

Buffalo Urban Development Corporation

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Downtown Committee Meeting

Tuesday July 19, 2016

10:00 a.m.

BUDC Offices – Vista Room

95 Perry Street, 4th Floor

Buffalo, NY 14203

Agenda

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

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

**Mayor's Office of Strategic Planning
901 City Hall
Buffalo, New York
May 10, 2016
12:00 p.m.**

Committee Members Present:

James W. Comerford
Dottie Gallagher-Cohen
Benjamin N. Oblatz
Steven J. Stepniak

Committee Members Absent:

Brendan R. Mehaffy (Committee Chair)
Rev. 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.; Michael Finn, City of Buffalo Department of Public Works; Rebecca Gandour, Mayor's Office of Strategic Planning; and Daniel Leonard, Buffalo Niagara Partnership.

Roll Call: The Secretary called the roll at 12:04 p.m. and a quorum of the Committee was determined to be present. Ms. Gallagher-Cohen served as chair of the meeting in Mr. Mehaffy's absence.

- 1.0 Approval of Minutes of the April 12, 2016 Meeting** – The minutes of the April 12, 2016 meeting of the Downtown Committee were presented. Mr. Stepniak made a motion to approve the meeting minutes. The motion was seconded by Mr. Oblatz and unanimously carried.

- 2.0 BBRP Loan Program – Updates** – Ms. Merriweather reviewed the current process for approving BBRP loans, which requires the BUDC Board of Directors to make two separate approvals; one approval regarding the consistency of the project with BBRP goals and a second approval of the project loan after it has been underwritten by the NYBDC. Ms. Gallagher-Cohen noted that the current process has caused confusion, as some media outlets have incorrectly characterized the Board's making of a consistency determination with a loan approval. She also commented on the need to streamline the loan approval process. The Committee discussed potential modifications to the loan approval process. It was suggested that the Board should delegate to the Downtown Committee the authority to make consistency determinations, and that staff report to the Board all consistency determinations made by the Downtown Committee. Ms. Gallagher-Cohen noted that the Board would continue to retain final authority to approve BBRP loans.

At the conclusion of the discussion, Mr. Oblatz made a motion to recommend that the Board of Directors delegate to the Downtown Committee the authority to make BBRP loan program project

alignment/consistency determinations. The motion was seconded by Mr. Comerford and unanimously carried.

- 3.0 **Downtown Strategic Properties** – Ms. Merriweather circulated to the Committee the BBRP property redevelopment dashboard, which identifies thirty-two properties in the downtown area that are potential adaptive reuse opportunities. The dashboard includes information relating to the ownership, square footage, number of floors, most recent sales data and assessed value of the properties. Ms. Merriweather noted that the dashboard was developed through the joint efforts of the Buffalo Niagara Partnership, the Mayor’s Office of Strategic Planning and BUDC. She indicated that BUDC will use the dashboard to focus its BBRP loan program marketing efforts. Mr. Leonard commented that the dashboard will serve as a tracking mechanism for potential projects. A brief discussion followed regarding adaptive reuse project funding through the BBRP loan program and the Better Buffalo Fund and opportunities for inventorying vacant downtown lots. Mr. Stebbins then presented an update regarding the 110 South Park Avenue property, the owner of which is presently in Housing Court for multiple code violations pertaining to the property.
- 4.0 **Downtown Infrastructure – Project Updates** – Ms. Merriweather circulated to the Committee a downtown map identifying downtown infrastructure projects and their current status. Mr. Finn then reviewed the Genesee Street Gateway, Pearl Street, Niagara Street and Seneca Street projects. It was noted that funding is in place for all of the projects identified on the map.
- 5.0 **Queen City Pop Up** – Ms. Merriweather reported on May 5th kick-off event for the Queen City Pop Up program at 517 Main Street. Four retailers are participating in this session of the program, which runs until the end of July.
- 6.0 **Downtown Development Guide** – Ms. Merriweather presented a brief update regarding BUDC’s continued efforts to connect with out-of-town and M/WBE developers, including a recent inquiry with a developer located in Wisconsin.
- 7.0 **Buffalo Place Updates** – Ms. Chernoff presented a brief update regarding Buffalo Place matters, including the Main Street grant program and the formation of a Buffalo Place access/infrastructure committee.
- 8.0 **Buffalo Niagara Medical Campus Updates** – There was no update for this item.
- 9.0 **Buffalo Green Code & Brownfield Opportunity Areas** – There was no update for this item.
- 10.0 **Adjournment** – There being no further business to come before the Downtown Committee, upon motion made by Mr. Comerford, seconded by Mr. Stepniak and unanimously carried, the May 10, 2016 meeting of the Downtown Committee was adjourned at 1:00 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 - Underwriting Recommendations

DATE: July 19, 2016

BUDC recently issued a Request for Proposals for projects seeking financing through the BBRP Loan Program. BUDC received the following four (4) proposals in response to our BBRP Loan Program Request for Proposals issued on April 1, 2016:

1. **TRICO**, 817 Washington Street (Krog Corp)
2. **Main Street Louis**, 810 Main Street (Legacy Development)
3. **The Glenn**, 251 Main Street (Priam Enterprises)
4. **SelectOne Headquarters**, 760 Seneca Street, (SelectOne RE Holdings)

More detailed descriptions are attached to this memorandum.

The proposals were 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 were 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

RECOMMENDATIONS

Based upon input and analysis from the selection committee and the overall quality of the submissions, BUDC is recommending that the following projects move forward 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. TRICO, 817 Washington Street - Krog Corp requesting funding in the amount of \$750,000

- ✓ Located in a priority node
- ✓ Adaptive Reuse of Historic Property in a Highly Visible Area
- ✓ Adds 70 residential units
- ✓ Active first floor use
- ✓ Adjacent to other private investment at BNMC and Phoenix Brewery
- ✓ Close proximity to Public Transit and Main Street
- ✓ Includes Hotel, Retail, Commercial & Residential components

2. Main Street Louis, 810 Main Street - Legacy Development requesting funding in the amount of \$435,000

- ✓ Located in a priority node
- ✓ Historic Property in a Highly Visible Area
- ✓ Adds 18 residential units
- ✓ Active first floor use
- ✓ Close Proximity to other private investment at BNMC, UB Medical School and Bosche Building
- ✓ Close proximity to Public Transit and located on Main Street
- ✓ Includes Retail and Residential Components with Outdoor Space
- ✓ Includes Some New Construction

3. The Glenny, 251 Main Street - Priam Enterprises is requesting funding in the amount of \$524,000

- ✓ Located in a priority node
- ✓ Adds 36 residential units to the CBD
- ✓ Close Proximity to other investment (ie: Main Cathedral Building)
- ✓ Proximity to Main Street Public Transit
- ✓ Includes Retail, Commercial, Residential and Parking

4. SelectOne Headquarters, 760 Seneca Street - SelectOne is requesting funding of \$341,000

- ✓ Redevelops an abandoned warehouse in the Larkin District
- ✓ Supports Company Locating its headquarters in Buffalo
- ✓ Brings additional employees to the Larkin District
- ✓ Close Proximity to other private investment (ie: 500 Seneca, 550 Seneca, AP Warehouse)
- ✓ Proximity to planned infrastructure improvements for Seneca Street
- ✓ Project will be entirely Commercial/Office, No residential component included
- ✓ Includes Public Art Component

ACTION

I am requesting that the Downtown Committee make a recommendation for TRICO located at 817 Washington Street; Main Street Louis located at 810 Main Street; The Glenny located at 251 Main Street and SelectOne headquarters located at 760 Seneca Street proceed to the loan underwriting process as they are consistent with Buffalo Building Reuse Project goals and loan policies.

Buffalo Building Reuse Project
Loan Program – Quarter 2 Summary of Proposals
June 30, 2016

The Trico Building

Location: 817 Washington Street

Developer: The Krog Group

Principal/Primary Contact: Scott Fairbrother

Project: The Krog Group seeks funding for a 480,000 SF adaptive reuse project at the historic Trico Building. The project will feature a 114-room extended stay hotel serving Downtown Buffalo and the Buffalo Niagara Medical Campus. Trico will include 35,000 SF of Class-A office space for a local hi-tech anchor tenant, as well as 56,000 SF of commercial space and 12,000 SF of retail & food/beverage space. Also featured is a new 85,000 SF Buffalo Public School specializing in the culinary arts, including a student-run restaurant and banquet facility. A 78,000 SF residential component will see approximately 70 studio, one and two-bedroom apartments located on upper floors.

Cost: \$87.1 Million

Funding Request: \$750,000

Main St. Louis

Location: 810 Main Street & 9 St. Louis Place

Developer: Legacy Development/Main St. Louis, LP

Principal/Primary Contact: Frank Chinnici

Project: Legacy Development is seeking funding for Phase 1 of an adaptive reuse of an under-utilized 4-story property at 810 Main Street and a new build residential project in a strategic location between the CBD and the Buffalo Niagara Medical Campus. The project includes the conversion of three floors of vacant space into 3 residential units and first floor retail at 810 Main Street. This phase also involves the demolition of an empty storage facility connected to the rear of 810 Main Street (9 St. Louis Place). The storage warehouse will be replaced with a new construction 15 unit apartment building. Amenities include 17 covered parking spaces, 18 addition to 18 on a separate parcel, basement tenant storage and a roof top deck. Although the developer is seeking assistance for Phase 1 at this time, Legacy plans to complete an additional new build residential project on a parking lot located on the property in the near future.

Cost: \$5.2 Million

Funding Request: \$435,000

The Glenny Building

Location: 251 Main Street

Developer: Priam Enterprises/MSBP 251, LLC

Principal/Primary Contact: Paul Kolkmeier

Project: Priam Enterprises is in the process of converting a commercial office building to a mixed-use building that will include 36 residential rental units on floors 1-5 and 1,430 SF of retail space on the ground floor. Priam Property Management will occupy 800 SF as a maintenance office on the basement level. The residential units feature high-quality finishes, including stainless steel kitchen appliances. Other amenities include 24-management, on-site laundry, in-unit washer and dryer hook-ups, cable/high-speed internet access and leasable storage units.

Cost: \$8.96 Million

Funding Request: \$524,000

SelectOne Headquarters

Location: 760 Seneca Street

Developer: SelectOne RE Holdings, LLC

Principal/Primary Contact: Ronald C. Faso

Project: SelectOne seeks to completely renovate a vacant 3-story 1890-era brick building in the Larkin District to become the new corporate headquarters for the SelectOne Group of companies. The top two floors will house SelectOne in 8,000 SF of office space, while the ground floor will be leased to a professional services tenant. A parking lot with space for 32 vehicles is included in the plan. In addition, SelectOne is working along with Albright Knox on an art component planned for the south side of the building. This 100% commercial project will be managed JT Vaeth Construction.

Cost: \$2.5 Million

Funding Request: \$341,000