

Buffalo Urban Development Corporation

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Downtown Committee Meeting

Tuesday, October 10, 2017

12:00 p.m.

901 City Hall

Buffalo, NY 14202

Agenda

1. Approval of Meeting Minutes from July 11, 2017 *(Action) (Encl.)*
2. BBRP Loan Program – McCarley Gardens - Consistency Determination *(Action)(Encl.)*
3. BBRP Loan Program – CW Livery Project – Consistency Determination *(Tabled Item)(Action)(Encl.)*
4. BBRP Loan Program – General Update *(Information)*
5. Housing Market Study *(Information)*
6. Downtown Infrastructure – Project Updates *(Information)*
7. Queen City Pop Up *(Information)*
8. Buffalo Place Updates *(Information)*
9. Erie Canal Harbor Development Corp. Updates *(Information)*
10. Buffalo Niagara Medical Campus Updates *(Information)*
11. Adjournment *(Action)*

**Minutes of the Meeting
of the
Downtown Committee
of
Buffalo Urban Development Corporation**
901 City Hall
Buffalo, New York 14202
July 11, 2017
12:00 p.m.

Committee Members Present:

Darby Fishkin
Dottie Gallagher-Cohen
Thomas R. Hersey, Jr.
Brendan R. Mehaffy (Committee Chair)

Committee Members Absent:

James W. Comerford
Darius G. Pridgen
Steven J. Stepniak

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Brandye Merriweather, Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary

Guests Present: Lou Battaglia, BUDC Intern; Debra Chernoff, Buffalo Place, Inc.; Rebecca Gandour, Mayor's Office of Strategic Planning; and Daniel Leonard, Buffalo Niagara Partnership.

Roll Call: The Secretary called the roll at 12:12 p.m. A quorum of the Committee was not present. Information items 2.0, 4.0 and 6.0 - 8.0 were presented in the absence of a quorum. Ms. Gallagher-Cohen joined the meeting following the presentation of item 8.0, at which time a quorum of the Committee was present.

- 1.0 Approval of Minutes of the April 11, 2017 Meeting** – The minutes of the April 11, 2017 meeting of the Downtown Committee were presented. Ms. Gallagher-Cohen made a motion to approve the meeting minutes. The motion was seconded by Ms. Fishkin and unanimously carried.

- 2.0 BBRP Loan Program – Quarter 1 Consistency Determination Follow Up** – Mr. Mehaffy reviewed the July 6, 2017 memorandum from the Governance Committee Chair regarding the Governance Committee's analysis of a conflict of interest issue relating to the proposed BBRP loan to First Amherst Development Group, LLC. As set forth in the memorandum, BUDC counsel advised the Governance Committee that under the New York Not-for-Profit Corporation Law, BUDC may not make a loan to a BUDC officer or director or to a business entity in which the BUDC officer or director serves as a director or officer or has a substantial financial interest. Applying this legal standard to the proposed loan to First Amherst Development Group, it was apparent that BUDC would not be able to proceed with the loan. Mr. Mehaffy noted that Mr. Obletz has since resigned as a member of the BUDC Board of Directors effective as of June 21, 2017. Accordingly, the legal prohibition no longer applies, and BUDC may proceed with further consideration of the proposed loan to First Amherst Development Group in accordance with BBRP loan review procedures.

- 3.0 BBRP Loan Program – Consistency Determinations** – Ms. Merriweather presented her July 11, 2017 memorandum to the Committee regarding BBRP consistency determinations for the 68-72 Sycamore Street project submitted by Signature Development and the CW Miller Livery project located at 73-75 West Huron Street submitted by McGuire Development. These proposals were submitted in response to the second quarter loan program request for proposals. Ms. Merriweather reviewed the two projects, the descriptions of which are set forth in the July 11th memorandum. She noted that a team comprised of representatives from BUDC, the Mayor's Office of Strategic Planning and the Buffalo Niagara Partnership reviewed the proposals. The review team is recommending that the Committee determine that both projects are consistent with the Buffalo Building Reuse Project and the Queen City Hub plan. The Committee discussed both projects, and in particular the CW Miller Livery project, which does not include a residential component. Ms. Merriweather noted that BBRP loan program guidelines do not expressly prohibit projects that lack a residential component. Ms. Gallagher-Cohen commented that the participating banks understood the program to involve residential projects only, and suggested that the Loan Committee review whether the BBRP loan program should provide funding to purely commercial projects. It was also noted that a principal proposed tenant for the CW Miller Livery building is the Emerson School, but that the Buffalo Board of Education has not yet voted to select the location of the new school. At the conclusion of the discussion, Mr. Hersey made a motion to table the consistency determination for the CW Miller Livery project due to the lack of a residential component for the project and uncertainty over whether Emerson School will be a tenant. The motion was seconded by Ms. Fishkin and unanimously carried. Ms. Fishkin then made a motion that the Committee determine that 68-72 Sycamore Street project submitted by Signature Development is consistent with Buffalo Building Reuse Project goals and for the project to proceed to the loan underwriting process. The motion was seconded by Mr. Hersey and unanimously carried.
- 4.0 BBRP Loan Program – Financial Update** – Ms. Profic reviewed the loan portfolio summary report. All loans are current. Ms. Merriweather then reviewed the July 11, 2017 BBRP Loan Status Report, including a list of potential loans that have been submitted to NYBDC for underwriting. It was suggested that the Loan Status Report include a section to identify when potential loans are expected to be submitted to the Loan Committee for review.
- 5.0 Downtown Residential Market Study** – Ms. Merriweather presented her July 11, 2017 memorandum to the Committee regarding proposed funding for an updated downtown housing study. Ms. Merriweather explained the need for the updated study, noting that the last housing study was completed prior to the implementation of the Buffalo Building Reuse Project. The cost of the study is \$35,000, and the Buffalo Niagara Partnership is seeking private sector funding to cover one-half of the cost. BUDC is being asked to fund the other half of the cost, which would be paid from the Regionally Significant Project (RSP) Fund. Mr. Leonard then provided additional details and answered Committee member questions regarding the study. It was noted that the Buffalo Niagara Partnership will contract with the consultant. Ms. Gallagher-Cohen stated that she would abstain from deliberation and voting regarding this item. At the conclusion of the discussion, there was a consensus among the remaining Committee members present that the Committee should recommend this item for Board approval.
- 6.0 Downtown Infrastructure – Project Updates** – Ms. Merriweather updated the Committee regarding the Erie/Shelton Square infrastructure project. A planning and design consultant has been selected for the project through a request for proposals that was issued by the City of Buffalo. The consultant is expected to begin work by the end of the summer. Construction of the project is targeted for the summer of 2018.
- 7.0 Queen City Pop Up** – Ms. Merriweather presented an update regarding the Queen City Pop-up retail program. The current program, which is located at 403 Main Street in the Brisbane Building, began on June 22nd and runs through September 1st. The three participating retailers are Baskets by Ms. Regina, Najah Sauces and Ten Thousand Villages. The program will include a training session with the Small Business Administration.

- 8.0 Buffalo Place Updates** – Ms. Chernoff updated the Committee regarding Buffalo Place matters, including the status of the Main Street grants program. Of the nine projects that were identified to receive grant funding, two are complete, four are under construction and remaining three are in process.
- 9.0 Adjournment** – There being no further business to come before the Downtown Committee, upon motion made by Mr. Hersey, seconded by Mr. Comerford and unanimously carried, the July 11, 2017 meeting of the Downtown Committee was adjourned at 1:10 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary

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Item 2

MEMORANDUM

TO: BUDC Downtown Committee

FROM: Brandye Merriweather, Vice President – Downtown Development

SUBJECT: BBRP Loan Program – Consistency Determination

DATE: October 10, 2017

BUDC recently issued a Request for Proposals for projects seeking financing through the BBRP Loan Program. BUDC received the following proposal in response to our BBRP Loan Program Request for Proposals issued on July 11, 2017:

1. McCarley Gardens Revitalization (Sinatra & Company)

A description is attached to this memorandum.

This proposal was reviewed by a selection committee that included City of Buffalo Office of Strategic Planning (Rebecca Gandour), BUDC (Peter Cammarata, David Stebbins & Brandye Merriweather), and the Buffalo Niagara Partnership (Daniel Leonard). Proposals are evaluated based on the preliminary financial information, developer experience and need factors, as well as the projects alignment with the criteria established by the Buffalo Building Reuse Project and the Queen City Hub Plan; such as:

- Project Readiness
- Reduction of existing office vacancies
- Addition of new residential units
- Proximity to existing residential clusters, light rail and public transportation and market/economic drivers
- Creates critical mass
- Adaptive and historic reuse opportunities
- First floor retail or “active” commercial opportunity
- Builds on recent public and private investments
- Net new downtown growth

RECOMMENDATION

Based upon input and analysis from the selection committee and the overall quality of the submission, BUDC is recommending that the McCarley Gardens Revitalization Project advance to the formal loan application and underwriting process that will be conducted by New York Business Development

Corporation. Applicants must successfully complete the loan application and underwriting process prior to being awarded funding.

1. McCarley Gardens Revitalization (Sinatra & Company) - requesting funding in the amount of \$750,000

- ✓ Adaptive Reuse of several blighted properties in a Highly Visible Area
- ✓ Redevelops 135 residential units and adds 15 new units of affordable housing
- ✓ Located in close proximity to the CBD, BNMC and Michigan Avenue Heritage Corridor
- ✓ Reinforces Connection between BNMC, Michigan Avenue Heritage Corridor and the CBD
- ✓ Project will exceed 25/5% MWBE goals
- ✓ Close proximity to Public Transit

ACTION

I am requesting that the Downtown Committee make a recommendation for the McCarley Gardens Revitalization project located at 818 Michigan Avenue/172 Goodell Street proceed to the loan underwriting process as the project is consistent with Buffalo Building Reuse Project goals and loan policies.

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Item 3

MEMORANDUM

TO: BUDC Downtown Committee

FROM: Brandye Merriweather, Vice President – Downtown Development

SUBJECT: BBRP Loan Program – CW Miller Livery Consistency Determination

DATE: October 10, 2017

BUDC issued a quarterly Request for Proposals for projects seeking financing through the BBRP Loan Program on April 3, 2017. McGuire Development submitted a proposal for the C.W Miller Livery located at 73-75 West Huron Street on June 30, 2017.

The project was presented to the Downtown Committee on July 11, 2017 and tabled pending further discussion on a residential component and approvals from Buffalo Public Schools. Since the July 11, 2017 meeting, the project has received necessary approvals from the Buffalo Public School Board as the designated location of the upcoming Emerson Hospitality School. The project will now also include 1-2 residential housing units at the site. (See the attached summary sheet).

Proposals are evaluated based on the preliminary financial information, developer experience and need factors, as well as the projects alignment with the criteria established by the Buffalo Building Reuse Project and the Queen City Hub Plan; such as:

- Project Readiness
- Reduction of existing office vacancies
- Addition of new residential units
- Proximity to existing residential clusters, light rail and public transportation and market/economic drivers
- Creates critical mass
- Adaptive and historic reuse opportunities
- First floor retail or “active” commercial opportunity
- Builds on recent public and private investments
- Net new downtown growth

CONSISTENCY DETERMINATION

Based upon input and analysis from the selection committee and the overall quality of the submission, BUDC is requesting a consistency determination for proposals submitted by McGuire Development to advance to the formal loan application and underwriting process that

will be conducted by New York Business Development Corporation. Applicants must successfully complete the loan application and underwriting process prior to being awarded funding.

1. CW Miller Livery (73-75 West Huron Street) - Funding Request of \$750,000

- ✓ Adaptive Reuse of vacant historic property in a Highly Visible Area
- ✓ Commercial Project includes Culinary School, Restaurant and Banquet Space
- ✓ Project Located within blocks of the Convention Center, Downtown Hotels and upcoming infrastructure improvements to Franklin Street
- ✓ Close proximity to Public Transit
- ✓ Adds 1-2 residential units

ACTION

We are requesting that the BUDC Downtown Committee make a consistency determination that the C.W. Miller Livery (73-75 Huron Street) submitted by McGuire Development is consistent with Buffalo Building Reuse Project goals and loan policies and that the project proceeds to the formal loan underwriting process.

Buffalo Building Reuse Project

Loan Program – Quarter 3 Summary of Proposals

McCarley Gardens Revitalization

Location: 818 Michigan Avenue/172 Goodell Street, Buffalo, NY 14204

Developer: Sinatra Development

Principal/Primary Contact: Matt Connors

Project: The project is a redevelopment of the McCarley Gardens housing project on the northeast side of downtown. The goal of the project is to transform 135 units and build 15 new units into an affordable urban neighborhood reminiscent of other quintessential Buffalo neighborhoods. The development team looks to exceed the Mayor's goal of 25% Minority and 5% women business enterprise participation on this project. Construction will begin in summer 2018 and be completed during the summer of 2019. This development originally built nearly 40 years ago is in close proximity to the central business district, Michigan Avenue African American Cultural Corridor as well as the Buffalo Niagara Medical Campus.

Cost: \$40,046,645

Funding Request: \$750,000

C.W. Miller Livery/Emerson Hospitality School

Location: 73-75 West Huron Street

Developer: McGuire Development Group

Principal/Primary Contact: Lisa Hicks

Project: This adaptive reuse project of a nationally recognized building will increase the vibrancy and economic investment in the neighborhood. The historic C.W. Miller Livery will be reused as the new Emerson School of Hospitality, training 500 high school students in the business of hospitality. Some of the features of the building include a public restaurant space, private dining room, freight service elevators, distribution space for supplies, banquet and special event space, food preparation and serving space, bakery, along with school features such as a full gymnasium, lockers, classrooms, etc. As part of this project, a portion of the site will be developed into 1-2 residential dwelling units. This project looks to boost downtown's blooming tourist industry, as it is located in a highly visible area, near public transit as well as the Buffalo Niagara Convention Center, numerous hotels and entertainment.

Cost: \$30,450,184

Funding Request: \$750,000