



**CITY OF NORTH TONAWANDA
2008 STATE OF THE CITY ADDRESS**

Presented by Mayor Lawrence V. Soos on February 19, 2008

Thank you for this opportunity to present the City of North Tonawanda's 2008 State of the City Address. I hope this address finds all residents of the City of North Tonawanda, members of the Common Council, and all city employees, experiencing a happy, healthy and prosperous beginning of the New Year. As Mayor, I have continued the long-time tradition of the Mayor's Office in having an open door policy to hear whatever issues or problems that confront the residents of North Tonawanda on a daily basis. Much of my day is often consumed with speaking with constituents who either stop by for a visit or call me on the telephone, with them knowing that I will listen, and act on their respective issues or problems. As I have stated numerous times, input by the residents of North Tonawanda is very valuable in shaping my own thoughts, ideas and policies that impact the whole city. I will continue to welcome your visits and telephone calls. To the residents of North Tonawanda, never be afraid to reach out to my office, or the offices of any elected official for that matter, as we were elected to serve you as your tax dollars pay are salaries.

In a nutshell, the City of North Tonawanda is financially stable. The city is financially solvent as we are well with our New York State Constitutional Tax Margin, reflecting approximately 51% of our tax limit being exhausted. Our city accountant has reported to this office that our bond rating from Moody's is an A3, one of the highest in Western New York. Even though financial stability does exist, I can identify with comments recently made by my counterpart in the City of

Tonawanda, Mayor Ronald Pilozzi, wherein he stated that it is becoming increasingly more difficult to maintain said financial stability. Just like the City of Tonawanda, our city is also faced with costly state mandates, rising health insurance and workers' compensation costs, and a New York State Retirement System that puts a tremendous burden on the local taxpayer. With regard to health insurance and prescription costs being paid by City of North Tonawanda on behalf of its employees and retirees, my office has recommended that we retain a health insurance benefits and management consultant to investigate different health insurance coverage options and to prepare a Request for Proposal to go into the open market with the hope of obtaining an overall plan that will save taxpayer dollars. It has already been suggested to both the Mayor and Common Council that the city may be able to save over \$300,000 by making changes to the City's present health insurance and prescription plans. Let us move forward to investigate this possibility. I am asking for the assistance of the Common Council in pursuing this goal.

In order to keep taxes stable while at the same time providing quality services to the residents, economic development within the city must continue to grow and prosper. In 2007, city sponsored Economic Development projects lead to the creation of 75 new private sector jobs and it is anticipated that this job growth will continue and not diminish. Economic Development Loans on behalf of the City of North Tonawanda have leveraged over \$4 million in private investment in the city. In 2007, developer Anthony Kissling completed the much anticipated purchase of the Remington Rand Building for redevelopment to include a quality restaurant, health club, maritime museum, 51 live/work lofts, and interior parking. Construction will begin in the Spring, with the restaurant scheduled to open by the end of the year. Additionally, funding has

been secured for park improvements in front of the building, as well as new docking along the canal and the creation of electrical and water services for boaters.

In other areas of economic development within the city, we were able to utilize Community Development funding to allow for the build-out of the new Partners in Art gallery. Recently, on the 9th of February, approximately 300 people came out to view the latest show on display. Furthermore, we have worked with the City Niagara Falls and with Empire State Development to secure the first Empire zone in the County of Niagara outside of Niagara Falls for the Ascension Industries expansion project into the vacant building that formerly housed American Rubber Products. We also authorized an application to the Office of Small Cities to secure financing for equipment purchase and installation as part of the project. Ascension is in the position to add 100 new employees over the next three years. Additionally, this last fall the city received funding for the demolition of the long defunct incinerator on the corner of Walck and Erie Avenues, addressing a long time safety hazard.

Presently and looking into 2008, the city has been working closely with the Riviera Theatre in their expansion into a new building on Main Street (the former Competition Transmission Building ... who incidentally relocated within the City of North Tonawanda on Erie Avenue). The project will include the creation of larger dressing rooms, allowing the theatre to bring larger and longer running shows, as well as the construction of handicap accessible bathrooms and a new Main Street lobby.

The city also applied for and received funds to support the Lumber City Development Corporation's purchase of 64 Webster Street (Teddy Bear Carpeting/Witkop and Holmes Building). The building will be renovated and converted into a 16 room boutique hotel. This project is designed to meet a lodging need that exists in downtown and throughout North Tonawanda. Lastly, the downtown facade program will support exterior work to the former Frontier/Flanagan Chevrolet Building on Main Street, leveraging close to \$1 million in investment in the building and a new business venture.

Another economic development matter is the status of the Roblin Steel site. With the recent filing of the environmental easement as required by the State of New York Department of Environmental Conservation, the city is now able to offer for sale or redevelopment the Roblin Steel property. The Community Development Office has already issued and advertised for Requests for Proposals from real estate brokers for the marketing of the property on behalf of the city. The year 2008 will be the year for the much anticipated action at this site.

Along with development within the city, the buzz of engineering projects within the city are always a sign of growth and improvement within a city. The City Engineer gave a recent update to the Mayor and Common Council on ongoing activities in the city. Just some of the projects that are planned to be moving forward in 2008 are as follows: Deerwood Golf Course Pump Station (Budget: \$450,000), Niagara Riverwalk (Budget: \$188,000), Sweeney Street Canal Walk Docks (Budget: \$480,000) River Road Outfall/Boathouse Demolition (Budget: \$200,000),

Main Street Landscape Improvements (Budget: \$300,000), Sherwood Avenue Pump Station (Budget: \$350,000), Durkee Bridge Reconstruction (Budget: 1.5 million), and Meadow Drive Extension (Budget: \$2 million). These projects along with the proposed Wal-Mart development, Walgreens development and patio homes on Walck Road will undoubtedly keep the engineering department and all associated departments busy in 2008. Also, the three (3) above referenced projects are all projects that will serve to increase the city's property tax base, increase sales tax dollars, create construction jobs and full and part-time jobs, and as to the patio home project, will keep and/or bring residents to live in our community.

In the Water/Wastewater Departments, the North Tonawanda Public Water System maintenance, record keeping and housekeeping was rated exemplary by the Niagara County Health Department in a recent report in January of this year. Through the efforts of these departments, the city received a one time payment of \$64,220 from NYSERDA for the institution of energy conservation measures. Capital Improvements were undertaken in replacement of pumps, controls and operations at the Water Treatment Plant that resulted in an annual savings of over \$69,000. The Wastewater Treatment Plant has implemented improvements that have translated into savings of over \$25,000 a year in energy costs due to improvement in plant heating and roofing insulation. Purchasing natural gas at the well and paying for gas transportation has resulted in savings of over \$48,650 for the year 2007. Cogeneration of electricity using methane gas produced from the Wastewater Plant Digester saved the city over \$72,000 a year in electric and natural gas costs. The Water/Wastewater Superintendent continues to investigate energy savings options such as wind

and solar power to reduce energy costs through NYSERDA as well as other initiatives available.

In 2007, Water Distribution repaired a record 56 main line water breaks, performed over 1,143 service calls in regard to water meter replacement, 544 service calls for miscellaneous needs of our users, and performed 2,236 calls in regard to fire hydrant maintenance and testing. Lastly, the Water Administration has revamped the water meter reading system, providing for more timely billing, resulting in the capture of outstanding revenue, and also instituted an easier on-line water meter reading alternative for the consumer.

With regard to the return of reader cards that has been a subject of some concern, the intent was to increase revenue and cash flow by having the water consumed by the city residents billed on a current basis just like all other utilities. This business solution is anticipated to provide a one time increase of \$800,000 in revenue and cash flow. Money already owed to the city. This was all accomplished by not increasing the water or sewer rates or by spending \$3 million for the installation of electronic meters. While viewed by some as an inconvenience, the return to the separate reader post card system that was agreed to by this office and the Common Council at budget time, is truly a cost effective option to accomplish the city's cash flow and revenue objectives. People want the city run like a business and by reinstating the meter reader post card system, we are doing just that by the city bringing in revenue in a timely manner.

The Building Inspector's Office issued 1,648 Building Permits in 2007 and collected \$88,026 in associated fees. In total, the fees collected in all by the Building Inspector's Office was in the amount of \$189,666. The amount of residential building in North Tonawanda totaled \$1,993,000. Furthermore, the Building Inspector's Office will be working with the Mayor, the Common Council, and several residents in attacking blight, removing nuisance properties, and enforcing codes in the city, by the creation of a Property Maintenance Task Force which should be meeting in the near future.

Other issues have been highlighted in 2007 and will continue to be in 2008. The City of North Tonawanda recently entered into agreements with a new concert promoter to carry on the tradition of Saturday evening concerts on the canal and also with a new concessionaire for the Deerwood Golf Course Clubhouse. The new canal concert agreement addresses many of the negative issues that surrounded the former concert series and is economically fair to the city and the taxpayer. The new promoter pledges to work with the City of North Tonawanda and the Gateway Harbor Committee and the tenor of the contract negotiations has already borne this out. The same goes for the Deerwood agreement, as the new concessionaire has many new ideas to improve service to the golfing public and appears to be a good fit for this endeavor. Additionally, some important improvements to the golf course were the installation of the Pump House that will allow the recreation department to fully utilize the computerized irrigation system, the conversion to electric carts in 2008, and the course rates will be the same in 2008. There were over 62,000 rounds of golf played in 2007. The Recreation Department and golf course staff should be commended for their hard work.

The sale of the Colonel Payne Community Center has taken an economic burden off of the city. We are presently leasing space from the Gersh Academy for our Youth Center services and basketball program. Although, I know that the Common Council and I both agree that a new Youth Center, with possibly a Senior Citizen Center component, is really the desirable permanent solution. I will continue to work with the Common Council and Recreation Director to that end.

Police and Fire protection, as always, is excellent and the residents should be proud of their public safety employees. Furthermore, roads are plowed and garbage is picked up to the satisfaction of most people. Although, not perfect, services provided to the taxpayer are consistently solid and I will work with all the departments and the Common Council to make sure that they become even better. On that note, the Common Council and I will continue to made road repairs and infrastructure repairs a budget priority this coming year.

In last year's State of the City Address, the recommended closing of DeGraff Memorial Hospital by the New York State Commission on Health Care Facilities in the 21st Century, was something that I, along with my fellow elected officials, promised to fight vigorously against. Well, DeGraff Memorial Hospital is remaining as our community hospital, and I would like to thank all the elected officials, city residents, DeGraff employees, and everyone who was associated with keeping DeGraff in North Tonawanda. Health care services are so important to our community with our aging population and constant need for emergency care. Thank you to the management and all employees of DeGraff.. We are happy and proud that you are staying with us!

Regardless of the above, there is still some unfinished business and new business that needs to be addressed in the year 2008:

1. Fighting for and securing our reimbursement from FEMA for the 2006 October storm cleanup costs. The city did get a positive recommendation from the State Emergency Management Office to FEMA. Based upon that fact, I feel confident that the outcome will be positive for the city.
2. Continue to fight for compensation via money and low-cost power from the New York State Power Authority for environmental and other related impacts to the City of North Tonawanda caused by the Niagara Power Project. Our Public Power Coalition (PPC) has joined forces with the Eastern-Niagara Power Coalition to secure this compensation through NYPA.
3. Assist in bringing to the public for a vote at the next general election the recommendations of the City Charter Review Committee so that the voters may be heard on these recommendations once and for all.
4. Continue to push for the construction of Wal-Mart in our community. The tax dollars, sales tax revenue, and jobs are needed in our community. This matter has been dissected and reviewed in all the proper forums and within all legal requirements. It is time that this matter be moved forward proactively.

5. Work with the Common Council in continuing the development of Gratwick-Riverside Park through the Niagara River Greenway Funding and to also work secure monies from our local legislators and other sources to help develop said park for recreational use.

6. Aggressively market and work towards developing the former Roblin Steel Plant Site. This property can become another key addition to our current economic growth.

7. And finally, dedicate any additional State of New York AIM (Aide and Incentives to Municipalities) monies to be received towards both needed street and sidewalk repairs and also tax relief for our residents.

In summary, I would like to thank the Common Council, department heads, city employees, and the citizens for their assistance in making North Tonawanda a great place to live, work, and raise a family. I ask that we all join together in the year 2008 to make sure that all the city's goals are realized. Thank you.

Sincerely,

Lawrence V. Soos
Mayor

State-city 2008