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Statler's 'negative' value draws lawsuit

Business First of Buffalo - by [James Fink](#)

One month after a Buffalo property assessment review board dropped the value of the mothballed Statler Towers by 65 percent, the historic building's court-appointed legal team has filed suit against the city of Buffalo.

Peter Allan Weinmann, the Buffalo attorney and property assessment specialist retained by the Statler's U.S. Bankruptcy Court-appointed trustee Morris Horwitz, confirmed a suit was filed in New York State Supreme Court seeking to drop the building's true value to "negative" \$12.18 million. A preliminary hearing before State Supreme Court Justice John Michalek on April 28.

Weinmann said keeping the building's assessment at \$1.2 million, which the Buffalo Board of Assessment Review ruled one month ago, hurts any chance to sell the 18-story landmark. The Statler had been assessed at \$3.5 million.

"It's a shame the city continues to place an economic disincentive on any development of this crumbling icon," Weinmann said.

A small portion of the Statler's ornate concrete facade fell on Delaware Avenue Thursday morning.

The \$3.5 million benchmark was set by the Statler's sale price when British investor Bashar Issa bought the structure in 2006. The \$1.2 million figure is \$100,000 less than **New Buffalo Statler Redevelopment LLC** bid for the building at last summer's bankruptcy court-order sale.

Weinmann, a former Statler tenant, said the building, arguably, has a negative value because of nearly \$185,000 in unpaid Buffalo and Erie County taxes and a potential \$12 million cost to demolish the structure and other costs for remediation before it is razed.

While many have looked at the Statler in the past year, only two buyers — including New Buffalo Statler Redevelopment — stepped forward at last August's auction. Since New Buffalo's bid was declared in default three months ago, after the investment group failed to close on their bid, several groups have contacted Horwitz, although no formal offers have been made.

Long Island developer Uri Kaufman said he may be interested in the building, but only if a handsome incentive package is offered,

Potentially, if no buyers are found, Horwitz could ask U.S. Bankruptcy Court Judge Carl Bucki, who is overseeing the case, to declare the Statler an abandoned piece of real estate, a move that would turn it over to Buffalo.

Mayor Byron Brown said he remains confident a buyer will emerge.

In the meantime, Horwitz said he expects Bucki, during an April 15 hearing, to approve an auction of the Statler's non-real estate assets including heavy construction equipment and imported marble flooring.