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USAN Board Acquires Hotel Niagara, Will Issue RFP to Develop Hotel

USAN Board also approves grants for hotel and retail projects

The USA Niagara Development Corporation (USAN) Board of Directors met today and approved the acquisition of 201 Rainbow Boulevard—the historic **Hotel Niagara**—for the purpose of issuing a Request for Proposals (RFP) for the complete renovation of the architecturally significant property. For images of the Hotel Niagara, visit [here](#).

“The Hotel Niagara has been vacant for far too long and today we are stepping up to lead the way toward redeveloping this landmark property,” said USAN President Christopher Schoepflin. “With the goal of entering into a partnership with an experienced developer, USAN will ensure that this property is put back into productive use that will contribute to the visitor experience in downtown Niagara Falls.”

Built in 1924, the 12-story Hotel Niagara has long held a prominent spot in the downtown Niagara Falls skyline but after decades of deferred maintenance, neglect and multiple changes in ownership, the property has declined to a low budget, limited service hotel property that has been closed since 2007. The property, one of the few remaining structures that pre-date urban renewal demolition activities in the city, offers several benefits to potential developers, including eligibility for historic tax credits and its location adjacent to the USAN-owned Conference & Events Center Niagara Falls, Old Falls Street and the entrance to Niagara Falls State Park.

USAN will purchase the property from JSK International Corporation (JSK) for the fair market value of the property, which is up to \$4.4 million. Funding for acquisition and related interim holding costs including inspections, insurance and property holding services up to \$5 million will be provided through the Buffalo Billion. USAN does not intend to own the property long-term, but will need to acquire, hold and insure the property for approximately 24 months after closing. Any future transfer for development will require additional USAN Board approval.

The USAN Directors also approved three grants for hotel and retail projects in downtown Niagara Falls:

- **900 Buffalo Avenue Adaptive Reuse Project (Courtyard Hotel)** – \$1.25 million capital grant towards an \$11.5 million hotel construction project. The 65,700 total square foot project involves an adaptive reuse of the former Moore Business Forms office building and converting it to an 82-room, Courtyard by Marriott® Hotel. The project also includes over 3,500 sq. ft. of retail space to include a Home Theatre Lounge, a 24/7 Grab-n-go Market, a Marriott Bistro with Limited Starbucks® Service and a public Outdoor Lounge and Dining Area. Construction is ongoing with estimated completion in July 2016.
- **643 Rainbow Boulevard Hotel Project (Fairfield Inn)** – \$125,000 Niagara Economic Development Fund (NEDF) grant towards a new-build, \$6.9 million, 46,000 sq. ft., 76-room Marriott franchised Fairfield Inn & Suites®, located on formerly vacant lots on Rainbow Blvd. Sai Lodging LLC, accepted an Incentive Proposal from USAN on May 24, 2013. The Project is nearly complete; the hotel expects to open in May 2016.

Rainforest Cafe Retail Renovation Project – \$400,000 capital grant towards a \$3.5 million retail renovation project at the Sheraton At The Falls Hotel. The project created 14,000 square feet of retail space for a nationally known Rainforest Cafe® restaurant. The tropical jungle themed restaurant seats 238 guests inside, with additional seating for 60 guests on an outdoor patio along Old Falls Street.

In a separate move, the board voted to enter into a funding agreement with the Niagara Falls National Heritage Area, Inc. (NFNHA, Inc.). NFNHA, Inc. will implement a two-year pilot program for a hop-on/hop-off shuttle service—to be known as the “Discover Niagara Shuttle”—connecting visitors to Niagara Falls State Park and multiple heritage destinations within the National Heritage Area. NFNHA, Inc. is seeking funds from several organizations; USAN will provide \$120,000 towards the estimated \$1,640,000 total cost of the pilot program.

The USAN Directors also took two administrative actions. The board approved USAN’s annual operating budget and annual capital expense authorization for fiscal year 2016-2017. The board also approved the operating and capital budgets for the Conference & Events Center Niagara Falls and Old Falls Street for calendar year 2016.

USAN, a subsidiary of Empire State Development Corporation, is solely dedicated to the support and promotion of economic development initiatives in Niagara Falls by leveraging private investment and encouraging growth and renewal of the tourism industry in the City of Niagara Falls. For more information, visit www.usaniagara.com.

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