

The Niagara Digital Campus

An Update on Eminent Domain litigation and
the promise of jobs, technology and economic opportunity



This presentation is prepared by Niagara Falls Redevelopment (NFR) in response to an eminent domain proceeding initiated against NFR by the City of Niagara Falls and is intended to provide information to the public regarding the litigation and potential settlement.

Latest Developments

- ▶ On July 28th, A NYS court rejected NFR's petition to annul the the City of Niagara Falls' determination authorizing the taking of private property on John B. Daly Blvd.
- ▶ This is [just the first step in the litigation](#). NFR has every right to protect itself from what it views an illegal taking of its private property, just as any property owner would.
- ▶ Because both the U. S. and New York State constitutions prohibit the taking of private property absent a legitimate public use, NFR will take this case to New York's highest court—and **to the United States Supreme Court** if necessary.
- ▶ Regardless of the final outcome on these constitutional questions, the valuation litigation that comes next will **take years and likely cost millions in additional legal fees**—and that doesn't include the price of the land itself, which even conservative estimates peg at north of \$10 million.
- ▶ **Anticipated schedule** (based on experience with other cases):
 - ▶ An appeal to the New York State Court of Appeals: averages 1 years, 3 months
 - ▶ Appeal to the United States Supreme Court: 11 – 16 months after NYS Court of Appeals decision.
 - ▶ Valuation process, litigation and appeals: years, depending upon court schedule ([Fallsite LLC valuation](#): approximately 6 years).

Niagara Digital Campus Timeline

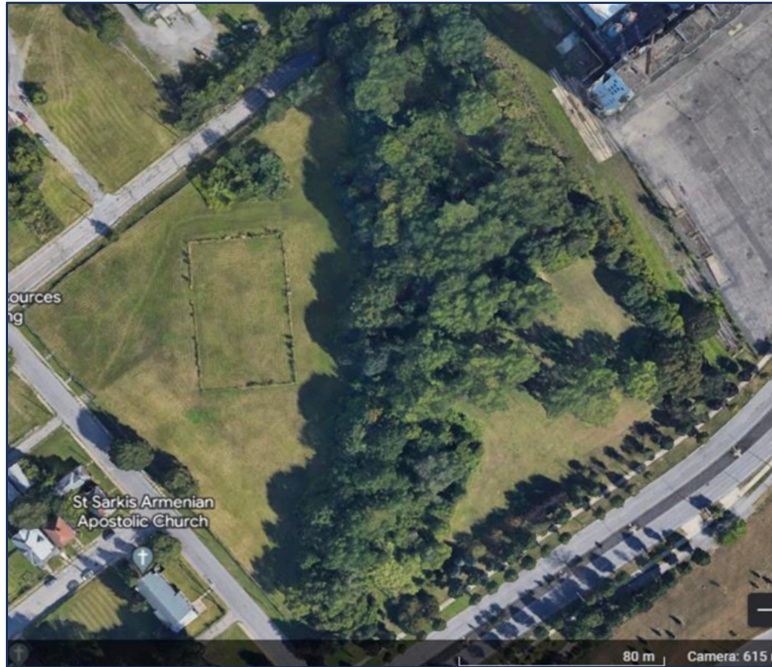
The Niagara Digital Campus was **not** a response to the Mayor's Centennial Park proposal and eminent domain litigation.

Here is the **actual timeline**:

- Feb. 17, 2021:** [Urbacon emails the City of Niagara Falls](#) inquiring about bringing a state-of-the-art data center to Niagara Falls.
- Spring 2021:** Urbacon holds Zoom meetings with City officials to discuss the plan.
- Sept. 22, 2021:** [Mayor Restaino and other city officials meet](#) with Urbacon and NFR. Mayor Restaino expresses his support.
- October 4, 2021:** [City Planning Director Eric Cooper provides NFR with a detailed roadmap](#) to make Urbacon's Niagara Digital Campus a reality.
- October 14, 2021:** [Mayor Restaino turns his back on the project](#) and announces his own plan for "Centennial Park" on the land (still unfunded).
- Dec. 21, 2021:** Despite prior discussions with Urbacon, the City of Niagara Falls creates a [moratorium on data center projects](#), then a "high-energy overlay" for data centers in its zoning that specifically excludes the land Urbacon needs.
- February 2022:** Restaino announces his plans to take NFR's private property via eminent domain.

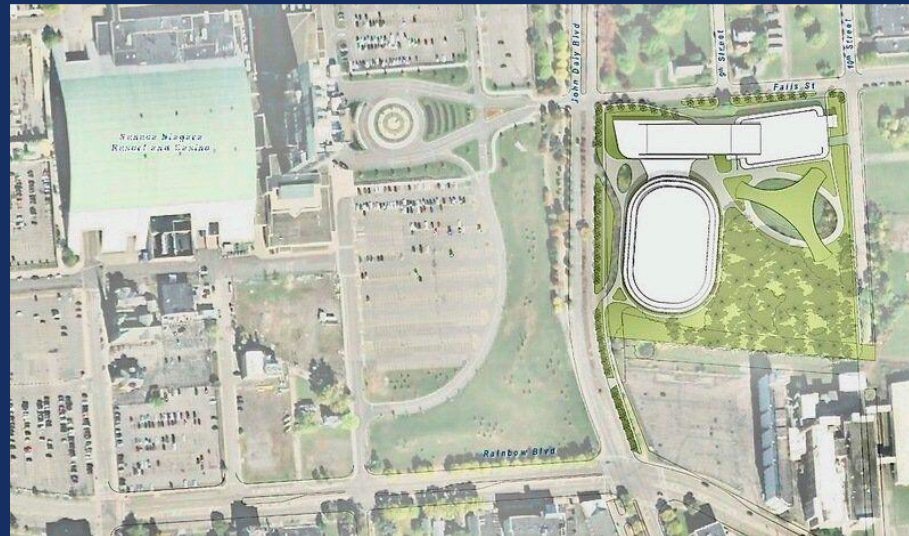
Click links for actual documents

About “Parcel 0”



- ▶ John B. Daly Blvd. property is not “blighted” in any sense of the word – **it is a park-like, well maintained property.**
- ▶ **It is the only property** that Urbacon has indicated will work as Phase I of this project – which is critical for making the entire Niagara Digital Campus a reality.

About “Centennial Park”



Unfunded. Unprofitable. Unrealistic.

- ▶ Nearly two years later, there is **still no funding**, while the City of Niagara Falls is awash in legal bills for an unnecessary eminent domain fight that will **cost taxpayers tens of millions**.
- ▶ **State funding is highly unlikely**. There have been no state funds for the project in Governor Hochul's two most recent budgets, and future [NYS budgets are expected to get even tighter](#).
- ▶ Mayor Restaino has estimated his proposed events center and park complex would cost \$150 million to build. Yet [published reports have indicated it may be twice that](#)—and labor and material costs continue to rise.
- ▶ Moreover, a [study issued](#) in 2022 by the Niagara University Global Tourism Institute showed that the an events center—which has no anchor tenant and no private sector partner—**will never be profitable**. It would lose between \$261,000 and \$487,000 each year. Who will bear the costs? Taxpayers.
- ▶ Moreover, **the city doesn't own the land**—estimates are that it could cost \$15-20 million and a decade to get control of the property, even if the city wins its eminent domain battle.
 - ▶ See the 2010 [Fallsite LLC case](#) for a sense of valuation.
 - ▶ Restaino [originally proposed using Community Development Block Grant \(CDBG\) funding](#) for acquire the land, but the loan would need to be repaid, with interest over a period of 20 years, using 45 percent of the city's annual allotment of CDBG funds!
 - ▶ In the face of tremendous opposition, Restaino [backed off on that proposal](#), suggesting he would issue bonds to acquire the property.

Click links for actual documents

The “Two Project” Solution



One example: How the Meridan Center in St. Catherine's, Ont. would look at Third and Niagara

Other Arena and Parking Locations



There are other alternatives, too that would be perfect for Mayor Restaino's event center, and that would save the City more than \$35 million to build a new parking garage (Arena is "A"; Parking is "P")

Proposed location is too far from 3rd Street



About a half-mile walk, through the Casino, from "Centennial Park" to Third Street

Niagara Digital Campus



What is the Niagara Digital Campus?

The Niagara Digital Campus is a **\$1.48 billion technology and data hub** that will bring thousands of jobs and cutting-edge technological infrastructure to the City of Niagara Falls.

- ▶ The Niagara Digital Campus is **not contingent on any special grants or earmarks from government at any level.**
- ▶ Built in phases, the campus will eventually be home to more than 600,000 square feet of high-security, technologically advanced data-center space, creating state-of-the-art data and IT jobs for area residents. **The development will also bring considerable county, local and school board tax revenues that will expand economic opportunity across the region.**
- ▶ **During construction, the Niagara Digital Campus is projected to create more than 5,600 high-paying jobs** with more than \$250 million in wages, with economic spinoff benefits expected to top more than \$810 million.
- ▶ Once operational, the Digital Campus will create more than **550 high-paying permanent jobs**, with expected annual wages of nearly \$29 million. Total economic benefit from the new facility is expected to exceed \$250 million annually, with more than 1,700 permanent jobs created in support and ancillary businesses.

Job creation and economic benefit numbers based on reports issued by the [U.S. Chamber of Commerce](#) and the [Northern Virginia Technology Council](#).

Click links to see the reports

About Urbacon

Urbacon is one of the premier developers of commercial and industrial properties in **Canada and the northern United States**, and has successfully built similar facilities in Montreal, Toronto and Richmond Hill, Ontario. Each project brought tremendous economic benefit to its local community and has received the full support of all levels of government.



Richmond Hill



Montreal



Toronto

“[Just from Urbacon], we expect three shifts with dozens of engineers, managers, security and maintenance... hundreds of people are coming and going each day.”

– Peter Russell, Urbacon

([click here](#) for full Q&A)

Current Offer



- ▶ As part of the new Niagara Digital Campus development, **NFR is proposing donating a portion of its existing land to the City of Niagara Falls for public amenities**, including a potential public park and events center. **All land is currently owned by NFR.**
- ▶ **NFR will also donate \$3.5 million to the city over 10 years** for upkeep, maintenance and economic development projects.

Other Benefits

- ▶ **Energy Infrastructure:** The Niagara Digital Campus data center project is an unprecedented opportunity to develop new energy infrastructure that will not only bring high-tech jobs and opportunity where they are needed, but will also **lower rates** and bring other benefits.
- ▶ **Broadband:** New high-speed broadband capacity will be flowing right into the heart of the city – this will be available not just for the data center, but for the whole campus.
- ▶ The Niagara Digital Campus would also be home to the new ***Niagara Digital Campus Technology Education Center***, where local school groups and other interested members of the community will have the opportunity to learn about all aspects of data engineering and network operations. Future plans include **scholarship programs and partnerships** with local educational institutions in furtherance of these efforts.

Why not here? Why not us?

[Click here](#) for full Q&A with Peter Russell of Urbacon

Q&A with Urbacon's Peter Russell

Q: Some people in Niagara Falls don't believe this project is real. Is this project real?

A: It is **absolutely real**. We're ready to start selling this to tenants today, but we can't sell some vague concept.

As I've said before, this is a unique situation for us. **Usually, local communities welcome us** and work with us to get the job done: confirming infrastructure, acquiring land, doing what is necessary so that we can show this is real to our tenants. And some communities even provide incentives. Niagara Falls doesn't have to do that here. **The risk is all with Urbacon and Niagara Falls Redevelopment.**

Q: And you've never gone into a local community where the community wound up disappointed. Is that correct?

A: Never.

Q: Given all of this, would Niagara Falls be foolish to turn their back on such an opportunity?

A: Personally, I think so. **Niagara Falls is missing an opportunity if they turn their back on this.** Look around you—look at Pennsylvania, Ohio, other areas, and what they are doing. They are saying "Let's do this." Why not here? It's mystifying to me.

Conclusion

- ▶ It has now been 2 ½ years since Urbacon first approached the City of Niagara Falls with the idea of bringing a state-of-the art data center, with jobs and high-tech economic opportunity, to Niagara Falls.
- ▶ **Urbacon cannot wait forever!** If the City continues with its attempt to take private property for his own unfunded and speculative park and events center, Niagara Falls will lose their chance.

If you ask:

“Why hasn’t anything been built on this land for 25 years?” – just look at the last 2 ½ years! There’s your answer!

Thank you!

For more information:
niagaradigitalcampus.com