

Niagara County Industrial Development Agency
Project Summary Sheet – Norstar Development USA, L.P./Center Court – 03-21
NEW APPLICATION AMENDING PREVIOUS APPLICATION

Applicant: Norstar Development USA, L.P.

Project Location: 1501 Center, 1501 Beech Avenue
City of Niagara Falls

Assistance: Tax exempt bonds - \$18,000,000
Sales and property tax exemptions

Description: Center Court is a severely distressed, publicly assisted housing complex built in 1949 and owned by the Niagara Falls Housing Authority. The Niagara Falls Housing Authority (NFHA) does not have the funds to modernize the units. To address this, NFHA is preparing a revitalization plan for the entire area, not only the replacement of the Center Court units. When completed, the revitalization plan will replace the old Center Court units and provide approximately 240 affordable rental units and 42 scattered site homeownership units. The project will be completed in phases and will provide construction jobs over the next 4 years.

There will be training programs in place so current residents of Center Court and the surrounding neighborhood can obtain employment on the project and benefit from this capital investment. The economic stimulus to the community will also benefit local businesses providing goods and services. If a revitalization plan is not put into place, the Center Court units will continue to deteriorate, along with the rest of the neighborhood. This will have a substantial negative impact on the neighborhood, including commercial and retail business activities in the area.

In September 2006, the Niagara Falls Housing Authority was awarded a \$20 million grant from the Department of Housing and Urban Development under the HOPE IV program. Phase I of the redevelopment must close this year to take advantage of the 2007 Bond Cap Allocation and inducement provided by the NCIDA. This funding and related tax benefits are a key component of the Phase I financing along with tax credits and loans from the NYS Division of Housing and Community Renewal, HOPE VI funds and City of Niagara Falls funds. HUD limits the amount of time awardees have to complete projects and, therefore, commencement of Phase I in 2007 is critical.

CENTER COURT HOPE VI REVITALIZATION

Niagara Falls, New York

OVERALL PROJECT DESCRIPTION

In September 2006, the Niagara Falls Housing Authority was awarded a \$20 million HOPE VI grant from the US Department of Housing and Urban Development (HUD) to revitalize Center Court, a 134 unit public housing project in the North End of Niagara Falls, New York. The Center Court HOPE VI Revitalization envisions the demolition of Center Court and the development of approximately 282 mixed-income rental and homeownership units that are a crucial element in a comprehensive City-driven plan to redevelop the Highland Avenue neighborhood. New neighborhood streets and a boulevard will be part of the site design to reconnect this old site to the neighborhood. The redevelopment will serve as a catalyst for the redevelopment of the City's North End. Please see attached site plan.

PHASE I 115 RENTAL UNITS Closed December 28, 2007

Unit Mix and Site: The first 115 units will include 64 HUD subsidized "ACC" and Low Income Housing Tax Credit (LIHTC) units that will serve households at the lowest levels of income. There will also be 51 LIHTC units that will serve households at or below 60% of Area Median Income. Rents are well below tax credit caps. The City of Niagara Falls has contributed several parcels of vacant land around the existing Center Court project for the construction of Phase I. Two of the existing buildings will be demolished in this phase to make way for the Administration and Residence Center described below.

Non-Residential Uses: Resident Center / Administration Building 6,200 Square Feet which will be built in Phase I to house resident laundry facilities, property management offices, Community and Supportive Services Coordinator's office (HOPE VI funded requirement), computer lab, large group meeting room with kitchenette.

Environmental Issues: In May 2007, during the initial foundation excavations for the project, unsuitable soils were detected. Although Norstar's environmental due diligence prior to construction did not reveal any environmental issues related to the site, soils containing incinerator ash in the area of the former City park, which constitutes a large portion of the Center Court Phase I project area, were discovered at depths from six to ten feet below grade. These materials appear to have been deposited during the 1920's to the 1930's by a municipal incinerator, although no records of the disposal are available. Upon discovery, Norstar undertook site testing to investigate the nature of the materials encountered, and these tests confirmed that the ash is solid waste not hazardous waste. Accordingly, the Soils Management Plan for the project was revised to incorporate procedures for handling the contaminated soils/ash in accordance with NYS Department of Environmental Conservation (DEC) and NYS Department of Health (DOH) standards. The DEC, DOH and Niagara County DOH have approved the SMP.

Construction is approximately 35 % complete. The first units will completed in the first quarter of 2010 with the remainder in the latter half of 2010. Completion of all 115 units is expected by December 2010.