



STATE OF NEW YORK
Authorities Budget Office

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March 5, 2012

Mayor Paul A. Dyster
Chairman
Niagara Falls Urban Renewal Agency
745 Main Street
P.O. Box 69
Niagara Falls, New York 14302

Dear Mayor Dyster:

On August 1, 2011, the Niagara Falls Urban Renewal Agency received a letter that compelled its board of directors and chief executive officer to justify the authority's persistent failure to meet the reporting requirements of sections 2800, 2801, and 2802 of Public Authorities Law. Our Office received a response dated August 4, 2011 from Mr. Richard Zucco, legal counsel for the authority. The Authorities Budget Office informed Mr. Zucco that the information provided in his response must be filed in the Public Authorities Reporting Information System (PARIS).

As of March 5, 2012, the Niagara Falls Urban Renewal Agency remains out of compliance with the public disclosure, reporting and corporate governance provisions of Public Authorities Law. The Niagara Falls Urban Renewal Agency has not filed the following reports with this Office:

- Budget Report for fiscal years ending 12/31/2010, 12/31/2011, and 12/31/2012
- Annual Report for fiscal years ending 12/31/2009 and 12/31/2010
- Audit Report for fiscal years ending 12/31/2009 and 12/31/2010

Accordingly, pursuant to its powers under Section 6(2)(f) of Public Authorities Law and Policy Guidance 11-02: "Enforcement Powers of the Authorities Budget Office", issued February 10, 2011, the Authorities Budget Office is sending this official letter of censure to the board of directors of the Niagara Falls Urban renewal Agency.

As a public authority, the Niagara Falls Urban Renewal Agency is expected to be timely and transparent with its financial reporting and to be accountable to the public. This letter of censure is the result of your collective failure to take appropriate corrective action when the authority was previously warned that it was out of compliance with state law. Those warnings constitute reasonable evidence that the board and the authority's management were made aware of this situation. The fact you continue to ignore your obligations under state law is unacceptable. This continued inaction demonstrates a fundamental misunderstanding of your

fiduciary responsibilities and is a serious violation of your duty as a director or officer of this authority.

This letter is being made part of the public record. Disclosure of this delinquency and letter of censure may be required by federal securities law, should the authority finance debt in the future. Furthermore, should the board of directors and the chief executive officer fail to bring the Niagara Falls Urban Renewal Agency into compliance, the Authorities Budget Office may take additional steps, including initiating legal action, to access the records, books, and financial documents of the Authority, and/or recommending the removal of the board of directors.

Sincerely,



David Kidera
Director

cc: New York State Senator Mark Grisanti
Assemblyman John D. Ceretto