

Better Buffalo Fund Information Session October 28, 2014

THE
NEW
BUFFALO



Empire State Development

Andrew M. Cuomo, Governor

Kenneth Adams, President & CEO, ESD

Governor Cuomo Announces **Buffalo Billion** in January 2012



THE
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“Buffalo has the workforce, the talent, the resources and the will to succeed. We believe in Buffalo. And we’ll put our money where our mouth is.”

- Governor Andrew M. Cuomo



THE
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has a **billion dollar**
commitment. . .



THE
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that **invests** in a
bright future.

High
Potential
Sectors



Key
Enablers



THE
NEW
BUFFALO

is a city for the
21st century .

The new Buffalo attracts people to live, work and visit.



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10/28/2014





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Better Buffalo Fund

Up to **\$30 million** will be dedicated to projects that encourage density and growth along transportation corridors and revitalize neighborhood commercial districts.

APPLICANTS ARE INVITED TO APPLY FOR FUNDS THROUGH ONE OF TWO INITIATIVES

**TRANSIT ORIENTED
DEVELOPMENT**

BUFFALO MAIN STREETS



THE NEW BUFFALO

Transit Oriented
Development

GROWTH WITHIN **EXISTING
CORRIDORS**

ENCOURAGES **ALTERNATIVE
TRANSPORTATION AND
WALKABILITY**

PROMOTES **VIBRANT, MIXED-USE,
HIGH-DENSITY
NEIGHBORHOODS**



Better Buffalo Fund Target Investment Areas



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10/28/2014

1/4 MILE WALKING DISTANCE OF TRANSIT STOPS ON

**MAIN ST
NIAGARA ST
BAILEY AVE
UTICA ST
GRANT ST**

PROJECTS THAT FALL WITHIN 1/2 MILE WALKING DISTANCE OF TRANSIT STOPS MAY BE CONSIDERED IF THEY BUILD UPON EXISTING INFRASTRUCTURE AND ASSETS.



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APPLICANT ELIGIBILITY

A WIDE RANGE OF ENTITIES ARE ELIGIBLE TO APPLY FOR ASSISTANCE, INCLUDING BUT NOT LIMITED TO:

- FOR-PROFIT BUSINESSES
- NOT-FOR-PROFIT CORPORATIONS
- BUSINESS IMPROVEMENT DISTRICTS
- LOCAL DEVELOPMENT CORPORATIONS
- PUBLIC BENEFIT CORPORATIONS (INCLUDING INDUSTRIAL DEVELOPMENT AGENCIES)
- ECONOMIC DEVELOPMENT ORGANIZATIONS
- THE CITY OF BUFFALO/RELATED ENTITIES

MUST DEMONSTRATE THE DEVELOPMENT AND FINANCIAL MANAGEMENT EXPERTISE

MUST DEMONSTRATE OWNERSHIP OR SITE CONTROL OF ALL REAL ESTATE



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PROJECT ELIGIBILITY

APPLICATIONS MAY REQUEST CAPITAL ASSISTANCE ONLY

ELIGIBLE ACTIVITIES MAY INCLUDE:

- REHABILITATED, CONVERTED OR INFILL HOUSING WITH PREFERENCE FOR MIXED-INCOME PROJECTS (EXCLUDING SINGLE-FAMILY)
- TARGETED REHAB AND REPAIR
- REDEVELOPMENT OF COMMUNITY ASSETS
- REVITALIZATION/REPURPOSING OF BROWNFIELDS AND VACANT PROPERTY
- COMMERCIAL AND MIXED-USE DEVELOPMENT

TOD FUNDING IS NOT LIMITED TO THESE PROJECT TYPES AND ENCOURAGES NEW AND CREATIVE PROPOSALS



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FUNDS MAY BE USED FOR

**ACQUISITION OF LAND, BUILDINGS, MACHINERY
AND/OR EQUIPMENT**

**TARGETED, STRATEGIC DEMOLITION AS PART
OF A BROADER REDEVELOPMENT STRATEGY
APPROVED AND SUPPORTED LOCALLY**

ENVIRONMENTAL REMEDIATION

**NEW CONSTRUCTION, RENOVATION OR
LEASEHOLD IMPROVEMENTS**

ACQUISITION OF FURNITURE AND FIXTURES

**SOFT COSTS OF UP TO 15% OF TOTAL PROJECT
COSTS**

**PLANNING AND FEASIBILITY STUDIES RELATED
TO A SPECIFIC CAPITAL PROJECT**



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USE RESTRICTIONS

FUNDS MAY ONLY BE USED FOR EXPENSES INCURRED AFTER AN ESD INCENTIVE OFFER LETTER HAS BEEN COUNTERSIGNED BY APPLICANT

LEASEHOLD IMPROVEMENTS MAY BE FINANCED IF THE REMAINING TERM OF THE LEASE IS AT LEAST 20 YEARS; HOWEVER, ESD GENERALLY WILL NOT ACCEPT LEASEHOLD INTERESTS AS COLLATERAL FOR LOANS

STANDARD DEVELOPER FEES MAY BE INCLUDED IN BUDGETS BUT ESD FUNDS MAY NOT BE USED TO PAY THEM

USE RESTRICTIONS CONTINUED



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THE FOLLOWING ITEMS MAY NOT BE INCLUDED IN BUDGETS PRESENTED FOR ESD CONSIDERATION

- OPERATING EXPENSES, INCLUDING RENT PAYMENTS
- WORKING CAPITAL
- RECAPITALIZATION/REFINANCING

ASSETS BEING ACQUIRED MUST BE REFLECTED IN THE BUDGET AT A LEVEL AT OR BELOW FAIR MARKET VALUE. IF AN APPLICANT PROPOSES ACQUIRING AN ASSET FROM AN AFFILIATE OR RELATED ENTITY, THE VALUE OF THAT ASSET MUST BE VERIFIED INDEPENDENTLY.



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FUNDS ADMINISTERED IN TWO FORMS:

LOANS AND GRANTS

LOANS WILL BE GIVEN PRIORITY

MINIMUM ASSISTANCE **\$250,000** FOR LOANS;
\$100,000 FOR GRANTS.

MAXIMUM ASSISTANCE **\$2 MILLION** FOR BOTH

MINIMUM **10% EQUITY**

BBF TO PROVIDE NO MORE THAN
20% FINANCING



FORMS OF ASSISTANCE AND TERMS

Structure	Loan	Grant
Interest Rate	3%	N/A
Term	Up to 10 years for M&E* and up to 20 years for RE	5 years
Amortization	Self-amortizing**	N/A
Security	First lien on machinery & equipment Subordinate lien on real estate	N/A
Loan to Value	Not to exceed 90% at time of closing	N/A
Debt Coverage Ratio	Minimum 1.10	N/A
Third Party Guarantees	Personal guaranty from any 20% or more owner. Corporate guaranty from any 50% or more owner.	From any 50% or more owner (corporate and personal).
Compliance	Loan becomes due if borrower sells the property or materially changes the use of the property from that described in the application without the prior written consent of ESD.	In the event of a default, all or a portion of the grant may be subject to recapture during the five year compliance period.
Minimum Assistance Amount	\$250,000	\$100,000
Maximum Assistance Amount	\$2,000,000	\$2,000,000

* Not to exceed useful life of collateral.

10/28/2023 ESD may consider interest-only moratoriums and other flexible amortization terms on a case-by-case basis.



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Buffalo Main Street Initiative

Main Street funds assist owners of mixed-use buildings.

Preservation and creation of housing units

Upgrades and restoration of commercial areas.



Better Buffalo Fund Target Investment Areas



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Buffalo Main Streets
Initiative

Main Street Basics

- Defined Target Area or Identified Building
- Two (2) year contract term
- Not-for-Profit Applicant
- Program funding: \$50,000 - \$500,000
- 7.5% for Administration
- Matching & Reimbursement Program
- Five year asset maintenance term



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Buffalo Main Streets
Initiative

Main Street Terminology

Program

The plan for the revitalization of Main Street that establishes a definite target area and outlines goals for Main Street activities.

Project

Individual buildings and streetscape sites, that will be improved using Main Street funds.

Local Program Administrator (LPA)

The awarded applicant is also referred to as the Local Program Administrator or LPA. The LPA is responsible for grant administration and contract compliance.

Main Street Activities



Buffalo Main Streets
Initiative

Target Area Building Renovations

\$50,000 - \$500,000 to provide matching grants to property owners within a concentrated target area. Grants may fund interior improvements and façade and storefront restoration. Individual grants may not exceed 75% of project cost.

Infill Construction & Downtown Anchors

\$100,000 - \$500,000 to provide assistance to single, large scale projects. Projects require business plan, evidence of funding commitments and must be ready to begin. Grants may not exceed 50% of project cost.

Streetscape Enhancement

Up to \$25,000 for activities such as: planting trees, installing street furniture and trash receptacles. Must be ancillary to a renovation or construction grant request.



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Buffalo Main Streets Initiative

Target Area Building Renovations

Established mixed-use (commercial, civic and residential) district that is pedestrian-oriented and comprised of traditional mixed-use buildings. An area that has experienced sustained physical deterioration, decay, neglect, or disinvestment.

Matching Grants up to \$50,000 per building;
+ \$25,000 for each renovated residential unit,
Not to exceed 75% of total project cost or \$100,000
per building.

Example: Target Area Building Renovation Grant Request

Building Renovation Funds Proposed renovation of eight buildings	\$447,500
Streetscape Enhancement Bike racks and benches	\$15,000
Administration Staff time or consultant services	\$37,500
Total BBF Main Street Request	\$500,000



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Infill Construction (New Construction)

Downtown Anchor (Renovation)

\$100,000 - \$500,000

Standalone, single site, “shovel ready” projects that are key to local revitalization efforts.

Grant may not exceed 50% of the total project cost.

Projects must present funding commitments.

Additional Rules & Requirements



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Initiative

- Construction may not begin prior to award, grant agreement execution, and approval of environmental review.
- Renovation projects must address code violations, health and safety issues, and environmental hazards including Lead Based Paint.
- NYS Minority and Women-Owned Business (MWBE) goals apply.
- Projects require a minimum of two bids for contractors and professional services. Owners may not serve as contractor.
- Projects including Main Street funds must produce a finished commercial or residential space, ready for occupancy.
- Property owner must sign Property Maintenance Declaration committing to five year regulatory term.



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Buffalo Main Streets Initiative Grants

How does this work?

Need for Revitalization

Planning Efforts

Marketing & Outreach

Organizational Capacity

Interested Property Owners & Funding Commitments

BBF Application

Award

Grant Agreement with HTFC

Environmental Review

Main Street Administrative Plan

Construction

Reimbursement Request



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**REVIEW CRITERIA
ALL APPLICANTS**

THRESHOLD CRITERIA

READINESS

**COMPLETENESS OF
THE APPLICATION**

**EXPERIENCE &
QUALIFICATIONS**

**PROJECT BUDGET &
DEMONSTRATION OF NEED**



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**REVIEW CRITERIA
ALL APPLICANTS**

ADHERENCE TO BBF PRINCIPLES

ADDITIONAL FINANCING

IMPACT

**USE OF INNOVATIVE,
SUSTAINABLE, GREEN
TECHNOLOGIES**

BUILDING ON STRENGTHS



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**REVIEW CRITERIA
ALL APPLICANTS**

ADDITIONAL REVIEW CRITERIA

**GROUNDING IN SMART GROWTH
PRINCIPLES**

GROUNDING IN CURRENT PLANNING

ADDITIVE AND INCLUSIVE

CONNECTIVITY AND ACCESS

CONTEXT-SENSITIVE DESIGN

HIGH VISIBILITY

TOD SPECIFIC REVIEW CRITERIA



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**PROXIMITY OF THE PROJECT TO THE
TRANSIT CORRIDOR**

HIGHER DENSITY DEVELOPMENT

ACTIVE USES

QUALITY PUBLIC SPACES

ACCESSIBILITY

**PROMOTION OF ALTERNATIVE MODES
OF TRANSPORTATION**

**MANAGEMENT OF PARKING
EFFECTIVELY**

Buffalo Main Streets Initiative

REVIEW CRITERIA

Readiness

Status of project development, planning, permitting and financing

Implementation Capacity & Experience

Experience and relevant qualifications to complete the project.

Need & Impact

Condition of existing commercial and residential properties, need for public investment & projected impact of the improvements.

Local Initiative & Business Strategy

Connection with community planning efforts and strategy for retaining and assisting existing businesses, and finding new uses for traditional buildings in the district.

Design

Use of design standards and other resources to preserve historic buildings and develop appropriate design plans.

Leveraging

Additional public and private investments committed to the projects.



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MWBE GOALS

ESD'S AGENCY-WIDE MINORITY AND WOMEN BUSINESS ENTERPRISE (MWBE) UTILIZATION GOAL IS 23%

EACH PROJECT WILL BE ASSIGNED AN INDIVIDUAL CONTRACT-SPECIFIC GOAL, WHICH MAY BE HIGHER OR LOWER THAN 23%.

AWARDEES ARE REQUIRED TO USE GOOD FAITH EFFORTS TO ACHIEVE THE PRESCRIBED MWBE GOALS ASSIGNED TO THEIR PROJECT



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GUIDELINES AND APPLICATION

**[http://esd.ny.gov/
BusinessPrograms/
BetterBuffaloFund.html](http://esd.ny.gov/BusinessPrograms/BetterBuffaloFund.html)**

APPLICATION DEADLINE

**DECEMBER 1, 2014,
4:00PM**



**BUILDS ON OUR
STRENGTHS**



THE
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**CREATES
JOBS**

**INVESTS IN THE
FUTURE**