

## Buffalo Urban Development Corporation

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### **BUDC Downtown Committee Tuesday, October 9, 2018 City Hall – Room 901 12:00 p.m.**

#### Agenda

1. Approval of Meeting Minutes from July 10, 2018 *(Action) (Encl.)*
2. BBRP Loan Program – Consistency Determination(s) *(Action)(Encl.)*
3. BBRP Outcomes and Opportunities *(Informational)*
4. Downtown Infrastructure Update *(Informational)*
5. Queen City Pop Up *(Informational)*
6. Downtown Committee Schedule *(Informational)*
7. Buffalo Place Updates *(Informational)*
8. Buffalo Niagara Medical Campus Updates *(Informational)*
9. Adjournment *(Action)*

**Minutes of the Meeting  
of the  
Downtown Committee  
of  
Buffalo Urban Development Corporation**  
**901 City Hall  
Buffalo, New York 14202  
July 10, 2018  
12:00 p.m.**

Committee Members Present:

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

Committee Members Absent:

Darius G. Pridgen

Officers Present:

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

**Guests Present:** Jamine Hammon-Burney, Buffalo Niagara Medical Campus; Rebecca Gandour, Mayor's Office of Strategic Planning; Debra Chernoff, Buffalo Place, Inc.; and Michael Schmand, Buffalo Place, Inc.

**Roll Call:** The Secretary called the roll at 12:05 p.m. A quorum of the Committee was present.

- 1.0 Approval of Minutes of the January 9, 2018 Meeting** – The minutes of the January 9, 2018 meeting of the Downtown Committee were presented. Ms. Gallagher-Cohen made a motion to approve the meeting minutes. The motion was seconded by Mr. Hersey and unanimously carried.
- 2.0 BBRP Loan Program – General Update** – Ms. Merriweather reported that BUDC received one proposal in response to the 2<sup>nd</sup> quarter BBRP Loan Program request for proposals. The developer that submitted the proposal is working on site acquisition issues, so staff is holding off on submitting the project to the Committee for a consistency determination until site control is established. Ms. Merriweather next reviewed the July 10, 2018 BBRP Loan Status Report. The loans to the Phoenix Brewery and Alexandre Apartments are in repayment status and are current. Ms. Merriweather then reviewed the loans that are in the pipeline as identified in the report. BUDC has been contact with each of the developers. There has been some movement with respect to the project financing for the Michigan-Broadway project—it is anticipated that Community Preservation Corporation will issue a commitment letter soon. The project at 810 Main is working through substantial design changes which have slowed the progress on that project. Ms. Merriweather also noted that the 68-72 Sycamore Street project has been removed from the report due to the fire loss of that building. The Committee discussed the Loan Status Report. In response to a question from Ms. Gallagher-Cohen regarding the

Sinclair project, Ms. Merriweather indicated that while no funding gap was identified for the Sinclair project, this may change when the project seeks permanent financing.

- 3.0 BBRP Outcomes and Opportunities** – Ms. Merriweather presented a five-page report entitled “Buffalo Building Reuse Project Outcomes & Opportunities.” The report identifies the BBRP program goals that were established at the inception of the program in 2011 and the outcomes and achievements of the program since program inception. Categories presented in the report include: (i) addressing the oversupply of underutilized buildings; (ii) infrastructure and public realm improvements; (iii) development programs and tools (including the BBRP loan program); (iv) the Queen City Pop Up Program; and (v) public outreach/communications of BBRP programs. Each of these categories was accompanied by a list of opportunities for consideration to enhance and/or expand BBRP program initiatives. Following Ms. Merriweather’s presentation, the Committee focused its discussion on the development of “BBRP 2.0” to meet the current challenges of downtown development, which are informed in part by the recently completed residential housing market study. It was suggested that the report would form the basis of a business plan for BBRP 2.0. Mr. Cammarata commented that the business plan should also address increased support/resources for the program.
- 4.0 Downtown Infrastructure – Project Updates** – This item was covered as part of the presentation and discussion of item 3.0.
- 5.0 Queen City Pop Up** – This item was covered as part of the presentation and discussion of item 3.0.
- 6.0 Buffalo Place Updates** – Mr. Schmand and Ms. Chernoff presented the Buffalo Place update. The \$1,000,000 Main Street grant has been disbursed; Buffalo Place is seeking \$500,000 in additional funding. Mr. Schmand reported that the Queen City Social at Fountain Plaza kicked off on June 21<sup>st</sup> and will continue each Thursday through August 9<sup>th</sup>. Ms. Chernoff then circulated and reviewed with the Committee the Buffalo Place downtown parking survey, including a map showing the location and use of all parking lots and structures.
- 7.0 Erie Canal Harbor Development Corp. Update** – No update was presented for this item.
- 8.0 Buffalo Niagara Medical Campus Updates** – Mr. Hammon-Burney briefed the Committee regarding Buffalo Niagara Medical Campus matters, including the construction of the 854 Ellicott parking ramp (which is expected to be complete within the next two weeks), a NYSERDA grant relating to the middle Main Street reconstruction project, and National Grid funding for EV charging stations at the 854 Ellicott parking ramp.
- 9.0 Adjournment** – There being no further business to come before the Downtown Committee, upon motion made by Mr. Comerford, seconded by Mr. Hersey and unanimously carried, the July 10, 2018 meeting of the Downtown Committee was adjourned at 1:05 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 Determinations

**DATE:** October 9, 2018

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BUDC issued Requests for Proposals for projects seeking financing through the BBRP Loan Program. BUDC received the following proposals in response to our BBRP Loan Program Requests for Proposals issued on April 24, 2018 and July 27, 2018. (Note that Heritage Point was held until the October 9, 2018 Downtown Committee meeting due to timing with control of the project site.)

1. Heritage Point, South Aud Blocks – Canalside (Sinatra & Company)
2. LeoStrong, 469-471 Delaware Avenue & 2 Virginia Place (LeoStrong, LLC/Scott Croce)

Project descriptions are attached to this memorandum.

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

Based upon input and analysis from the selection committee, BUDC is requesting that the Downtown Committee advance the Heritage Point and LeoStrong projects 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. Heritage Point, South Aud Blocks – Canalside (Sinatra & Company) - requesting funding in the amount of \$750,000

- ✓ Includes the construction Two (2) Mixed Use Buildings on the ‘South Aud Blocks’ at Canalside Includes Retail, Office and Residential Components (Approx. 40 residential units, 10% will be affordable)
- ✓ Located along in close proximity to Public Transit
- ✓ Builds upon several other Investments (HarborCenter; Courtyard Marriott; Explore & More)
- ✓ Includes Active First Floor Space with Amenities for Tourists & Visitors

Sinatra & Company has obtained Designated Developer status for this project from Erie Canal Harbor Development Corporation (ECHDC) who is the managing entity of the parcels necessary to construct the project.

2. LeoStrong, 469-471 Delaware Avenue & 2 Virginia Place (LeoStrong, LLC/Scott Croce) – requesting funding in the amount of \$750,000

- ✓ Located within Close proximity of Public Transit
- ✓ Includes Commercial Office Space and 3 Residential Units
- ✓ Will Include Outdoor Patio Space
- ✓ Proximate to Buffalo Niagara Medical Campus, Allentown and Central Business District
- ✓ Develops the last vacant Delaware Avenue brownstone; completing the block.

### **CONSISTENCY DETERMINATION**

I am requesting that the Downtown Committee make a recommendation for the Heritage Point project located on the South Aud Blocks of Canalside and the LeoStrong Project at 469-471 Delaware and 2 Virginia Place proceed to the loan underwriting process as the projects are consistent with the Buffalo Building Reuse Project goals and loan policies.

# **Buffalo Building Reuse Project**

## **Loan Program – Summary of Proposals**

### **Heritage Point**

**Location:** South Aud Blocks - Canalside

**Developer:** Sinatra & Company Real Estate

**Principal/Primary Contact:** Amy Nagy

**Project:** The Heritage Point project is the proposed new construction of Two (2) Mixed Use Buildings on the South Aud Blocks in the Canalside district. The parcels are bounded by the replica canals to the north, Main Street to the east, Lloyd Street to the west and Maine Drive to the south. The project will include retail space, restaurant space, professional office space as well as residential space. Sinatra and Company is proposing 40-45 one and two bedroom residential units as part of the project, with 10% of the units designated as affordable. Heritage Point also builds upon other investments such as HarborCenter; Courtyard Marriott; Explore & More Children's Museum and One Seneca Tower, adding to the density and vibrancy of the waterfront. It is also located in close proximity to Public Transit as well as upcoming Infrastructure Improvements to Lower Main Street and nearby underpasses.

Sinatra & Company Real Estate has recently obtained Designated Developer status from Erie Canal Harbor Development Corporation (ECHDC), who issued a Request for proposals for development of the South Aud blocks.

**Cost:** \$23,400,000

**BBRP Funding Request:** \$750,000

### **LeoStrong**

**Location:** 469-471 Delaware Avenue and 2 Virginia Place

**Developer:** LeoStrong (Scott Croce)

**Principal/Primary Contact:** Scott Croce/Chanel McCarthy (Knoer Group)

**Project:** The project contains three parcels in the Allentown area near the corner of Delaware and Virginia and one parcel directly behind 471 Delaware that faces Virginia Place. The project involves the redevelopment of a vacant 4 story row house into (1) two bedroom residential unit and commercial space as well as development of (2) two bedroom residential units in the vacant structure located at 2 Virginia Place for a project total of three (3) residential units. The project is also the last vacant row house located in the block. A garden patio will also be included as part of the project by demolishing a freestanding garage structure that is in disrepair. The project will also include the paving, grading and drainage upgrades to the parking area.

**Cost:** \$2,677,523

**BBRP Funding Request:** \$750,000