E. Kelley for any other work.

3. Bills

i. National Grid (101 NUS)	up to \$50
ii. National Grid (107 NUS)	up to \$50
iii. Municipal Solutions	\$4,797.40
iv. Neeson Clark Associates	\$500
v. Hodgson Russ, LLP	\$15,000
vi. Raymond E. Kelley	\$177,343.61
vii. Raymond E. Kelley	\$162,024.72

Ms. Kerper explained that the final payment for R.E. Kelley was authorized last month, but she now has the final figure to release the payment so we do not have to hold another meeting to pay a bill.

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

Mr. Hart explained that we are assigning the telecommunications lease to Savarino Companies as a part of this transaction. Mr. Hart explained that this is not a part of the deed, and will be a separate document executed by Mr. Corcoran. Ms. Foster asked if the payment for November will be prorated, and Ms. Kerper responded that it will be.

Ms. Kerper explained that she will work on removing the Agency from the TYCO account, as well as the National Grid accounts for both properties. Mayor Aiello asked if TYCO is the security company for 101 North Union Street, and Ms. Kerper responded that it is.

Mayor Aiello thanked Ms. Kerper for all of the hard work that she has done putting this all together. Mayor Aiello thanked Ms. Kerper for getting all of the necessary paperwork to the funding agencies and SHPO, and for completing everything necessary for this project and sale to occur. Ms. Kerper explained that it was a team effort and she thanked everyone for everything that they have done in carrying this project through the last decade.

Mayor Aiello explained that the historic items found in the building will be given to the Bartlett House and Olean Point Museum for display.

4. Adjournment

A motion to adjourn was made by Mr. Ash, seconded by Mr. Foster. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 9:15 a.m.