

September 22, 2022, LaFayette Town Board Special Meeting Minutes

Minutes of the Special Town Board Meeting held by the LaFayette Town Board on September 22, 2022, at 6:00 p.m. at LaFayette Town Hall and live on Facebook.

Present: William McConnell, Town Supervisor
Mark Distler, Deputy Town Supervisor
Melanie Palmer, Councilor
Jerry Marzo, Councilor
Carole Dwyer, Councilor
Absent: Steve Zajac, Councilor

Recording Secretary: Sue Marzo, Information Officer

Attorney: Jeff Brown

Others Present: Luke Esposito and Adam Fumarola of Hanover Real Estate
Dave Knapp, County Legislator
Resident and Grant Preparation, Jeannie Gleisner
Resident, Roy Brunner
Resident, Maryann Murphy
Resident, Randy Moore
Resident, Herb Brodt
Resident, Ron Bush
Resident, Dale Shinneman
And several other residents

1. Supervisor McConnell called the meeting to order at 6:00 PM
2. Information Officer, Sue Marzo took the Roll. All Town Board members were present excepting Councilor Zajac.
3. The Pledge of Allegiance was led by Supervisor McConnell.
4. Communications:
 - a. The Board is currently going through the 2023 budget process. The NYS tax cap is at 2% for 2023. We need to pass a local law to allow for the potential to hold a public hearing if we were to go over the 2% tax cap . Attorney Brown advised it is standard practice with other municipalities.

R-172-22 Councilor Palmer moved and Councilor Dwyer second the motion to introduce the local law permitting the Town to exceed the NYS tax levy limit of 2%. Motion carried 4-0.

William McConnell	Supervisor	Voted	Yes
Melanie Palmer	Councilor	Voted	Yes
Jerry Marzo	Councilor	Voted	Yes
Carole Dwyer	Councilor	Voted	Yes

The Public Hearing will be held October 12th at the Town Board Meeting.

R-173-22 Supervisor McConnell moved and Councilor Marzo second the motion to set a public hearing for discussion pertaining to the tax cap override local law. Motion carried 4-0.

William McConnell	Supervisor	Voted	Yes
Melanie Palmer	Councilor	Voted	Yes
Jerry Marzo	Councilor	Voted	Yes
Carole Dwyer	Councilor	Voted	Yes

b. Presentation was made by Mark Distler on behalf of Hanover Real Estate Development with regard to the former LaFayette Hotel.

Mark Distler presented a presentation that streamed also on Facebook Live. That presentation is our path forward to an informed decision on the former LaFayette Hotel property and link is found below:



Grant Application Path Forward to TB_092222.pdf

Supervisor McConnell and Deputy Supervisor Mark Distler have worked all summer searching for a developer that would be the best match for our vision. Hanover was selected as the expert to figure out and give us an informed decision on whether to rehab or raze the structure. We need professionals to help us with a feasibility study and development plan. What will it look like and what will it cost before we make a Town Board decision or referendum? We need a developer agreement by December 22, 2022, to meet the Restore NY Grant deadline in January 2023 as it will not be offered again for another 5 years per Jeannie Gleisner who is submitting our grant applications pro bono.

Deputy Supervisor Mark Distler continued stating that the survey revealed with a 2-1 ratio that the Town would like the Board to go after grants.

The \$500K County Main Street Hamlet Revitalization Grant has been received. Another \$303K NY Main Street Grant has been applied for (award pending). The \$2M Restore NY

is pending the outcome of the decision to be made tonight. \$2.8M in total grants is possible.

The Town Board voted against forming a LDC in August. A second round of application opportunity are due January of 2023 but is pending the approval to partner with Hanover this evening.

Adam Fumarola and Luke Esposito were introduced as partners of Hanover Real Estate to further present their vision.

Councilor Dwyer asked for some information on the other developer candidates. Per Deputy Supervisor Distler one was very large, and they recommended Hanover as a potential partner to the Town. Another was a local experienced resident. Another one was mid-size that recommended a working man's apartment. They didn't share the same vision as the Town Board.

Adam Fumarola showed examples of development projects that they have worked on with 3rd party clients and for themselves with before and after.

- 1641 East Genesee Street
 - This property is being developed to maintain the historical design of the building in the front.
- 366 West Onondaga Street
 - Councilor Dwyer asked what they paid for this property and what opportunities for grants are available to them. They are on contract to purchase for \$25K from the Land Bank. They have applied for a CFA Grant and applied for a Downtown Revitalization Initiative Grant. She also asked if it was historically designated. Adam Fumarola stated that the Land Bank did all that work to historically designate before putting it on the market.
- 131-135 East Water Street
 - Planning a boutique hotel
- 246-250 East Water Street
- 253 East Water Street
 - Looking to make a restaurant/brewery
- 235, 239 & 243 East Water Street
 - Water Street Bagel Co. is a tenant
- 538 Erie Blvd. West

Hanover also has worked on student housing at a local-tier university and for a Central NY furniture and mattress retailer.

Councilor Dwyer didn't understand their attraction to this project as opposed to the various urban projects they have participated in. Councilor Palmer also asked if they had any example projects in rural areas like LaFayette. Mr. Fumarola said they did not, but they view this asset very similarly. Mr. Esposito stated 10-11 years ago downtown was not booming. The Land Bank has done a great job for Syracuse in redevelopment.

Hanover sees value here to partner with LaFayette to obtain the Restore NY Grant. This partnership will allow the Town to apply for that grant. A feasibility study and development plan for this asset for restoration and/or demolition and next steps are warranted. This study will allow for data driven decisions with real time bids.

A feasibility study will analyze materials, environmental reports, title reports, surveys, design documents. Additionally, investigate uses for the property. Mr. Fumarola sees the septic issue as doable after discussion with an engineer professional. Councilor Dwyer asked what they have shared thus far. He stated it is doable with holding tanks and a leach field onsite with pervious parking. This was a phone call and not anything officially reviewed from someone who knew the property. They will prepare construction budgets and income/expense projections and identifying potential funding sources.

The Development Plan will summarize site plans, floor plans, septic, parking, utilities, grading draining, landscape, etc. Hanover will meet on a regular basis and update per the timeline. They are interested in potentially acquiring, restoring, operating and maintaining the property should the feasibility project show potential.

The cost is \$30k for the Hanover Fee and not to exceed \$20k for 3rd party technical expenses. These costs would be covered by the Town's existing grant funding. It should take three months to perform.

Questions and Discussions:

Councilor Marzo advised that they already had a survey. Councilor Dwyer stated that we also have engineering reports and would they be using them. Mr. Fumarola stated that they need to meet and see what has already been done and will not duplicate any efforts already performed. Supervisor McConnell explained that has been done thus far has been done within the last 11 months. They can use whatever has already been done in their study as current.

Resident Roy Brunner asked if it was their intent to purchase the property. They are interested in that option. In the event, that they recommend demolition, making a green space doesn't make any sense to him. He asked if they would consider putting another structure on the property. Mr. Fumarola stated that the study they are proposing has only two outcomes. Mark Distler stated that they would be interested should the scope change. A new structure has not been discussed because the grants would not apply. Mr. Brunner stated that new construction is often cheaper than a rehab. Councilor Marzo asked about the option of razing part of the building and only saving some of it. Mr. Fumarola said the proposal is to restore all or raze all. It can be discussed along the way.

Resident, Mary Ann Murphy advised that the Main Street Grant should not be 100% on the restoration of the building. Will the feasibility focus on more than one building? How is it going to impact other businesses in town? Is there a need for apartments? Supervisor McConnell stated that the Main Street Grant can focus on streetscapes and other

buildings. This particular grant is just for this one building. Main Street can come into play next year to put together a package for other projects. This is an annual grant. Mr. Fumarola stated his study is going to focus on this asset only. Their study will look at the need for apartments. Their goal is not to repeat existing businesses. They will see what it can support not what it can steal from others.

Councilor Dwyer asked Ms. Murphy what vacancies she has right now. She has the top floor of the detached former dental office vacant and two small properties between the post office and bank.

Jeannie Gleisner is curious about their interest in the building. Luke Esposito said how important this building is to the Town. Its proximity to 81 and other development around this area is a draw. Mr. Fumarola said they are compelled and how can you not get excited about restoring this building. It is a focal point in your face. It will keep with the character of the neighborhood.

Resident Herb Brodt commends Hanover for their presentation. He asked again if they are willing to buy and develop the property? Mr. Fumarola stated that assuming the feasibility study reflects moving forward, this makes sense for them to go in that direction. Mr. Brodt said he will drink to that if they develop it. He feels excited in this decision and that the taxpayers are not impacted. He would vote for this in a heartbeat. He was opposed to this prior to this presentation.

Resident Ron Bush asked if they researched if there is water on the property. Mr. Fumarola stated that this would be part of the feasibility study. Supervisor McConnell stated there is a well and it was fine when drilled by the former developer. There is water but it needs to be tested for quality and quantity. Mr. Bush also asked about restoring part of the building, the original historical portion. He would be in favor of saving the oldest part of the building. Mr. Fumarola stated that he doesn't know how restoring only part of the building will impact the grant.

Resident Dale Shinneman asked about excluding certain types of businesses due to water shortage. Supervisor McConnell stated there are no restrictions on type of businesses at this time.

Resident Roy Brunner asked what the impact would be on other properties if redeveloping this building. Mr. Fumarola said risks and benefits could increase the value of other properties. We need momentum to focus on this asset.

Supervisor McConnell stated that this building is grandfathered in as far as zoning. If you demolish you now must abide by setbacks, codes, etc.

Resident, Doug Anderson would love to see money for the Community Center or to help Maryann Murphy owner of the plaza in Town with another Main Street Grant.

Deputy Supervisor Distler went over the Reasons to Vote Yes and the Reasons to Vote No. Councilor Dwyer stated that a feasibility study is not required for razing the building. Deputy Distler stated that this option may cost taxpayers something. A feasibility study will help make the proper decision.

Councilor Marzo asked if part of Hanover's study will include talking to other local businesses for interest, i.e., Beak and Skiff for an outlet location as an example? Mr. Fumarola said that would be part of their study.

Councilor Dwyer and Palmer totally disagreed with the statement of most survey respondents want to see the property rehabbed. Councilor Dwyer stated that everyone she has spoken to is for demolition of the building. Councilor Palmer said the results of the survey were misleading because you took 3 options and added them together to compete against the 4th option to raze the building and make a park. Deputy Distler said the survey also had a yes/no option and that revealed 68% were for submission of grants. Councilor Dwyer said the initial grant is slowly being eaten up. Supervisor McConnell said the \$500k grant was to rehabilitate or revitalize. ARPA monies have been applied and communicated. The monies for remediation phase 1 and 2 with C&S Engineering were necessary. The monies took care of the remediation. The numbers are accurate and communicated activities to date have not cost the taxpayer anything. Councilor Dwyer pointed out the design work and the survey which was misleading. Supervisor McConnell stated there were 496 responses and response rate was 10% of population. Deputy Distler said we need all the information to make sure you make the correct decision.

Supervisor McConnell stated last August reiterations were not for swaying but inputs of interest. Councilor Palmer stated that no taxpayer expense was communicated, and residents trust the Town Board that we are spending the money wisely from grant money that is still taxpayers' money. Supervisor McConnell said grants are there to be used for feasibility studies and to assist in cost reduction.

Councilor Palmer remembered that Onondaga County Health indicates holding tanks were ok, but only if the ownership stayed with the Town. Regardless of what goes on in that building septic and parking are a concern for her. Supervisor McConnell had a conversation with Onondaga County Health and Mark Chambers, and if the Town would take control of the project, they would trust the outcome. It was more trust in what you are doing and with a credible developer. The former developer was recognized for taking out water treatment and when he went to Onondaga Health he was denied. That was the issue that his proposal did not meet the standards of approach and investigation. Those are obstacles that a feasibility study would look at. There are choices and challenges and we have suffered from rumor control. I hope that answer fills in some void.

Supervisor McConnell stated that the domino effect is true, every corner except the church corner needs something done. The other owners are qualified to apply, and the garage is going through that now. They like what is being done and they see potential for their property and there is some capital outlay in what they have to do. We don't look at

just apartments. LaFayette is just tired at looking at the building. He gets calls all the time about why we are still looking at that building. He is excited for change. When ARPA and COVID hit, the opportunity was there to begin a discussion. He reviewed key points from his February presentation to those in attendance.

Councilor Palmer asked if she could do a show of hands. She wanted to explain her No vote in August. She wants in good faith to do something with that corner. She is not looking to stop progress on this project. She just wants more information. She was displeased with the survey, and it should have been yes or no to rehab or raze. She has continued since the August meeting to seek more input from the residents. She feels rushed by a deadline. She is concerned the wrong decision may be made just to meet a deadline. There may be no cost to the taxpayer but only if we get the grants. There is no guarantee. We have the Ron Bush Community Center that is stalled due to costs. She would like to swing back to addressing that Community Center. We need the information to make the decision, but she wants more feedback from residents. Her request for a show of hands was disallowed.

Supervisor McConnell informed participants that there was a \$4m grant given to the owner of one of the corner properties and that owner turned it down. It has taken 5 years to get this opportunity again. The grant opportunities are not as fluid as you might think. It is a gamble. There is enough grant money to seed the project to begin it.

Councilor Marzo stated that we have begun to head down this road and he is not a quitter. He would like to see a yes vote and progress towards spending a little more money to find out if we do or if we don't.

Supervisor McConnell said most of the grant, if we didn't purchase the property, would still be there. A local attorney he has spoken to wishes LaFayette would be a roll model for other municipalities in similar situations.

Councilor Dwyer finds it hard for her, but she is not a gambler.

Supervisor McConnell needs more information too, but we need to spend the funds to make the correct decision. There was no hand raising allowed but most participants nodded their head in approval after commentary from all Board members.

R-174-22 Supervisor McConnell moved and Councilor Marzo second the motion to proceed with Hanover Real Estate conducting feasibility studies . Motion carried 3-1.

William McConnell	Supervisor	Voted	Yes
Melanie Palmer	Councilor	Voted	Yes
Jerry Marzo	Councilor	Voted	Yes
Carole Dwyer	Councilor	Voted	No

There was applause from the residents in attendance. Supervisor McConnell also applauded Councilor Dwyer for her great thoughts and her decision.

Mr. Fumarola thanked everyone for their feedback, and they are excited to help figure this out.

5. Motion to adjourn

R-175-22 Councilor Dwyer moved and Supervisor McConnell second the motion to adjourn. Motion carried 4-0.

William McConnell	Supervisor	Voted	Yes
Melanie Palmer	Councilor	Voted	Yes
Jerry Marzo	Councilor	Voted	Yes
Carole Dwyer	Councilor	Voted	Yes

The Town Board Meeting adjourned at 7:55 p.m.

Respectfully submitted,

Sue Marzo
Information Officer