

# **1. Operations & Accomplishments**

## **Operations**

The Corporation is managed by a nineteen (19) member Board of Directors. Eleven (11) members serve as “ex-officio” members, related to public or quasi-public offices or positions that they hold. Their term on the Board parallels the time they hold that office or position. Eight (8) members serve as “citizen” members, appointed by the Board of Directors or the Chairman for three (3) year terms on a staggered basis. Regular Board meetings are commonly held on a monthly basis. The “Annual Meeting” of the Board is held in June and preceded by an annual meeting of the Corporation’s Membership.

In 2015, four Committees (Audit and Finance, Governance, Downtown, and Real Estate), as established by the Board, met on a regular basis to assist the staff with conducting the day-to-day business of the Corporation. Board members are encouraged to participate in at least one Committee.

At its Annual Meeting, the Board elects Officers of the Corporation to serve one year terms. The 2015 officer positions were President, Executive Vice President, Vice-President, Treasurer, Assistant Treasurer and Secretary.

The mission of Buffalo Urban Development Corporation is to support the urban economic development efforts of the region through acquisition, remediation and management of distressed properties, to support the revitalization of downtown Buffalo by coordinating financial assistance for adaptive re-use projects and public right-of-way improvements, and to engage in related real estate development activities for the purpose of attracting and/or retaining new and existing businesses to the City as part of the region.

The goals of the Corporation are to:

- reclaim fallow and distressed land and buildings for future development
- attract and/or retain new and existing businesses to the City and region
- effectively manage property, development projects and initiatives, and
- support the revitalization of downtown Buffalo

Funding for the administration of the Corporation was initially provided by the City of Buffalo; however, the City has not allocated funding for administration to the Corporation for over a decade, and future allocations are not expected. However, the City has been instrumental in funding and supporting various grants for acquisitions, construction projects, lending programs, and infrastructure development consistent with the Corporation’s mission. Income for operations has been generated primarily through land sales and grants, with a minor portion coming as interest income and fees from loans.

## Accomplishments

The Buffalo Urban Development Corporation accomplishments for 2015 are presented in six (6) significant categories: Northland Corridor, Buffalo Building Reuse Project/Downtown Redevelopment, Buffalo Lakeside Commerce Park, South Buffalo Brownfield Opportunity Area, General Corporate, and Miscellaneous Projects and Initiatives.

### **Northland Corridor Project (Northland)**

*(Mayor Byron W. Brown's initiative, with support from Governor Cuomo's Buffalo Billion, to create a 35 acre shovel-ready business park on the east side of Buffalo to attract workforce training, light manufacturing, and advanced technology facilities)*

**January 2015** – The BUDC Board approved the hiring of LiRo Engineers (LiRo) as the consulting team to prepare the redevelopment plan and provide State Environmental Quality Review Act (SEQRA) – related services for the Northland Corridor project. Also in January, the Board approved the hiring of Fisher Associates to prepare Phase II environmental site assessments for 631, 683, 741 and 777 Northland, based on a solicitation process conducted by Empire State Development (ESD).

**February 2015** – The BUDC Board approved the hiring of Mustard Seed world Consulting Group (Sandy White) to provide community outreach services for the Northland Corridor project.

**April 2015** – BUDC closed on the purchase of multiple Northland Corridor properties from companies controlled by Michael Sweeney and the purchase of 767 Northland from Hard Manufacturing. BUDC staff also authorized LiRo to conduct a passive gas survey of the 537 East Delavan property to continue to help define the environmental conditions on the site.

**June 2015** – BUDC closed on the purchase of 777 Northland from 60 Grider, LLC. The former owner of 537 East Delavan completed the removal of the large debris pile and all personal property from the site. The SEQRA consultant began work on the strategy for the Corridor.

**July 2015** – The BUDC Board approved the retention of The Mancuso Group to provide property management services for the Northland Corridor. The Board also approved the development of a purchase agreement for BUDC to acquire a neighborhood eyesore property at 577 Northland.

**October 2015** – The BUDC Board approved the utilization of \$100,000 in Buffalo Brownfields Redevelopment Funds for road and right-of-way infrastructure design for Northland Avenue. The City of Buffalo will bid the work and contract for its completion. The Board also approved the hiring of Fisher Associates to perform supplemental Phase II site assessment services specifically for 683 Northland. The first full public meeting for the Northland Corridor project was held on October 14<sup>th</sup> and was very well attended by members of the community. Also in October, historic preservation materials were

submitted to the State Historic Preservation Office for review. In addition, staff and counsel continued to work with NYSDEC to finalize and Order on Consent to have 537 East Delavan designated as a NYS Superfund site.

**November 2015** – A local resident that owns HLM Landscaping, an MBE firm, was awarded a contract for snowplowing services at the Northland Corridor for the 2015-2016 season.

**December 2015** – The BUDC adopted a leasing policy for the properties at the Northland Corridor. Leasing proposals from local community groups and businesses will be properly encouraged. Also in December, the City of Buffalo Planning Board accepted designation as the Lead Agency for the SEQRA review and a Cultural Resources Study was submitted to SHPO for the Corridor project

## **Buffalo Building Reuse Project (BBRP) / Downtown Development**

*(Mayor Byron W. Brown's creation of a public/private partnership between BUDC, the Mayor's Office of Strategic Planning, the Buffalo Niagara Partnership, National Grid and the Erie County Industrial Development Agency (ECIDA) to support the vibrancy of downtown Buffalo)*

**BBRP Loan Program** - The BBRP Loan program was developed to provide gap financing for adaptive reuse projects downtown. Two loans were selected to move to the underwriting process in 2015 (Main Cathedral and Phoenix Brewery Apartments). Both projects convert vacant and underutilized space to residential units and mixed-use developments.

**BBRP Loan Fund Capital Campaign** - BUDC has partnered with the Buffalo Niagara Partnership on a capital campaign to leverage additional funding from private sector banks for the BBRP revolving loan fund. The capital campaign raised an additional \$9 million from five local banks, as well as a contribution from New York Business Development Corporation.

**Queen City Pop-Up Project** - In an effort to attract additional retailers to downtown, BUDC teamed-up with Buffalo Place and Working for Downtown to continue "Queen City Pop-Up" in 2015. This initiative is designed to promote retail activity along Main Street by creating new "pop-up" shops that feature local retailers. The project activates empty storefronts by filling them with retailers on a short-term basis, free of charge. Plaza Group and Key Success/Ciminelli Real Estate Corp agreed to provide rent-free retail space for Queen City Pop Up during the two installments of the project in 2015. A total of nine temporary retailers were added to downtown Main Street in 2015, four of which took permanent spaces after their Queen City Pop Up run ended. A fourth installment of Queen City Pop-Up is being planned for spring 2016.

**Preservation Ready Survey** – BUDC staff continued to market the Preservation Ready survey in 2015. This marketing tool was developed and released in 2014 to help developers easily identify properties downtown that are eligible for historic tax credits. Outreach was made to over 450 developers and real estate firms (locally, nationally and

internationally). Outreach was also made to the top minority and women owned firms across the country. This outreach has resulted in numerous project leads from local and national development firms.

**Infrastructure Improvements** - BUDC works to coordinate infrastructure improvement projects that add to the vibrancy of downtown. In March 2015, BUDC released the Downtown Buffalo Infrastructure and Public Realm Master Plan. The Master Plan is an investment strategy designed to help guide public investments in new street and public realm infrastructure. Preliminary construction work on the Genesee Gateway project began in 2015, with the remainder to be completed in 2016. Improvements to public space at Fountain Plaza was also completed in 2015. BUDC also successfully prepared two grant applications that secured State funding for the planning and design of Erie-Shelton Square greenway and infrastructure improvements to Franklin Street.

**Downtown Marketing** - BUDC looks to increase awareness about development opportunities, tools and incentives that are available to encourage additional private investment downtown. There is a coordinated outreach plan to promote downtown development opportunities. Marketing initiatives like CORE Strength, Book of Lists, and advertising in Urban Land Magazine help BUDC reach its prime development targets. The most significant outreach effort in 2015 was the creation and distribution of the Downtown Buffalo, NY 2016 Development Guide. The guide is a collaborative effort between BUDC and its Chairman Mayor Brown, Buffalo Niagara Enterprise, CBRE/Buffalo, the Buffalo Niagara Partnership and Buffalo Place; and it was sponsored by National Grid. It is patterned after similar guides that have been developed in other cities and emphasizes Buffalo's significant economic development transformation, downtown amenities, residential opportunities, evolving workforce, development sites, and development tools and resources.

**Business Assistance** – The BUDC Vice President for Downtown Development assisted over sixty businesses and developers in 2015, acting as an advocate and coordinator for a myriad of business development issues. Brandye Merriweather's work in this category also includes "problem" properties. She is working with the City on a possible vacant property registry to address vacant and problem properties in downtown Buffalo.

## **Buffalo Lakeside Commerce Park (BLCP)**

*(The award-winning brownfield redevelopment project located in South Buffalo on the waterfront, featuring Ship Canal Commons park)*

Throughout 2015, BUDC staff continued to work with various prospects who expressed interest in purchasing land at BLCP. Extensive information was shared with all prospects for their due-diligence process. It is hoped that at least one land sale in 2016 will result from these efforts.

A final close-out of the contracts related to the construction of Ship Canal Commons at BLCP was accomplished. Working with legal counsel from the bond holder (Hanover) and the contractor (Man'O Trees), BUDC settled this matter in 2015, and by the diligent efforts of our legal counsel was able to recoup \$53,000 of consultant costs.

The NYSDEC continued its design work for the Superfund cleanup on Parcel 4 at BLCP and has agreed to expand its project area by another approximately 15 acres. Remedial work is expected to begin in spring of 2016.

Working with NYSDEC, BUDC advanced the Brownfield Cleanup Program (BCP) designation for the 193 Ship Canal Commons site. In February 2015, the Board approved a contract with LaBella Associates to provide further environmental remediation investigation and related reporting services. The draft remedial investigation report for the BCP was presented to the NYSDEC in September for its review.

In early 2015, BUDC was granted CPS-7 property owner's association status from the New York State Attorney General for the Buffalo Lakeside Commerce Park Property Owners Association. Subsequently, the Declaration of Covenants for BLCP was filed with the Erie County Clerk's Office. In the summer of 2015, the Internal Revenue Service granted 501(c)(4) tax-exempt status to the BLCP Property Owners Association.

In November 2015, NYSDEC re-opened an issue regarding soil cover depth at the BLCP Parcel 3 project. Further discussions will take place in 2016.

BUDC staff continued to work with Elbers Landscaping Service on all seasonal maintenance issues at BLCP and contracted to have all lighting on the pedestrian bridge and sea walls maintained.

## **South Buffalo Brownfield Opportunity Area (SBBOA)**

*(To directly assist the Mayor's Office of Strategic Planning, BUDC assumed the role of coordinator for this Step 3 BOA in 2012)*

**Recreational Needs Assessment** - The South Buffalo Brownfield Opportunity Area's recreational needs assessment study was completed by Paradigm Economics in 2014. The key components of the study were to provide an existing conditions/supply analysis, a market analysis, the identification and analysis of comparable facilities, a location analysis, construction cost estimates, a financial operations analysis, and an economic impact analysis. In 2015, the study was circulated to a select audience nationwide, who may have interest in developing a recreational facility in the City of Buffalo. Staff continues to follow-up on some leads and the final copy of the study remains resident on the BUDC website.

**South Buffalo Golf Course Feasibility Study** – In 2014, a consultant team led by Wendel Companies completed the South Buffalo Golf Course Feasibility Study, one of the key implementation projects under Step 3 of the SBBOA. The study included a physical assessment of the study area, a market feasibility analysis, conceptual design development, a permitting summary, a financial viability analysis, and a section about the potential restoration of the historic South Park arboretum. In 2015, BUDC staff continued to discuss with Buffalo Olmsted Parks Conservancy officials whether they had any interest in implementing the plan.

**Formal Designation** – In November of 2015, David Stebbins worked with Architectural Resources to deliver the voluminous documentation for the New York State Department of State (NYS DOS) to obtain formal designation as a Brownfield Opportunity Area. This marked a culmination of an application process that began in 2006. Most significantly, an additional 5% brownfield tax credit will be available for any project located in the SBBOA study area as long as the SBBOA receives a formal designation before the tax credit is utilized.

## **General Corporate**

- maintained full compliance with Public Authorities Accountability Act (PAAA), including all changes applicable from Public Authorities Reform Act of 2009 and subsequent Authority Budget Office (ABO) directives
- approved 2014 Public Authorities Annual Report
- completed Board and Committee self-evaluations for 2014
- approved the 2015 Mission Statement and Performance Measurements of the Corporation as required by the above
- adopted, re-adopted or approved the Code of Ethics, Procurement Policy, Property Disposition Guidelines, Audit & Finance and Governance Committee Charters, Public Authorities Annual Report, Investment Report, Investment & Deposit Policy, Travel, Conferences, Meals & Entertainment Policy, and the Whistleblower Policy
- expanded the scope of activities of all Board Committees
- approved 2014 Audited Financial Statements
- earned a “clean” audit report for Fiscal Year 2014
- designated the Northland Corridor Project as a “comparable project” for Buffalo Brownfields Redevelopment Fund (BBRF) purposes
- approved the reimbursement of \$175, 216 from the BBRF to BUDC for third party costs in 2014
- Thomas Beauford and Benjamin Oblatz were reappointed to the Board of Directors by Mayor Brown
- Janique S. Curry was appointed to the Board of Directors by Mayor Brown
- Thomas Dearing assumed one of the two Erie County positions on the Board replacing Richard Tobe
- prepared an Orientation Manual for new Board Members
- worked with Audit & Finance Committee to prepare a comprehensive budget and three year projection for Board approval
- conducted Annual Meeting of Board and Membership
- approved a banking resolution to reflect the appointment of Mollie Profic as Assistant Treasurer
- recognized the title changes of David Stebbins (Executive Vice President) and Brandye Merriweather (Vice President)
- prepared an Annual Report of Directors as required by NYS Not-For-Profit Law

- conducted an internal controls audit utilizing ECIDA Compliance Officer Dawn Boudreau
- approved the establishment of a separate bank account for the Northland Corridor Project
- reviewed 2014 IRS Form 990 with all Board members and solicited comments

## **Miscellaneous Projects & Initiatives**

- in January 2014, the BUDC Board approved up to \$40,000 in funding for the Buffalo Brownfield Restoration Corporation (BBRC); for operating, legal, insurance, and other carrying costs related to the former Trico property. The funds were made available from the Empire Zone Regionally Significant Project Fund. Subsequently, BBRC negotiated a real estate purchase agreement with The Krog Corporation to purchase the building and fund the building's operating costs. In December of 2015, the BBRC Board extended the due diligence period for the transaction until January 31, 2016. Early in 2016, the due diligence period was extended again through June 1, 2016
- worked with the Mayor's Office of Strategic Planning to analyze various brownfield redevelopment opportunities throughout the City of Buffalo
- continued to participate in the City of Buffalo's "Green Code" land use and zoning process
- continued to participate in the City of Buffalo's Brownfield Opportunity Area (BOA) process
- maintained and updated BUDC website
- maintained and updated property marketing brochures
- provided assistance to multiple companies and strategic projects, often in conjunction with ECIDA
- partnered with National Grid and National Fuel to provide economic development grants to significant projects within the City of Buffalo
- conducted economic development tours for local civic organizations
- serve as the Chair for the Urban Land Institute-WNY Satellite, and assisted in the organization of real estate and economic development activities for the organization
- organized various local activities for Upstate NAIOP