

BUFFALO BUSINESS FIRST

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More time given to assess Statler value

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

Following a closed-door meeting, a State Supreme Court Justice has given representatives from the City of Buffalo and part of the Statler Towers legal team six weeks to try and resolve their differences concerning the assessed valuation of the mothballed downtown landmark.

Officials from the Buffalo Corporation Counsel's office and Peter Allan Weinmann are scheduled to meet in Supreme Court Justice John Michalek's chambers on June 9 to give an update on their attempts to settle the lawsuit that centers on the value of the closed, 18-story building. Weinmann, a property assessment specialist retained by the Statler's U.S. Bankruptcy Court appointed-trustee Morris Horwitz, filed suit last month contending the building has a negative value of \$12.18 million.

"We're in uncharted territory," Weinmann said following the meeting. "But, at the same time, we started some very fruitful conversations and discussions with (Buffalo) City Hall. Everyone wants to resolve this situation."

The lawsuit is the latest in the complex series of legal actions that center on the Statler and whatever future the building, which overlooks Niagara Square, may be facing.

Earlier this spring, the Buffalo Board of Assessment Review dropped the Statler's value by 65 percent — by reducing it to \$1.2 million from \$3.5 million, Weinmann filed the lawsuit, which alleges the vacant building has no value.

Weinmann said keeping the building's assessment at \$1.2 million, which the Buffalo Board of Assessment Review ruled in March, hurts any chance to sell the Statler.

"It's a shame the city continues to place an economic disincentive on any development of this crumbling icon," Weinmann said. "If we can resolve the assessment concerns, it would help with an economic disincentive hanging over the building."

A small portion of the Statler's ornate concrete facade fell on Delaware Avenue earlier this month. Other portions of the facade have previously fallen on Delaware Avenue, Niagara Square or Genesee Street.

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 \$185,00 in unpaid Buffalo and Erie County taxes and a potential \$12 million cost to demolish the structure - including costs to remediate it 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 an incentive package using public money 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 the City of Buffalo.

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

In a related matter, the bankruptcy-court approved auction of the Statler's non-real estate assets is set for 10 a.m., Saturday, May 1 at the offices of **Cash Realty & Auctions**, 1295 Main St., Buffalo.

Among the assets are cleaning equipment, some construction and repair equipment and imported marble flooring.