

**Meeting of the Olean Urban Renewal Agency
Wednesday, January 16, 2019
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, and Nate Smith. 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 John Crawford, who was excused.

2. Reading & Approval of the December 19, 2018 meeting minutes

A motion to approve the minutes of the December 18, 2018 meeting was made by Mayor Aiello, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

3. December 2018 Financials

Ms. Kerper explained that the Agency will observe on the Financial Statements that \$50,000 has been transferred from the checking account into a CD at a rate of .25% for three months.

A motion to approve the December 2018 Financials was made by Mr. McElfresh, seconded by Ms. Foster. Voice vote, ayes all. Motion carried.

4. New Business

None

5. Old Business

i. Manufacturers' Hanover Building

Ms. Kerper explained that she has been working on the documents in order to schedule the Public Hearing with the Common Council for the disposition of the property, which she anticipates will be held in March or April. Mr. Kerper advised that it would be best to have the Development Agreement executed prior to this time in order to have completed the negotiation of the purchase price.

Ms. Kerper explained that she had received questions via email from the New York State Department of Parks, Recreation, and Historic Preservation, to whom she had previously sent sample language for a possible Pass-Through Agreement for funding. She explained that she

responded to the questions that were received, and that the local Parks representative, as well as their colleague in Albany, will continue working on this.

Ms. Kerper advised that Mr. Hart sent the Land Disposition Agreement to Savarino Companies, LLC for review, and they asked for clarification on two points in the document, as well as whether or not the Agency has made any capital expenditures, which the Agency has not during that timeframe.

Mr. Hart advised that one inquiry that was made was regarding the Agency's required consent prior to development. Mr. Hart explained that he advised that in addition to Code Enforcement and the Planning Board, the Urban Renewal Agency also has the independent ability to require their consent of plans as a part of this transaction. Mr. Hart noted that there will be language in the deed to this effect.

Ms. Foster asked if a price will be determined sometime in March or April, and Ms. Kerper explained that the Land Disposition Agreement outlines the purchase price for the property, and that once this document is executed, the price will be set. Mr. Hart explained that Savarino Companies, LLC has sent documentation to the Agency indicating that they would pay \$75,000 for the property. He explained that the Agency's response was that although the building appraised for \$34,000, the tower on the building is worth a substantial amount, around \$125,000. Mr. Hart indicated that the Agency will be using the total appraisal amount for the building and the tower as their starting point for negotiation for the purchase price.

Mr. Smith asked what the proposed purchase price for the property was when Kinley and Paladino were interested in purchasing the property, and Mr. Corcoran replied that Paladino's offer was for zero dollars and required that the Agency demolish the surrounding properties to allow for parking and access. Mr. Hart added that Kinley had never reached the point in the process.

Mr. Smith inquired as to what the tax status of the property will be once the transaction is complete, and Ms. Kerper replied that the property will return to the tax rolls with normal tax status, as she is unaware of any applications that have been made for reduced taxes. Ms. Foster explained that it is possible that they could still apply, and Mr. Hart explained that Savarino Companies, LLC could apply through the IDA but that it is a very expensive process.

ii. 107 North Union Street

Ms. Kerper explained that Savarino Companies, LLC has signed and returned the Development Agreement to the Agency. Mr. Kerper advised that she has sent all required information to Savarino Companies, LLC in accordance with the Agency's due diligence requirements in the Agreement.

Ms. Kerper noted that the Agency has received an appraisal on the property for \$25,000 from KLV Appraisal Group, who also provided the appraisal for the Manufacturers' Hanover property. She advised that this was forwarded to Savarino Companies, LLC on January 9, 2019. Ms. Kerper explained that Savarino Companies, LLC had initially submitted a response to

develop the property with an offer to pay \$45,000 or the fair market value as determined by a third party appraiser, so she anticipates that the Land Disposition Agreement will list a purchase price closer to \$25,000 rather than the \$45,000 originally proposed.

Mr. Corcoran explained that he had hoped that the appraisal would at least come back for what the Agency had invested in the roof, but it did not. Mayor Aiello noted that at least the property will go back on the tax rolls. Ms. Kerper explained that she meets with the IDA twice a month for unrelated reasons, and they have not indicated that anything has been applied for in terms of an alternative tax status for the property.

Ms. Kerper explained that Savarino Companies, LLC has until March 4, 2019 to complete their due diligence period and inspection of the property, and the Agency should receive the proposed budget on or prior to March 19, 2019.

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

Mr. Hart explained that the paperwork is currently in possession of Blue Collar Workwear, and the Agency is working with them to move towards closing on the property.

Mr. Corcoran asked if there is a two year period to complete construction, and Mr. Hart responded that Blue Collar Workwear will have three years to complete the project as proposed to the Agency.

Mr. Smith asked what the status of the right-of-way in the deed is, and Mr. Corcoran responded that it was determined that the right-of-way was not needed and the language was removed from the deed.

6. Bills

- i. National Grid (107 NUS) up to \$50
- ii. National Grid (101 NUS) up to \$150
- iii. K LW Appraisal Group \$1800

Ms. Foster asked if the Agency pays for snow removal, and Ms. Kerper responded that the Agency does not. Mayor Aiello noted that he believes that the City takes care of the snow removal for the North Union Street properties that are owned by the URA.

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

7. Next Meeting Date

Mr. Corcoran asked if there is a requirement to have a meeting if there is no business to discuss. Ms. Kerper responded that if that were to occur she would send notice that there is no meeting for the month to the Agency and the media.

Mayor Aiello asked if a motion can be made that normal bills are authorized to be paid in the event that there is not a monthly meeting, and Ms. Kerper advised that she is able to spend up to \$250 without the Agency's prior approval. Mayor Aiello replied that at least National Grid can be paid.

Mayor Aiello noted that he may be coming to the Agency with a request to move a communications antenna to the top of the Manufacturers Hanover building. He explained that it is currently located on the Community Bank, N.A. building and that the City may need to move it. He advised that he is working to see if it can be moved to one of the water towers, and if not, he may come to the Agency with the request. Mayor Aiello noted that this may need to be worked into the Agreement with Savarino Companies, LLC for the purchase of the 101 North Union Street property.

Ms. Foster questioned the progress being made on the properties purchased by Jeff Belt, and Ms. Kerper advised that contractors have been working on the properties and that a lot of progress has been made. In response to another question, Ms. Kerper advised that she can get an update on the sprinkler system review.

The next meeting of the Olean Urban Renewal Agency was tentatively scheduled for Wednesday, February 20, 2019 at 8:30 a.m. in Room 119 of the Olean Municipal Building.

8. Adjournment

A motion to adjourn was made by Mr. Ash, seconded by Ms. Foster. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 8:50 a.m.