

LOCAL NEWS

Statler is 'dead building,' city panel told

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The Statler Towers is a "dead building" that has a negative market value, a lawyer told Buffalo's assessment review panel at a hearing Monday in City Hall.

Attorney Peter Allen Weinmann warned that if the city refuses to dramatically slash the assessed value of the Delaware Avenue building, it could further hinder efforts to develop the empty complex that towers over Niagara Square.

"The building is a shell — a ghost of its . . . past," Weinmann told the Board of Assessment Review, a five-member panel of citizen volunteers that considers assessment challenges.

The Wolfgang & Weinmann law firm submitted documents urging the city to assign a negative value of nearly \$12.2 million to the Statler. The 18-story landmark is currently assessed at \$3.5 million.

The board will make a final decision on the assessment challenge within four weeks.

Mounting tax bills would be another "disincentive" to any future developer of the site, Weinmann said. The building already owes more than



Bill Wippert/Buffalo News file photo

Statler Towers is assessed at \$3.5 million, but review panel is being urged to give it a negative value of nearly \$12.2 million.

\$184,000 in city and county taxes, penalties and interest.

Weinmann said he believes that this is the first case in the state where a challenge has been launched to assign a negative net worth to a major structure. He told the review panel that his request is an "economically rational" figure based on estimates for dealing with asbestos, lead and other environmental issues in the Statler, then demolishing it and removing the debris.

Renovating the cavernous 90-year-old structure would cost at least \$70 million, the at-

torney said. Some estimates for rehabilitating the 750,000 square feet of space have approached \$80 million.

"Tragically and sadly, this building is now a dead building," Weinmann told the panel.

Assessment officials will conduct an internal inspection of the Statler. The city also wants to see income and expense statements from the period when the Statler still had tenants.

Members of the Board of Assessment Review made no comments after Weinmann's brief presentation and asked only a

few questions.

Chairman William C. Maggio wanted to know whether other prospective buyers have surfaced. Weinmann said that there have been no offers since a local investment group's efforts to take over the building fizzled. The group led by Park Lane Catering owner William J. Koessler bid \$1.3 million for the complex at an auction last year. However, the group has been unable to close the deal and was declared in default.

The Statler has since been mothballed, said Weinmann, whose law firm was one of the last remaining tenants. The law firm said that it is making the request for an assessment reduction on behalf of Morris L. Horwitz, the trustee who has been overseeing bankruptcy proceedings for the Statler. The panel must make a decision on the assessment challenge by March 1.

Mayor Byron W. Brown's office said it had no comment on the Statler's request for an assessment reduction.

The Board of Assessment Review will wrap up hearings this month. About 2,100 property owners are fighting their assessments this year.

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