



Mayor Byron W. Brown



Hon. Byron W. Brown, Chairman

FOR IMMEDIATE RELEASE:
December 15, 2015

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Expansion of loan fund boosts potential for redevelopment opportunities in downtown Buffalo

Private and public sectors join forces to grow Buffalo Building Reuse Project loan fund

BUFFALO, N.Y. – The Buffalo Niagara Partnership and the City of Buffalo announced today that a loan fund created through the Buffalo Building Reuse Project (BBRP) has significantly increased its capacity to spur redevelopment projects in downtown Buffalo. The loan fund, a key strategy of the BBRP, was established to create a resource to assist with project gap financing and other factors that may hinder or delay downtown residential housing and mixed-use redevelopment. Now, with participation of five Buffalo-area banks – Evans Bank, First Niagara Bank, HSBC Bank, KeyBank, and M&T Bank – and the New York Business Development Corporation, the expanded fund has the capacity to assist 6 to 10 projects per year in Buffalo, nearly three times the potential of the initial fund.

“Expansion of the BBRP loan fund demonstrates the ongoing commitment and shared vision of our public officials and private sector business leaders to accelerate residential opportunities in downtown Buffalo,” said **Dottie Gallagher-Cohen, President and CEO of the Buffalo Niagara Partnership**. “An incredible amount of hard work and collaboration went into this initiative and the Partnership is proud to have played a role in it.”

“This new partnership between local banks, the Buffalo Niagara Partnership and the Buffalo Urban Development Corporation is another example of the public-private partnerships that are making a difference by further encouraging downtown development,” said **Mayor Byron W. Brown**. “As we continue to build a city of opportunity in Buffalo, where over \$5.5 billion in new economic development activity is underway, we must continue to push harder for new ways to stimulate the economy and this infusion of \$9 million from local banks will do just that by further strengthening the downtown corridor.”

Initially formed in 2012 by the Partnership at the request of Mayor Brown, the BBRP creates actionable strategies to make downtown Buffalo more competitive for private investment and, specifically, to convert vacant and underused commercial properties into residential and mixed-use development. Expanding the BBRP loan fund was the next phase in this effort, and represents

a significant collaboration between public and private entities including the Partnership, the City of Buffalo, Buffalo Urban Development Corporation (BUDC), New York Business Development Corporation (NYBDC), and the five area banks.

"We are very pleased to have the opportunity to work with the City of Buffalo and our member banks to support this fund as both an administrator and a funding participant" said **Patrick MacKrell, President & CEO of the NYBDC**, which manages and administers the loan fund on behalf of the BUDC. "Our work on this project and other initiatives in and around Buffalo all focus on promoting economic development, opportunity and prosperity."

The initial BBRP loan fund was established by the City of Buffalo and Empire State Development Corporation with \$3 million available for lending to assist redevelopment projects in downtown Buffalo. To date, three projects have been approved, with another two in the pipeline. To grow the fund's capacity, the Partnership and NYBDC worked together to secure commitments from the five area banks to increase the loan fund, bringing the available lending resources to approximately \$9 million. Mayor Brown has also allocated \$5.25 million to infrastructure improvements through the BBRP, as well as \$35 million in infrastructure improvements throughout all of downtown Buffalo.

"As a Community Bank, we at Evans Bank are excited about the opportunity, in a public-private partnership to support the continued development of our region especially in the City and downtown core," said **David Nasca, President and CEO of Evans Bank**. "We believe that our investment in the Buffalo Building Reuse Project will support the development community by assisting their capital needs and bridging difficult projects in support of the Mayor and the Buffalo Niagara Partnership's vision to increase housing in the downtown core."

"First Niagara is committed to being an integral part of the revitalization initiatives taking place in the City of Buffalo," said **Joe Saffire, Executive Vice President of Commercial Financial Services, First Niagara**. "We are proud to be part of a project that encourages investment in the city, enhances redevelopment, improves our use of space and unlocks our region's potential. The Buffalo Building Reuse Project will not only help re-build our community, but will also shape our future with a renewed focus on bringing vibrancy to downtown."

"As a continuation of the relationship we have enjoyed with the New York Business Development Corporation for over 30 years, HSBC is proud to be a funding partner for the Buffalo Building Reuse Project," said **Kevin Quinn, Head of Corporate Banking - Midwest Region Middle Market, HSBC Bank USA, N.A.** "The transformative project compliments Buffalo's ongoing revitalization, and is in line with our desire to serve and support our local community."

"KeyBank is driven by the belief that we can only be as successful as the communities in which we do business," said **Gary Quenneville, regional executive, New York State, KeyBank**. "The Buffalo Building Reuse Project will preserve and restore many proud and beautiful city structures, allowing them to serve a new purpose and contribute to the economic vitality of downtown. Furthermore, it will improve our regional quality of life by creating more opportunities for individuals and neighboring communities."

“The Buffalo Building Reuse Project will help keep Buffalo one of the most active construction markets in the northeast, and contribute to downtown Buffalo’s continued resurgence,” said **Mark Czarnecki, President, M&T Bank**. “M&T will invest \$2 million in strong support of this project for Buffalo, our headquarters city for almost 160 years, while we continue to also fund additional private-sector projects ranging from the Buffalo Niagara Medical Campus to Canalside.”

Announcement of the expanded loan fund was made at The Planing Mill, an \$8 million adaptive reuse project that includes market-rate loft-style apartments and Class A office space at 141 Elm Street in Buffalo. TM Montante Development purchased the building in 2012 and completed its rehabilitation in fall 2014. The project was among the first to utilize the expanded BBRP Loan Fund, securing a \$750,000 loan to fill a funding gap and make completion of the building possible.

“The Planing Mill project was physically and financially challenging. The building was in a state of disrepair and we were faced with a significant financing gap,” said **Christian Campos, President, TM Montante Development**. “However, we knew that with creative and willing partners, it could have new life in a rejuvenated downtown. The BUDC bridge loan enabled us to achieve that vision.”

Applications for the current quarterly round of BBRP loan funding will open on January 1, 2016 and close on March 31, 2016. Those interested in applying or learning more about the fund should contact BUDC Vice President of Downtown Development, Brandye Merriweather at 716-856-6525 ext. 131 or bmerriweather@buffalourbandevelopment.com. More information can be found at www.buffalourbandevelopment.com.

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ABOUT THE BUFFALO NIAGARA PARTNERSHIP

The Buffalo Niagara Partnership is the region’s private sector economic development organization and regional chamber of commerce, representing nearly 2,000 members and a quarter of a million employees in the Buffalo Niagara region. The Partnership’s work has three main focuses: advocacy, business development and convening. By mobilizing members and strategic partners around common goals, the Partnership grows private investment and jobs in Buffalo Niagara.