



NEW YORK STATE SENATOR

Robert G. Ortt

Brine Wells Development Selected as Developer for Hotel Niagara

PAMM LENT July 18, 2017

| ISSUE: **ECONOMIC DEVELOPMENT AND JOBS**



Brine Wells Development LLC has been chosen as the developer for the restoration of the historic Hotel Niagara in downtown Niagara Falls, New York.

The Hotel Niagara is the oldest standing hotel in Niagara Falls and retains much of the architectural integrity that once made it an iconic piece of the city's skyline. The approximately \$42 million project will utilize historic preservation tax credits to transform the property into a full-service, 130-room upscale hotel with restaurants, lounges and banquet facilities.

The USA Niagara Development Corporation, a subsidiary of Empire State Development, officially selected Brine Wells Development at its Board of Directors meeting this morning. The property is expected to re-open in spring 2019.

Brine Wells Development LLC, Managing Member Ed Riley, said, "Brine Wells and all of our team look forward to making the Hotel Niagara the historic hotel for Niagara Falls and is excited for the opportunity afforded by Governor Cuomo."

Senator Rob Ortt said, "Hotel Niagara has been vacant for far too long, and it's encouraging to see plans moving forward."

"Our strategic investments, from parks to infrastructure to the hotel and hospitality industry, are reinvigorating tourism in Niagara Falls, and the return of the Hotel Niagara is the crown jewel of this revival," **Governor Cuomo said.** "Across the state, we are driving regional economic growth by investing in the unique strengths of each community, and today we continue to move Western New York forward."

The USA Niagara Development Corporation board approved costs for a tourist-oriented traffic study, conducted in response to concerns expressed from local businesses and residents about periodic traffic backups occurring in areas surrounding the State Park and along the Niagara Scenic Parkway during peak summer visitation times. The State Highway and Bridge Trust Fund Project Agreement with USAN and the New York State Department of Transportation will make funds available to cover the costs of a study to develop best practices to address transportation access and parking demand needs for the unique setting of the tourism district in downtown Niagara Falls associated with Niagara Falls State Park and other local resources/attractions.

Hotel Niagara

The Hotel Niagara property was acquired by USA Niagara in July 2016 with Buffalo Billion funds to facilitate its restoration and reuse. Brine Wells Development's plans will restore the lobby and related spaces to a quality level consistent with the original design and restore the main ballroom to its original 1920s condition. An on-site full service restaurant will focus on local foods and New York State wines, to be complimented by a "speak easy" style lounge opening onto the sidewalk. Other amenities include private meeting and dining rooms, a gift shop and exercise facilities. A new roof top terrace lounge is also being proposed, with Brine Wells Development working alongside the New York State Historic Preservation Office and the National Park Service to ensure that the historic integrity of the building is maintained.

The Hotel Niagara project, the first historic restoration of a hotel in the City of Niagara Falls, will restore the building's finishings, details and design elements to the original intent and offer its guests high quality service. Built in 1924, the 12-story Hotel Niagara was among the city's finest lodging and banquet establishments, and it is now listed on the National Register of Historic Places. Although it has long held a prominent spot in the downtown Niagara Falls skyline, decades of deferred maintenance, neglect and multiple changes in ownership resulted in the property's degradation and eventual vacancy. The Hotel Niagara's final iteration, a Travelodge, closed in 2007.

The proposal includes the sale of the Hotel Niagara property to Brine Wells for one dollar, and the company will then invest approximately \$42 million into transforming the site. To support the project and ensure it moves forward, the developer is expected to seek a grant of up to \$3.5 million, subject to approval by the USA Niagara Board of Directors.

The project will also utilize historic tax credits. Federal historic tax credits allow for a credit equal to 20 percent of the total dollar amount of eligible capital expenditures for the rehabilitation of historic, income-producing buildings that are determined by the U.S. Secretary of the Interior, through the National Park Service, to be 'certified historic

structures'. At the State level, a similar 20 percent credit is available, but is capped at \$5 million when federal credits are also applied.

Brine Wells Development previously completed a similar transformation of the 92-year-old Hotel Syracuse in Syracuse, New York. The estimated \$75 million Marriott Syracuse is a complete redevelopment of the historic Hotel Syracuse into a full service four-diamond facility with 261 guestrooms, two historic ballrooms, an IACC certified conference space, six food and beverage venues and a completely restored lobby. The property opened in August 2016.