

## PUBLIC HEARING SCRIPT

**Michigan-Seneca Group, Inc. 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 May 29, 2019 at 9:00 a.m.,  
at the Erie County Industrial Development Agency's offices  
located at 95 Perry Street, Suite 403, Buffalo, NY 14203

### **ATTENDANCE:**

Tom Fox – Ellicott Development  
Karen Fiala – ECIDA

### **☒ 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 Michigan-Seneca Group, Inc. 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 Friday, May 17, 2019.

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

*Hearing Officer:* The proposed project (the "Project") consisting of: (i) a 2.38+/- acre parcel of land located at 270 Michigan Avenue in the City of Buffalo, Erie County, New York, (the "Land") improved with an existing multi-story building (the "Existing Improvements"), (ii) the renovation, upgrading and equipping of the Existing Improvements thereon into a mixed-use project consisting of commercial office and warehouse space on floors 1-3 (35,450+/- SF) and 6 apartments on floors 4-6 (11,550+/- SF), together with the construction of a one-story, 100 car parking deck (33,000+/- SF) (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 June 25, 2019. 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.

Tom Fox, Ellicott Development Company. I am here for 270 Michigan. The proposed project at 270 Michigan Avenue is a full-scale renovation of an existing underutilized complex. Historically home of the Buffalo Envelope Company, portions of 270 Michigan Avenue are eligible for NYS and Federal historic tax credits, which we are pursuing. Through that effort, we are working towards having the property listed on the National Register of Historic Places. Accordingly, we must follow the Secretary of Interior Standards for Historic Preservation. While the overall scope of work is extensive, some of the key rehabilitation costs will include asbestos abatement, masonry repair and cleaning of the building's exterior, replacement of existing non-original windows with historically accurate units, code compliance measures including a new elevator and the addition of a new egress stair in the 6-story portion of the complex, along with the addition of a fire suppression system and new utility services throughout. While portions of the current complex are occupied by existing tenancies, the complex has been underutilized for many years. The proposed project program includes the allocation of new commercial office and warehouse space across on the first three floors of the complex along with the addition of 6 market-rate apartments on floors four through six of the 6-story portion. In addition to the proposed renovation of the existing complex, we are proposing the construction of a single-level parking deck at the west end of the property that will provide the ability to park 100 additional vehicles off-street, boosting marketability of the property to prospective commercial tenancies.

Like other adaptive reuse projects that we have undertaken, the viability of this project is plagued in many ways requiring a need for every available resource to finance and yield a modest return. Redeveloping a long-term underutilized structure such as this results in many extraordinary and unknown costs that are not confronted in new ground-up development. These costs include, but are not

limited to, bringing the building into code compliance, abating environmental contamination, and extensive measures to modernize and make the property marketable to prospective tenants in today's market. While construction costs in our area are generally in line with and in some cases higher than in other major American cities, our rental market significantly lags behind in what developers can charge for rent. These low market rates result in an unwillingness by lenders to commit to the projected need for project financing resulting in a loan-to-value shortfall. The requested funding is further challenged when our lenders rely on further discounted rental rates than those we feel we can comfortably achieve in the project area. With the ECIDA's assistance, we are able to tighten the gap in project financing and breathe new life into a long underutilized structure.

**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**

May 29, 2019 at 9:00 a.m.  
at the Erie County Industrial Development Agency's offices  
located at 95 Perry Street, Suite 403, Buffalo, NY 14203  
regarding:

**Michigan-Seneca Group, Inc. and/or Individual(s) or Affiliate(s),  
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 270 Michigan Avenue, Buffalo, New York 14204

<b>Name</b>	<b>Company and/or Address</b>	<b>X box to speak/ comment</b>
Tom Fox	Ellicott Development 295 Main Street, Ste 210 Buffalo, New York 14203	X
Karen Fiala	ECIDA 95 Perry Street, Ste. 403 Buffalo, New York 14203	