

Buffalo Urban Development Corporation

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Downtown Committee Meeting

Tuesday, November 15, 2016

12:00 p.m.

901 City Hall

Buffalo, NY 14202

Agenda

1. Approval of Meeting Minutes from July 19, 2016 *(Action) (Encl.)*
2. BBRP Loan Program – Consistency Recommendation *(Action)(Encl.)*
3. BBRP Loan Program – Updates *(Information)*
4. Downtown Committee Meeting Schedule *(Information)(Encl.)*
5. Queen City Pop Up *(Information)*
6. Downtown Infrastructure – Project Updates *(Information)*
7. Downtown Development Guide *(Information)*
8. Buffalo Place Updates *(Information)*
9. Erie Canal Harbor Development Corporation Updates *(Information)*
10. Buffalo Niagara Medical Campus Updates *(Information)*
11. Buffalo Green Code & Brownfield Opportunity Areas *(Information)*
12. Adjournment *(Action)*

**Minutes of the Meeting
of the
Downtown Committee
of
Buffalo Urban Development Corporation**

95 Perry Street, 4th Floor
Buffalo, New York 14203
July 19, 2016
10:00 a.m.

Committee Members Present:

James W. Comerford
Brendan R. Mehaffy (Committee Chair)
Rev. Darius G. Pridgen
Steven J. Stepniak

Committee Members Absent:

Dottie Gallagher-Cohen
Thomas R. Hersey, Jr.
Benjamin N. Oblatz

Officers Present:

David A. Stebbins, Executive Vice President
Brandy Merriweather, Vice President
Kevin J. Zanner, Secretary
Bradley Bach, Assistant Treasurer

Guests Present: Bradley Bach, ECIDA; Debra Chernoff, Buffalo Place, Inc.; Rebecca Gandour, Mayor's Office of Strategic Planning; Daniel Leonard, Buffalo Niagara Partnership; Kaitlin McGee Chmura, Erie Canal Harbor Development Corporation; and Michael Schmand, Buffalo Place, Inc.

Roll Call: The Secretary called the roll at 10:20 a.m. A quorum of the Committee was not present. The Chair requested that information items 3.0 through 9.0 be presented. Rev. Pridgen joined the meeting during the presentation of item 3.0. Mr. Comerford joined the meeting during the presentation of item 4.0, at which time a quorum of the Committee was present.

- 1.0 **Approval of Minutes of the May 10, 2016 Meeting** – The minutes of the May 10, 2016 meeting of the Downtown Committee were presented. Mr. Stepniak made a motion to approve the meeting minutes. The motion was seconded by Mr. Comerford and unanimously carried.

- 2.0 **BBRP Loan Program – Consistency Determinations** – Ms. Merriweather presented her July 19, 2016 memorandum to the Board regarding BBRP loan program consistency determinations. Four projects are seeking funding through the BBRP loan program, as follows: (i) \$750,000 for the Trico building project at 817 Washington Street (The Krog Group); (ii) \$435,000 for the Main Street Louis project at 810 Main Street (Legacy Development); (iii) \$524,000 for The Gienny project at 251 Main Street; and (iv) \$341,000 for the SelectOne Headquarters at 760 Seneca Street (SelectOne RE Holdings). Ms. Merriweather presented an overview of each project, and noted that a selection committee comprised of representatives from BUDC, the Mayor's Office of Strategic Planning and the Buffalo Niagara Partnership is recommending that the Committee make a determination that the projects are consistent with BBRP goals. A Committee discussion followed Ms. Merriweather's presentation. In response to questions from Rev. Pridgen regarding the Trico project, Mr. Stebbins indicated that BBRP loan funding will serve as bridge financing during the construction period, and that the loan would not close until the developer has all of its other funding in place. The Committee

discussed the SelectOne Headquarters project, which is a 100% commercial project. It was noted that one of the principal goals of BBRP is to facilitate the conversion of existing vacant office space to residential use. Ms. Merriweather indicated that the BBRP loan program documents do not specifically prohibit projects without a residential component, but that the projects with residential components are preferred.

At the conclusion of the discussion, Mr. Stepniak made a motion to table the BBRP consistency determination for the SelectOne Headquarters project. The motion was seconded by Rev. Pridgen and unanimously carried. Mr. Stepniak then made a motion that the Committee determine that the Trico project, the Main Street Louis project and The Glenny project are each consistent with BBRP goals and to submit those projects to NYBDC for underwriting. The motion was seconded by Rev. Pridgen and unanimously carried.

- 3.0 **BBRP Loan Program – Updates** – Ms. Merriweather reported on continuing efforts to maximize utilization of the BBRP loan program through direct outreach to developers and building owners. Mr. Stebbins commented that BUDC is seeking additional funding for the BBRP loan program to serve as matching funds for the commitment of the participating lenders in the program. He noted that there has been some discussion that the Better Buffalo Fund could be utilized for matching funds. Mr. Stebbins also suggested that local foundations may be a source for matching funds.
- 4.0 **Downtown Infrastructure – Project Updates** – Ms. Merriweather reported that she is working on a CFA application for a feasibility study in relation to the I-190 underpasses for Erie, Pearl, Main, Michigan and Washington Streets. As currently configured, the underpasses serve as a barrier between Canalside and downtown, and one of the purposes of the study is to examine ways to increase connectivity between Canalside and downtown. The study will also identify the various owners of the properties that comprise the underpass areas. Following Ms. Merriweather's report, Mr. Stepniak presented a brief update regarding downtown road and infrastructure projects, including the Ferry Street bridge lowering event that took place on July 18th.
- 5.0 **Queen City Pop Up** – Ms. Merriweather presented an update regarding the Queen City Pop Up program. The current program session ends on July 31st and has been very successful. BUDC will conduct exit interviews with program participants regarding the potential establishment of permanent downtown retail locations. Ms. Merriweather thanked Buffalo Place for its marketing and operational assistance for this session of the program.
- 6.0 **Downtown Development Guide** – Ms. Merriweather indicated that the downtown development guide continues to generate project leads. Outreach efforts are focused on direct contacts with developers. Ms. Merriweather noted that work will begin soon on the 2017 version of the downtown development guide.
- 7.0 **Buffalo Place Updates** – Mr. Schmand presented an update regarding the Buffalo Place Rangers program. He then commented that Buffalo Place operations and maintenance work has increased as a result of the greater number of people visiting or living in the downtown area, which is a good development for downtown. Ms. Chernoff then reported on the Main Street grant program. Eight of the nine projects receiving grant funding have been submitted for SHPO review. Two of the projects have received SHPO approval and one of the projects is presently under construction. Ms. Chernoff also reported that the Buffalo Place access/infrastructure committee is reviewing matters relating to downtown parking.
- 8.0 **Erie Canal Harbor Development Corporation Updates** – Ms. McGee Chmura presented an update regarding ECHDC matters. ECHDC recently issued a request for proposals in connection with terminal buildings A and B. Responses are due July 28th, with a contract award expected by mid-September. ECHDC also issued a request for qualifications in connection with a Canalside signage project. Responses are due August 10th and a short-list of qualified firms will then be asked to respond to a request for proposals. Ms. McGee Chmura also reported on the pending issuance of the

Canalside management RFP. This contract is expected to be awarded in January and will be for a five year term. She then updated the Committee regarding grant funding for the Explore & More museum and recent entertainment events held at Canalside. Mr. Mehaffy suggested that ECHDC should coordinate its Canalside signage project with the City of Buffalo Department of Public Works. Rev. Pridgen commented that the ECHDC has made efforts to provide more diverse entertainment options at Canalside, including Universal Circus and the Gospel Fest.

- 9.0 Buffalo Green Code & Brownfield Opportunity Areas** – Mr. Mehaffy reported that a meeting with Common Council members will take place in the coming weeks to discuss a handful of issues relating to the Green Code. Comments are expected to be filed in September.
- 10.0 Adjournment** – There being no further business to come before the Downtown Committee, upon motion made by Mr. Stepniak, seconded by Mr. Comerford and unanimously carried, the July 19, 2016 meeting of the Downtown Committee was adjourned at 10:55 a.m.

Respectfully submitted,



Kevin J. Zannef, Secretary

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Item 2

MEMORANDUM

TO: BUDC Downtown Committee
FROM: Brandye Merriweather, Vice President – Downtown Development
SUBJECT: BBRP Loan Program - Consistency Recommendation
DATE: November 15, 2016

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 19, 2016:

Michigan- Broadway, LLC - Corner of Michigan Ave. & Broadway St. (163-167 Broadway, 171-173 Broadway and 60 Nash Street)

A detailed 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 following project moves 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. Michigan/Broadway, LLC - requesting funding in the amount of \$750,000

- ✓ Adaptive Reuse of Historic Property in a Highly Visible Area
- ✓ Adds 18 residential units of workforce housing
- ✓ Active first floor uses
- ✓ Located in the Michigan Avenue Heritage Corridor, builds upon tourist activity
- ✓ Reinforces Connection between Michigan Avenue Heritage Corridor and the CBD
- ✓ Close proximity to Public Transit
- ✓ Includes Retail, Office & Residential components with Parking and Outdoor Space
- ✓ Includes Public Art Component

ACTION

I am requesting that the Downtown Committee make a recommendation for the Michigan-Broadway, LLC project to proceed to the loan underwriting process, as the project is consistent with Buffalo Building Reuse Project goals and loan policies.

Buffalo Building Reuse Project
Loan Program – Quarter 3 Summary of Proposals
September 30, 2016

Michigan/Broadway Project

Location: Corner of Michigan Ave. & Broadway St. (163-167 Broadway, 171-173 Broadway and 60 Nash Street)

Developer: Michigan Broadway, LLC

Principal/Primary Contact: Steven Carmina

Project: Architect and developer Steve Carmina seeks to develop 18 apartments, a full-service restaurant, and 10,000 SF of additional commercial space in a number of historic structures in the Michigan Avenue African-American Heritage Corridor at the corner of Michigan & Broadway. Residential units target the workforce housing rental market and consists of 16 one-bedroom and 2 two-bedroom units, with 11 indoor and 4-6 outdoor parking spaces available. Future commercial tenants include rent-free space for the NAACP and potential for a bakery and a distillery. The historic structures have been in physical decline for a number of years but restoration is possible, with construction taking place in a single phase in late 2017/early 2018.

Cost: \$6,759,554

Funding Request: \$750,000

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BUDC Downtown Committee Meeting Schedule - 2017
Meetings held at 12:00 P.M.
901 City Hall

- **Tuesday, January 10**
- **Tuesday, February 14**
- **Tuesday, March 14**
- **Tuesday, April 11**
- **Tuesday, May 9**
- **Tuesday, June 13**
- **Tuesday, July 11**
- **Tuesday, August 8**
- **Tuesday, September 12**
- **Tuesday, October 10**
- **Tuesday November 14**
- **Tuesday, December 5**

▪ . Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Peter M. Cammarata, President • David A. Stebbins, Vice President
▪ Andrew Schoepfich, Treasurer • Theresa Carpenter, Assistant Treasurer • Kevin J. Zanner, Secretary •