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USAN BOARD OF DIRECTORS APPROVE FUNDING FOR PROJECTS ON THIRD STREET AND BUFFALO AVENUE

Projects geared to stimulate downtown economic development, assist small businesses

USA Niagara Development Corporation (USAN) Board of Directors today met and approved several items to further stimulate economic development for downtown Niagara Falls and foster the growth of local business. In particular, the Board authorized USAN to enter into funding agreements with the City of Niagara Falls for both the 451 Third Street Redevelopment and Buffalo Avenue Heritage District Microgrant Program Initiatives, both designed to rehabilitate existing structures to better assist small businesses and the local neighborhoods.

“Small business owners and local entrepreneurs are the backbone to any community and that is certainly the case for Niagara Falls,” said USAN Chairman Dennis M. Mullen. “Because this city is on a worldwide stage, making sure our city’s neighborhoods and local businesses thrive becomes that much more critical. On behalf of Governor Paterson, New York State is pleased to support these types of important initiatives to help ensure our communities are allowed the opportunity to grow and be prosperous.”

The 451 Third Street Redevelopment Initiative is an \$817,000 redevelopment project to restore and rehabilitate the existing 13,000-square-foot 1920s-era structure at this location. Vacant for nearly a decade, the building is one of the largest structures situated in the heart of the Third Street District. ERDCO Development, LLC will renovate the building’s four commercial storefronts and eight residential units and has already identified two commercial tenants for the building, one retailer and the other a restaurant. USAN will help fund this initiative with \$55,000 and the City will award ERDCO a \$150,000 grant. ERDCO will also apply for a \$100,000 grant through the USAN Grant Program, as well as a \$50,000 loan through the City’s NFC Development Corporation.

The Buffalo Avenue Heritage District Microgrant Program Initiative focuses on preserving, stabilizing and upgrading the district’s existing buildings that define the very character of the neighborhood. This initiative is targeted for assisting individual property owners and small business owners to maintain, upgrade and potentially expand their historic properties. USAN

and the City are jointly administering this initiative and have each contributed \$50,000 for this important neighborhood rehabilitation effort. Grants of up to \$10,000 per project will be available, with applicants matching at least 100% of the requested amount.

“With the innovative programming of the 451 Third Street Redevelopment Initiative coupled with the Buffalo Avenue Heritage District Microgrant Program Initiative, the City and USA Niagara continue to target the heart of our commercial district as well as the historic-commercial portion of our downtown for intense redevelopment,” said Niagara Falls Mayor, Paul A. Dyster. “The partnership between the City of Niagara Falls and USA Niagara continues to bear fruit,” added Mayor Dyster.

The Directors also ratified and approved USAN’s proposed 2010 Conference Center Niagara Falls (CCNF) Capital Budget in the amount of \$205,749. This amount includes \$130,815 in funding for the purchase of CCNF operating equipment and \$74,934 in funding for Old Falls Street.

Additionally, the Directors authorized USAN to conduct the following actions:

- Enter into a License Agreement with Niagara University’s Castellani Art Museum (CAM) that will allow CAM to continue operating their 875 square foot satellite gallery at the Conference Center Niagara Falls. Under this new agreement, USAN will continue to offer this space free of charge for five years in exchange for CAM providing museum-quality art exhibits at no cost to the CCNF.
- Transfer approximately two-thirds of land comprising the former Wintergarden parcel to the City of Niagara Falls to allow for the restoration of Old Falls Street, now that its reconstruction is complete. The land that will contain the restored street—running between First Street and Rainbow Boulevard—will be transferred to the City for \$1 plus the City’s assumption of all outstanding tax liabilities. USAN will retain the remaining portion of the parcel that will not be part of the street, currently used as a landscaped open space for outdoor events and activities, immediately south of the restored street.
- Contract HVS Consulting & Valuation Services to provide a comprehensive economic/market assessment for the City, collecting and interpreting new data on various tourist-related real estate sectors for use in developer solicitations, lender applications, financing packages and website databases targeted at site selectors.

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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