

## Buffalo Urban Development Corporation

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## Downtown Committee Meeting

**Tuesday, January 9, 2018**

**12:00 p.m.**

**901 City Hall**

**Buffalo, NY 14202**

### Agenda

1. Approval of Meeting Minutes from October 10, 2017 *(Action) (Encl.)*
2. BBRP Loan Program – McCarley Gardens - Consistency Determination *(Tabled Item)(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. Buffalo Niagara Medical Campus Updates *(Information)*
10. Erie Canal Harbor Development Corp. 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  
October 10, 2017  
12:00 p.m.**

Committee Members Present:

James W. Comerford  
Dottie Gallagher-Cohen  
Thomas R. Hersey, Jr.  
Brendan R. Mehaffy (Committee Chair)  
Steven J. Stepniak

Committee Members Absent:

Darby Fishkin  
Darius G. Pridgen

Officers Present:

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

**Guests Present:** Debra Chernoff, Buffalo Place, Inc.; and Jamie Hamann-Burney, Buffalo Niagara Medical Campus, Inc.

**Roll Call:** The Secretary called the roll at 12:15 p.m. A quorum of the Committee was present.

- 1.0 **Approval of Minutes of the July 11, 2017 Meeting** – The minutes of the July 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 Mr. Comerford and unanimously carried.
- 2.0 **BBRP Loan Program – McCarley Gardens – Consistency Determination** – Ms. Merriweather presented her October 10, 2017 memorandum regarding a proposed BBRP loan program consistency determination for the McCarley Gardens project. This project was submitted by Sinatra & Company and involves the renovation of 135 residential units and the construction of fifteen new affordable housing units. The developer is seeking a \$750,000 loan which will be used to bridge the tax credits financing for the project and is committed to exceeding the 25%/5% M/WBE utilization goals. The Committee discussed the project. Ms. Merriweather indicated that the NYBDC loan underwriting process would not begin until a primary lender is identified by the developer. Ms. Merriweather also confirmed that the loan funding would be utilized to construct new residential units. Ms. Gallagher-Cohen commented that BBRP was designed to create market rate housing through adaptive reuse of underutilized or vacant buildings, and questioned the project's consistency with BBRP. There was also a question regarding whether this project will result in net new housing. Ms. Merriweather noted that BBRP loan guidelines do not prohibit affordable housing projects. Mr. Mehaffy and Ms. Gallagher-Cohen suggested that the project should be reviewed with the Loan Committee to consider the policy issues. Ms. Gallagher-Cohen asked whether NYBDC had weighed in on this project. Ms. Merriweather responded that NYBDC does not become involved until the loan is submitted for underwriting. In response to a question from Mr. Cammarata, Mr. Zanner stated that the

Loan Committee is not presently authorized by the Board to issue consistency determinations, so once the Loan Committee completes its review, the Downtown Committee would reconvene and consider the consistency determination. At the conclusion of the discussion, Ms. Gallagher-Cohen made a motion to table the consistency determination and seek input from the Loan Committee regarding the project. The motion was seconded by Mr. Comerford and unanimously carried.

- 3.0 **BBRP Loan Program – C.W. Miller Livery Project – Consistency Determination** – Ms. Merriweather presented her October 10, 2017 memorandum regarding a proposed BBRP loan program consistency determination for the C.W. Miller Livery project. This item was previously tabled by the Committee at its July 11, 2017 meeting. As initially presented, the project did not include any residential component. Ms. Merriweather noted that the developer has since made changes to the project to include one to two residential units. In addition, BPS Board of Education recently approved the project site for the location of the Emerson School project. The consensus of the Committee was that this project should also be reviewed with the Loan Committee before further action is taken by the Downtown Committee.
- 4.0 **BBRP Loan Program – General Update** – Ms. Merriweather circulated the October 10, 2017 BBRP Loan Status Report. All loans are current. She noted that First Amherst Development Group is no longer listed in the report, as the company decided not to move forward with a BBRP loan. Mr. Cammarata noted that the Sinclair project is listed in the report as a potential loan, but that the project is completed and the building occupied.
- 5.0 **Housing Market Study** – Ms. Merriweather reported that Real Property Research Group, Inc. (RPRG) has been selected to prepare the residential housing market study.
- 6.0 **Downtown Infrastructure – Project Updates** – Ms. Merriweather presented a report on downtown infrastructure projects. A kick-off meeting was recently held with the design consultant for the Erie/Shelton Square project, which followed the Common Council's approval of the consulting agreement. An application for \$250,000 in grant funding has been submitted to National Grid for a Court Street project.
- 7.0 **Queen City Pop Up** – Ms. Merriweather reported that BUDC issued a request for proposals for the holiday version of the Queen City Pop Up program. The RFP is posted at the BUDC, City of Buffalo and Buffalo Place websites. The location for the holiday program is 50 Fountain Plaza and will run from November 9<sup>th</sup> through December 31<sup>st</sup>. Ms. Merriweather noted that 22 of the 27 participants in the program were MBE, WBE or MWBE retailers.
- 8.0 **Buffalo Place Updates** – Ms. Chernoff circulated a handout to the Committee which included photographs of various downtown properties in the 400 and 500 block that received Main Street grant funding through Buffalo Place. She also reported on a grant application submitted by the Central Library to create a "reading park" for outside Library programming.
- 9.0 **Erie Canal Harbor Development Corp. Updates** – No update was presented for this item.
- 10.0 **Buffalo Niagara Medical Campus Updates** – Mr. Hamann-Burney presented an update regarding the Buffalo Niagara Medical Campus. The new Children's Hospital will open on November 10<sup>th</sup>. The UB School of Medicine building is on track to be completed in time for classes in January. The parking garage at 854 Ellicott Street is scheduled to be completed in May 2018. He also reported on the participation of Kaleida Health and Roswell Park in the Metro Rail pass initiative, which is intended to reduce parking congestion at the medical campus. Mr. Hamann-Burney closed his report with an update on programming, including a Topcoder event.

**11.0 Adjournment** – There being no further business to come before the Downtown Committee, upon motion made by Mr. Comerford, seconded by Ms. Gallagher-Cohen and unanimously carried, the October 10, 2017 meeting of the Downtown Committee was adjourned at 1:00 p.m.

Respectfully submitted,



Kevin J. Zannier, Secretary

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### Item 2

## MEMORANDUM

**TO: BUDC Downtown Committee**

**FROM: Brandy Merriweather, Vice President – Downtown Development**

**SUBJECT: BBRP Loan Program – McCarley Gardens Consistency Determination**

**DATE: January 9, 2018**

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On October 10, 2017, the BUDC Downtown Committee reviewed the McCarley Gardens project and its consistency with BBRP goals and objectives. The item was tabled as the committee decided to obtain guidance from the BUDC Loan Committee regarding whether the proposal was consistent with the goals of the Buffalo Building Reuse Project, as its members include the lending institutions that provide funding for the loan program. Below is a short project description and the meeting memorandum presented to the BUDC Loan Committee on January 4, 2018.

### **McCarley Gardens Revitalization (Sinatra & Company) - requesting funding 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

After hearing the criteria for BBRP and the general scope the project, the members of the Loan Committee expressed no concerns with the project's alignment with the BBRP goals that were presented to them as part of their participation in the BBRP Loan Program. The Loan Committee expressed an interest in moving the project moving forward to the BBRP underwriting phase.

### **CONSISTENCY DETERMINATION**

Based upon input and analysis from the selection committee and the BUDC Loan Committee, as well as the overall quality of the submission, BUDC is requesting a consistency determination for the McCarley Gardens project located at 818 Michigan Avenue/172 Goodell Street 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.

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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: January 9, 2018**

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On October 10, 2017, the BUDC Downtown Committee reviewed the above named CW Miller Livery project's consistency with BBRP goals and objectives. The item was tabled as the committee decided to obtain guidance from the BUDC Loan Committee regarding whether the proposal was consistent with the goals of the Buffalo Building Reuse Project, as its members include the lending institutions that provide funding for the loan program. Below is a short project description and the meeting memorandum presented to the BUDC Loan Committee on January 4, 2018.

### **1. CW Miller Livery (McGuire Development) - 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 residential unit

After hearing the criteria for BBRP and the general scope the project, the members of the Loan Committee expressed no concerns with the project's alignment with the BBRP goals that were presented to them as part of their participation in the BBRP Loan Program. The Loan Committee expressed an interest in moving the projects moving forward to the BBRP underwriting phase.

### **CONSISTENCY DETERMINATION**

Based upon input and analysis from the selection committee and the BUDC Loan Committee, as well as the overall quality of the submission, BUDC is requesting a consistency determination for the CW Miller Livery project located at 73-75 West Huron Street 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.

## **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

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## Item 2

### MEMORANDUM

**TO:** BUDC Loan Committee

**FROM:** Brandye Merriweather, Vice President – Downtown Development

**SUBJECT:** BBRP Loan Program – Project Consistency Feedback

**DATE:** January 4, 2018

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BUDC previously issued a Request for Proposals for projects seeking financing through the BBRP Loan Program. BUDC received the following proposals:

1. CW Miller Livery (McGuire Development) - 73-75 West Huron Street
2. McCarley Gardens Revitalization (Sinatra & Company) - 818 Michigan Avenue/172 Goodell Street

These proposals were reviewed by a selection committee that included the City of Buffalo Office of Strategic Planning (Rebecca Gandour), BUDC (Peter Cammarata, David Stebbins and 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

Both projects were reviewed by the Downtown Committee, which is the Board-designated committee that makes determinations as to a project’s consistency with the BBRP goals. In reviewing the projects the BUDC Downtown Committee decided to obtain guidance from the BUDC Loan Committee regarding whether these two proposals are consistent with the goals of the Buffalo Building Reuse Project. Although both projects have some merits rooted in the goals of BBRP, the BUDC Downtown Committee is requesting feedback from the Loan Committee as its members include the lending institutions that



for the loan program. Set forth below are some project highlights, and additional project descriptions are attached to this memorandum.

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

- ✓ **Project is mainly commercial and will contain 1 residential unit**
- ✓ 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

**2. McCarley Gardens Revitalization, 818 Michigan Avenue/172 Goodell Street (Sinatra & Company) – Funding Request of \$750,000**

- ✓ **Project involves demolition of a structure and new construction of 15 residential units, but contains no “net new” residential units**
- ✓ 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

The BUDC Downtown Committee will consider BUDC Loan Committee feedback at an upcoming meeting and will make a final determination on the consistency of the above mentioned projects with BBRP goals.