

## PUBLIC HEARING SCRIPT

**Pierce Arrow Kanaka LLC and/or  
Individual(s) or Affiliate(s), Subsidiary(ies),  
or Entity(ies) formed or to be formed on its  
behalf Project**

Public Hearing to be held on July 26, 2018 at 9:00 a.m.,  
at the Agency's offices located at 95 Perry Street-Suite 403, Buffalo, New York 14203

### **ATTENDANCE:**

Marc Romanowski, Hopkins Sorgi & Romanowski, PC  
Greg Daniel, NIDUS Development, LLC  
Kevin Hayes, Savarino Properties  
Sam Savarino, Savarino Properties  
Irving Levy, NIDUS Development, LLC  
Courtney Creenan-Chorley, Flynn Battaglia Architects

### **☒ 1. WELCOME: Call to Order and Identity of Hearing Officer.**

*Hearing Officer:* Welcome. This public hearing is now open; it is 9:00 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.

### **☒ 2. PURPOSE: Purpose of the Hearing.**

*Hearing Officer:* We are here to hold the public hearing on the Pierce Arrow Kanaka LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Wednesday, July 16, 2018.

### **☒ 3. PROJECT SUMMARY: Description of Project and Contemplated Agency Benefits.**

*Hearing Officer:* The proposed project (the "Project") consisting of: (i) the leasehold interest in two (2) parcels of land (1.95+/- acres) located at 1685, 1695, and 1721 Elmwood Avenue in the City of Buffalo, Erie County, New York (the "Land") together with the existing 190,000+/- SF historic Pierce Arrow Administration Building and the original garage thereon (the "Existing Improvements"), (ii) the construction and equipping of a 7,600+/- SF addition to the north side of the building, and the renovation, upgrading and equipping of the Existing Improvements thereon into a mixed-use project consisting of market-rate, "loft-style" multi-tenant residential space (107+/- one, two, and three bedroom units), 92 indoor parking spaces and outdoor parking, 10,000+/- SF on the second floor for commercial tenant space, and restaurant, retail and management office space (the "Improvements"), and (iii) the acquisition and installation by the Company

of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and mortgage recording tax exemption benefits (in compliance with Agency's uniform tax exemption policy).

**4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.**

*Hearing Officer:* All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on August 21, 2018. There are no limitations on written comments.

**5. PUBLIC COMMENT: Hearing Officer gives the Public an opportunity to speak.**

*Hearing Officer:* If anyone is interested in making a comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep comments to 5 minutes, and if possible, 3 minutes.

**The Hearing Officer calls on those who raise their hand**

Marc Romanowski – Hopkins Sorgi & Romanowski – Good morning I am here on behalf of Pierce Arrow Kanaka, LLC. We are here seeking a series of tax exemptions, sales tax use and mortgage tax exemptions associated with the redevelopment of the former Pierce Arrow facility located at 1685-1695 and 1721-1723 Elmwood Avenue in the City of Buffalo.

We are seeking tax exemptions for the redevelopment of the former historic Pierce Arrow administrative building and the garage at the rear of the facility into loft style apartments consisting of 1-3-bedroom units ranging from 600 sq. ft. – 1,400 sq. ft. The project includes 92 indoor parking spaces at the garage building at the rear of the site. We are facing unique challenges with the redevelopment of the space including an iconic and historic 2<sup>nd</sup> floor 32 ft. high arch space, and developing the site with some retail, restaurant and other uses. The project is challenged specifically due to its age. With redeveloping a historic structure, there are environmental issues including asbestos in the building. A loose estimate of the redevelopment costs includes about \$6.5 million dollars in increased costs due to the nature of the building.

We believe this project is appropriate for the requested exemptions based on the IDA's adaptive reuse policy. It complies with all criteria of the policy. It's an 80-100-year-old building, it's been vacant since 2016 (and even in 2016, it only had 27% occupancy) and currently is not generating any rental income. It is also consistent with the Regional Growth Plan. It has two key components; one is the adaptive reuse of a historic structure and the other is the addition of housing in the area of Elmwood Avenue. We talked about the significant financial challenges this project faces. It's a total cost of approximately \$35 million dollars. Without incentives from the ECIDA, the historic tax credits

program, the Brownfield tax credits program, and the City's 485(a) program this project is not financially feasible.

We have significant support from all local agencies. We have received all approvals from the City of Buffalo and the DEC and are moving through the SHPO process. The redevelopment will permit and allow us to clean up the site. So we are going to remove the environmental conditions on the inside and outside of the facility. And, as I like to say, "putting it back to a living use we will see this building redeveloped". This is not in a distressed census tract but is immediately adjacent to one. We have talked already about the significant costs to bring this building up to current standards and we have paid all taxes on the facility. So that's taken care of as well.

One last element to add, we are going to use both geothermal and solar energy on the project. We anticipate that it may become the largest geothermal facility in the City of Buffalo. All of this will help reduce the costs to potential tenants and bring us close to median income affordability. Thank you.

**6. ADJOURNMENT:**

As there were no further comments, the Hearing Officer closed the public hearing at 9:15 a.m.

**SIGN IN SHEET  
PUBLIC HEARING**

July 26, 2018, at 9:00 a.m.  
at the Agency's offices located at 95 Perry Street-Suite 403, Buffalo, New York 14203  
regarding:

**Pierce Arrow Kanaka LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or  
to be formed on its behalf**

Project Location: 1685, 1695 and 1721 Elmwood Avenue, Buffalo, New York

<b>Name</b>	<b>Company and/or Address</b>	<b>X box to speak/ comment</b>
Marc Romanowski	Hopkins Sorgi & Romanowski, PC 26 Mississippi Street, Suite 400 Buffalo, New York 14202	X
Greg Daniel	NIDUS Development, LLC 2150 Wehrle Dr., Suite 400 Williamsville, NY 14221	
Kevin Hayes	Savarino Properties 500 Seneca Street Buffalo, NY 14204	
Sam Savarino	Savarino Properties 500 Seneca Street Buffalo, NY 14204	
Irving Levy	NIDUS Development, LLC 2150 Wehrle Dr., Suite 400 Williamsville, NY 14221	
Courtney Creenan-Chorley	Flynn Battaglia Architects 617 Main Street, Suite 401 Buffalo, NY 14203	