

**Meeting of the Olean Urban Renewal Agency
Wednesday, August 15, 2018
8:30 a.m.
Room 119 – Olean Municipal Building**

Attendance: Members - Chairman Charles Corcoran, Vice Chairman John Ash, Mayor William Aiello, Earl McElfresh, Deanna Foster, John Crawford, and Nate Smith. Staff - Keri Kerper, Community Development Program Coordinator; Jack Hart, Attorney, Wagner & Hart, and Tiffany Taylor, Managerial Confidential Administrative Secretary. Others: Courtney Cox, Savarino Companies.

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 John Ash, who was excused.

2. Reading & Approval of the July 25, 2018 meeting minutes

A motion to approve the minutes of the July 25, 2018 meeting was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

3. June & July 2018 Financials

A motion to approve the June and July 2018 Financials was made by Ms. Foster, seconded by Mr. Crawford. Voice vote, ayes all. Motion carried.

Mr. Corcoran explained that the Certificate of Deposit (CD) matures on September 1, 2018. Ms. Kerper explained that the rates are currently 0.88% for six months, and 0.68% for three months. She noted that the Agency chose to renew the CD for six months at its last renewal. The Agency agreed to renew the CD for six months, and Ms. Kerper explained that she will be contacting the bank this week regarding the renewal.

4. New Business

i. 107 North Union Street

Ms. Kerper introduced Courtney Cox of Savarino Companies, and indicated that members have copies of Savarino Companies submitted proposal in their packets which were handed out at the beginning of the meeting.

Mr. Cox explained that their plan for the property is to do a historic rehabilitation to create a mixed use facility with special retail on the first floor, and loft apartments on the upper floors. He estimates that the total project cost will be around \$700,000, including the cost to purchase the property.

Mr. Cox advised that Savarino Companies intends to partner with the Olean Business Development Corporation (OBDC) for the first floor specialty retail. The two entities would work together to create a business incubator and co-op environment where businesses could share expenses and would, in turn, be paying below market rents. He explained that it would allow for the opportunity bring in a wide variety of local artisans to compliment other coming attractions in the area, such as the Downtown Farmers' Market and the Cattaraugus County Arts Council. Mr. Cox added that the anchoring feature of the property will be the small business incubator and retail space, and he is confident that this will help stimulate the retail environment on North Union Street.

Ms. Foster asked how many various retail units or vendors are anticipated for the first floor space, and Mr. Cox replied that in a building of this size, there is anticipation for eight to ten vendors. He also indicated that there will be other consignment vendors who will come and go from the space.

Ms. Foster then asked if there would be accesses at both the front and back of the building, and Mr. Cox replied that he is not intimately familiar with the secondary façade of the building and cannot answer this question at this time. He explained that he will know more after his tour of the building today. Ms. Foster questioned how the second level of the building would be accessed, and Mr. Cox replied that a segregated entrance for the upper level apartments will be created in order to prevent tenants from using the storefront to enter their dwelling spaces.

Mr. Crawford explained that the idea of a business incubator and co-op environment for a first floor specialty retail space is a new concept for the City of Olean, and he questions if Savarino Companies has had similar projects in other areas that have been successful. Mr. Cox explained that Savarino Companies have not done something like this before. However, other developers have. He noted that there is a list of projects such as this in the proposal that he presented to the Agency in response to the RFP. He added that other developers have been successful with similar retail spaces, and he is confident that Savarino Companies can be successful with this model in Olean.

Mr. Smith asked how the Olean Business Development Corporation fits into this, and Mr. Cox replied that they are very early in the process to create a partnership for this retail space. He anticipates that the OBDC will manage the co-op, including vetting potential vendors and collecting fees. He explained that they do not anticipate this retail operation to be a "cash cow", and only intend to charge vendors enough to cover costs and their portion of the debt service on the building. Mr. Cox continued that the co-op is being designed as a community benefit. Savarino Companies, as the developer, will see their profits from the upper level apartments.

Mr. Crawford explained that he feels that the synergy makes sense, and that the downtown needs a retail center such as this. Mr. Cox added that the intention is to pull artists and artisans from not just Olean, but also from surrounding areas.

Alderman Crawford questioned if the redevelopment timeline is still pretty accurate as it has been presented. Mr. Cox responded that, as long as Savarino Companies is able to negotiate the purchase of the property from the Agency, then yes, it is. He explained that the development will

be in conjunction with the development of the Manufacturers' Hanover property; however, as this is a smaller project, it will take less time.

Alderman Crawford asked if the project for this building would be independent from the project that Savarino Companies is undertaking at the Manufacturers' Hanover building, and Mr. Cox replied that it is a separate project. Mr. Cox explained that the project at 107 North Union Street will take less time because it is a smaller lift, and the Manufacturers' Hanover project will also take longer because of the way that it is being funded. Mr. Cox reiterated that the development of 107 North Union Street will be its own separate project.

Ms. Kerper explained that the RFP designates today's meeting as the opportunity for responding developers to present their proposals to the Agency, and the September 19, 2018 meeting has been designated for the selection of the successful bidder and the designation of the preferred developer.

Mr. Hart explained that a resolution will be prepared and reviewed by Savarino Companies prior to the September 19, 2018 meeting to confirm the designation of the preferred developer, as well as define the process that will occur in the months that come.

Mr. Hart explained further that he has not contemplated that this project would be independent of the Manufacturers' Hanover project, but he thinks that this project will move more promptly if it is independent. He advised that an independent project will involve more paperwork, cost and time; however, he does not anticipate the Agency running into the same complications that are currently faced with the Manufacturers' Hanover and grant awards. Mr. Hart explained that if the developer is satisfied having the 107 North Union Street be a separate development, then it could be beneficial to the Agency as well.

A motion to designate Savarino Companies as the Preferred Developer in accordance with their proposal that has been reviewed and accepted by the Agency was made by Mayor Aiello, seconded by Mr. Crawford. Voice vote, ayes all. Motion carried.

5. Old Business

i. Manufacturers' Hanover Building Update

Ms. Kerper explained that she sent Savarino companies the newly performed appraisal for their records, as outlined in the Development Agreement. She further explained that she is still waiting for the language from Savarino Companies for the Management Agreement between Savarino Companies, and the Olean Urban Renewal Agency relating to \$500,000 in financial assistance from the New York State Department of Parks, Recreation, and Historic Preservation for the Manufacturers' Hanover redevelopment. Ms. Kerper explained that this needs to be completed prior to the Agency moving forward with the agreement with New York State for the funding, and Mr. Cox advised he will be in contact with Kevin Hays at Savarino Companies to get a status update on this agreement.

Mr. Hart explained that we are under some pressure with the funding, and it is necessary that the Agency negotiates an enduring relationship with Savarino Companies for the Manufacturers' Hanover redevelopment in order for the State to provide the \$500,000 grant.

Mayor Aiello explained that the Downtown Revitalization Initiative final projects were recently announced, and the Manufacturers' Hanover project was chosen to receive \$2 million in funding. He noted the Department of State will soon be sending out letters advising agencies of their funding success, as well as notifying each successful recipient of the funding agency that they will be working with.

6. Bills

- i. Utilities up to \$50

Ms. Kerper explained that it is still early in the month, so no utility bills have been received yet. She asked that an amount of up to \$50 be approved for the payment of each utility bill received. A motion to approve the payment of bills was made by Ms. Foster, seconded by Mr. McElfresh. Voice vote, ayes all. Motion carried.

7. Miscellaneous

Ms. Kerper explained that at the last meeting, the Agency had questions regarding the Manufacturers' Hanover appraisal affecting the balance sheets and amount of assets carried by the Agency. She explained that she contacted Mr. Ed Bysiek, who advised that the appraisal will likely not affect the balance sheet, as the Manufacturers' Hanover building is currently listed on the balance sheet at a historical amount.

8. Executive Session

A motion to enter into executive session to discuss the proposed acquisition or sale of real estate was made by Mayor Aiello, seconded by Mr. McElfresh. Voice vote, ayes all. Motion carried. Executive session began at approximately 8:50 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.

9. Next Meeting Date

The next meeting of the Olean Urban Renewal Agency was tentatively scheduled for Wednesday, September 19, 2018 at 8:30 a.m. in Room 119 of the Olean Municipal Building.

10. Adjournment

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