

STRATEGIC PLANNING

Tuesday, February 6, 2018 – 5:00 p.m.

John J. Ash Community Center – North Barry Street, Olean

Present: Members: Chairman Gonzalez, Vice Chairman Andreano, Alderman Witte, Alderman Crawford, and Alderman Smith. Others: Alderman Dougherty; Alderman George; Mayor William Aiello; Lens Martial, City Clerk; Nicholas DiCerbo, Jr., City Attorney; Fred Saradin, City Auditor; Keri Kerper, Community Development Program Coordinator; Bob Ring, Director of Public Works; Tiffany Taylor, Managerial Confidential Administrative Secretary; Mark Reid, Urban Strategies; Tim Smith, Urban Strategies; Erin Tito, Urban Strategies; Chris Bauer, New York State Department of State; Lori Cornell, Regional Representative, New York State Governor's Office, and Diego Sirianni, Empire State Development.

1. Roll Call

Alderman Gonzalez called the meeting to order at 5:00 p.m. and asked that the record show that all committee members were present.

2. Approval of Minutes of the Previous Committee Meeting (Tuesday, December 5, 2017)

A motion to approve the minutes of the December 5, 2017 meeting was made by Alderman Gonzalez, seconded by Alderman Smith. Voice vote, ayes all. Motion carried.

3. Unfinished Business

None

4. New Referrals for Consideration

a. Presentation – Downtown Revitalization Initiative, Urban Strategies Inc.

Mr. Reid and Mr. Smith of Urban Strategies presented a PowerPoint to the Council explaining the Downtown Revitalization Initiative. Mr. Reid stated that the DRI is very important to Governor Cuomo. This is the second round of a \$100 million investment in ten downtown neighborhoods. Strategic Investment Plans identify projects for potential funding. A total of 59 project ideas requesting \$31 million in funding were submitted, which has been narrowed down to 15 potential projects requesting \$15 million in funding. The project ideas must be submitted to Empire State Development for approval.

He continued in stating that a Local Planning Committee has been meeting every two weeks to discuss the proposed projects and their impact on the community. Their goal is to make sure

that a project is feasible and close to ready. They would like to see feasibility and market work done to ensure a project can succeed.

Mr. Reid continued in stating that the goal of the program is to building on a successful DRI application. This entails public participation to identify priority projects, an emphasis on capital projects such as public infrastructure or private development, identifying strategic matching grant and/or revolving loan funds to support capital projects, favoring projects that leverage additional public and private funding, and developing metrics to demonstrate ability to kick-start downtown economic development.

A downtown profile was created to understand the downtown's strengths, challenges, and opportunities. This aids in providing a clear vision for downtown, and finding goals and strategies to accomplish the vision. An action plan is developed with a timeline for projects, initiatives, and actions; a strategic investment plan is created with catalytic projects to implement the plan.

We are currently at phase three in the schedule, which is identifying priority projects and preparing draft project profiles. He stated that the meeting held the previous evening was very successful. Twenty two projects on the table were scored, and projects that were taken off the table were brought back with changes for reconsideration.

There is an extensive public engagement process for the DRI. This involves interviews with community leaders and representatives, public open houses and workshops, and the creation of a project web page.

The Local Planning Committee voted to preserve the original boundary that was established in the City's initial DRI application, with minor changes to clean up boundaries to match existing property lines.

There were several key findings after a Real Estate and Market Analysis was performed in Olean's downtown. Opportunities include mid to upscale market-rate apartment development, additional restaurant tenants in the downtown area, combined food/beverage/entertainment venues, renovation/redevelopment of downtown historic properties for mixed-use at higher rental rates, and the potential for desirable hotel brands (however, this opportunity may not be considered, as there is a desirable hotel brand developing in Olean's Brownfield Opportunity Area).

Challenges to Olean's downtown include a limited market for residential development, an over-supply or multiple projects targeting the same limited market segments, slow absorption of new development, financial feasibility of development at current market levels, and difficulty

attracting regional or national real estate developers. Unfortunately, there is not a big development community present in Olean.

Mr. Smith stated that the Local Planning Committee worked early on to tweak the DRI Vision Statement. He recited Olean's DRI vision, which is to make our City vibrant, and to provide our residents with cause for optimism regarding opportunities to work, to learn and to thrive here including, importantly, younger and educated residents who are selective about where they settle and start their families. DRI priority projects will invest in public places in order to improve the quality of life for all residents while catalyzing a cycle of private investment and population growth in our downtown neighborhood. He stated that there is a strong focus on bringing people to our community, and creating a place for everyone.

Mr. Smith continued in stating that there are five main goals for the DRI. The first is for downtown Olean to be lively and prosperous, a place full of established and new businesses that bring people to the downtown, encourage investment and help grow the City's economy. The second is to make Olean livable and complete, a place with a variety of attractive, affordable housing options and a range of amenities for residents. The third is to be green and beautiful, a place that conserves, uses and celebrates its heritage buildings and landscapes as catalysts to encourage and leverage investment; the fourth is connected and walkable, a welcoming place easy to navigate and which encourages walking and cycling. The fifth and final goal is to make Olean creative and fun, a place for creative enterprises and where County residents gather to enjoy art, culture, and entertainment. Chosen projects will support these visions and goals for the downtown.

Mr. Smith stated that December 18, 2017 was the RFPI deadline, and 59 potential projects were brought forward with a total of \$31 million in funding requests. January 3, 2018 was the third Local Planning Committee meeting, at which time potential projects were narrowed down to 32, with an \$18.7 million funding request. That was again narrowed down on January 17, 2018 to 22 potential projects requesting \$16.5 million in funding during the fourth Local Planning Committee meeting. Projects were removed from consideration for a variety of reasons, including lack of a project sponsor, a project that did not meet downtown vision or goals, ineligible project costs, or projects outside of the downtown boundary. Projects were also removed that were best addressed through a rehab program supported by DRI funds, or where other sources of funding existed.

The current list of 22 potential projects consists of 8 rehabilitation of existing structures projects, 7 public realm / infrastructure improvement projects, 5 business expansion projects, 1 grant program, and 1 branding and marketing project. \$16.5 million in funding is the total requested by these 22 projects.

Mr. Reid detailed each project.

Public Realm / Infrastructure Projects

1. Walkable Olean Phase III (East State Street Improvements)

- Streetscape improvements, striping and intersection design – East State Street between Union Street and Barry Street
- Positive impacts identified: improve walkability and bikeability; calm traffic and address safety concerns; improve crossing into Lincoln Park
- Total project cost: \$1,200,000; DRI Request: \$1,200,000 (100%)
- Leveraging Funds: FHWA revolving grant funds, NYDOT revolving grant funds, CHIPS funds, City of Olean funds

2. West State Street Streetscape Improvements

- Redesign the streetscape with landscaping, sidewalk improvements, lighting replacement, and street furniture to include planters, benches, and waste bins; enhance street crossings – West State Street from Union Street to North 7th Street
- Positive impacts identified: improve safety, attractiveness and walkability
- Total project cost: \$1,600,000; DRI Request: \$1,600,000 (100%)
- Leveraging funds: FHWA revolving grant funds; NYSDOT revolving grant funds; CHIPS funds; City of Olean funds

3. Reconstruct South Union Street Gateway

- Improve South Union between Henley Street and South Street with a roundabout at Henley Street, crossing enhancements and sidewalk replacement; eliminate the traffic signal at Henley Street and replace with roundabouts; add a median and bump outs to improve crossing distances and calm traffic; add Olean's first two-way protected bike lane; add on-street parking in front of businesses
- Positive impacts identified: improve walkability and connection to downtown
- Total project cost: \$1,400,000; DRI Request: \$1,400,000 (100%)
- Leveraging funds: FHWA revolving grant funds, NYSDOT revolving grant funds; CHIPS funds, City of Olean funds

4. Olean Public Library Expansion

- Add 7,800 square feet addition for programs and meeting rooms, a technology “maker space”, café and offices
- Positive impacts identified: increased community meeting space; meet growing demand for programs; destination for people of all ages
- Total project cost: \$3,700,000; DRI Request: \$1,250,000 (34%)
- Leveraging funds: NYS Construction Aid, Reserves, Friends of the Olean Public Library; Manley Trust, CCLS grants, Bullet Aid and SAM grants, Capital campaign

5. Oak Hill Park Improvements

- Dog park with restrooms, separate small dog and large dog play areas, benches, water fountains, wash stations, a walking trail, an obstacle course, improved lighting and two entrances
- Positive impacts identified: facilitate a gathering spot for residents, encourage movement into the downtown area
- Total project cost: \$600,000; DRI Request: \$500,000 (83%)
- Leveraging Funds: City of Olean cash and in-kind, fundraising

6. North Union Street Streetscape Improvements

- Beautification with perennial flowers and potted plants, streetscape lighting overhead along tree bases, sidewalk replacement, seating areas in front of restaurants, wayfinding improvements including decorative signage and seasonal light pole banners
- Positive impacts identified: encourage downtown business development; increase the attractiveness of the downtown
- Total project cost: \$500,000; DRI Request: \$500,000 (100%)
- Leveraging funds: FHWA revolving grant funds, NYSDOT revolving grant funds, City of Olean funds

7. Allegheny River Corridor Waterfront Access Improvements

- Add a crushed stone trail along the levee-top surrounding Olean Creek and Allegheny River; provide ADA compliant trails to the waterfront; install a seasonal canoe and kayak launch
- Positive impacts identified: Improve access to Olean Creek and Allegheny River; create a paddling destination highlighting tourism spots; support recreational opportunities along the creek

- Total project cost: \$100,000; DRI Request: \$100,000 (100%)
- Leveraging funds: NYSDOT revolving grant funds, City of Olean funds

Rehabilitation of Existing Structures

1. Manufacturers Hanover Building – Savarino Companies

- Up to 20 boutique style hotel rooms (center floors); 2/3 of apartments market rate, remaining 1/3 luxury units; ground floor restaurant, community organization in former shoe store; will share elevator / amenities with adjacent properties
- Positive impacts identified: reuse iconic historic building; create est. 100 construction jobs and 10 permanent jobs; add housing downtown
- Total project cost: \$12,700,000; DRI Request: \$2,000,000 (16%)
- Leveraging funds: HCR loan, Restore NY funding, New Markets Tax Credits

2. Manufacturers Hanover Building – Urban Renewal Agency

- Stabilize, restore and remediate the building; replace severely damaged roof; restore cornice; remediate asbestos and mold; add lighting to beautify exterior
- Positive impacts identified: prevent further deterioration of important building; improve building and attract developer interest
- Total project cost: \$800,000; DRI Request: \$800,000 (100%)
- Leveraging funds: N/A

3. Masonic Temple Building

- Renovate retail storefronts; create 15-20 market rate 1- and 2- bedroom apartments on second and third floors; retain Masonic uses on 4th and 5th floors; add exterior fire stairs
- Positive impacts identified: reuse historic building; add market rate housing downtown
- Total project cost: \$2,600,000; DRI Request: \$1,500,000 (57%)
Leveraging funds: Main Street grant, NYS CFI Mortgage, RRC equity

4. Renovate 211 North Union Street (Custom Shoe Repair)

- Renovation for mixed use development, façade restoration, installation of elevators; first floor retail or office space, up to four loft apartments (affordable and market rate)
- Positive impacts identified: create high-quality market rate housing downtown
- Total project cost: \$750,000; DRI Request: \$400,000 (53%)
- Leveraging funds: private mortgage and equity

5. Renovate 217 North Union Street (Choice Video)

- Façade restoration, installation of elevators and new windows, first floor retail or office space, four loft apartments (affordable and market rate) (*proponent does not own building)
- Positive impacts identified: create high-quality market rate housing downtown
- Total project cost: \$685,000; DRI Request: \$300,000 (43%)
- Leveraging funds: private mortgage and equity

6. Restoration of 319 & 321 North Union Street

- Restoration and renovation of two historic buildings, upper floor housing, concept to lease to restaurant, brew pub, speakeasy
- Positive impacts identified: create local jobs during construction, serve as example of high-quality downtown restoration of historic buildings
- Total project cost: \$400,000; DRI request: \$100,000 (25%)
- Leveraging funds: private equity

7. Renovate 201 East State Street (Oldest Building in Olean)

- Restore and renovate interior and exterior of former church for African American Center for Cultural Development; full commercial kitchen, exhibition, art-making, performance space; space can be used for community gatherings, performances, receptions
- Positive impacts identified: create job during renovation and restoration; add a cultural destination and community space downtown
- Total project cost: \$312,500; DRI request: \$225,000 (72%)
- Leveraging funds: owners equity and private funding

8. CUTCO Theater Improvements

- Renovate and expand theater in phases; Phase 1: create nonprofit business to operate theater, upgrade lighting, sound, stage, projection equipment; Phase 2: create outdoor stage/theater; Phase 3: renovate to add seating, etc.
- Positive impacts identified: Provide space for large-scale performances, community events; attract people to the downtown; involve young people in the operation of the theater
- Total project cost: \$1,000,000+; DRI Request: \$500,000 (approx. 50%)
- Leveraging funds: local philanthropy, grants and scholarships

Rehabilitation / Revitalization Grant Project

- Create a fund for façade improvements, building renovations, upper floor housing, ADA compliance, and building stabilization; façade improvement grants will be eligible for 80% of investment, interior improvements for 20% of investment
- Positive impacts identified: support downtown businesses and create jobs; enhance attractiveness of downtown; promote public/private investment of downtown
- Total project cost: \$1,000,000; DRI Request: \$1,000,000 (100%)
- Leveraging funds: N/A

Business Expansion Projects

1. Reuse of Historic Carnegie Library & Inn

- Continue former library use as banquet & event facilities; new use as a 7-days-a-week restaurant; add a day spa to the inn
- Positive impacts identified: reuse historic building; add estimated 65 new jobs; attract patrons to downtown
- Total project cost: \$1,555,000; DRI request: \$720,000 (46%)
- Leveraging funds: personal funding, loans

2. Four Mile Brewing Expansion

- Activate old brewing house at 210 East Green Street for brewing, canning, addition of a potential tenant (Urban Biosphere), and two upper floor loft apartments

- Positive impacts identified: Adding at least 5 new manufacturing jobs; regional draw; restoring a historical building; \$1 million in renovation spent on local contractors; increase usage by Allegheny Adventures, a waterfront recreation company
- Total project cost: \$1,136,350; DRI Request: \$586,175 Z(50%)
- Leveraging funds: personal funding

3. Union Whiskey Brew Pub and Music Venue (Option A)

- Expand Union Whiskey through building acquisition, new brewing equipment and renovations to create a brew pub with a live performance and entertainment venue in part of the building next door
- Positive impacts identified: create an environment destination that doesn't currently exist downtown
- Total project cost: \$600,000; DRI Request: \$450,000 (75%)
- Leveraging funds: \$150,000 (building acquisition)

4. Union Whiskey Brew Pub 2nd Floor Expansion (Option B)

- Expand Union Whiskey through new brewing equipment, new elevator and renovations; create a brew pub with event/dining space on the second floor of the existing building
- Positive impacts identified: reuse vacant second floor, create a destination
- Total project cost: \$300,000; DRI Request: \$200,000 (66%)
- Leveraging funds: personal funding

5. Boundless Connections Technology Center

- Rent, remodel, and equip new areas to support programs that build skills with digital technology including manufacturing automation, programming, audio/video production, and VR
- Positive impacts identified: provide access to digital technology to the community; contribute to growth of technologically-skilled workforce; events will bring people downtown day and night
- Total project cost: \$536,000; DRI Request: \$536,000 (100%)
- Leveraging funds: grants, in-kind contribution

- Downtown branding materials include downtown and festival/event signage, brand-identification materials with a downtown logo, and merchant/area/event signage with recognizable logo for brand reinforcement
- Positive impacts identified: establish a cohesive, recognizable brand for the downtown; raise awareness of downtown business opportunities; first downtown business recruitment and retention effort in decades; maximize downtown's potential to attract visitors, businesses, and residents
- Total project cost: \$110,000; DRI Request: \$80,000 (72%)
- Leveraging funds: local sponsorships and match

Mr. Smith stated that during the last Local Planning Committee, many additional project proponents gave quick pitches for their projects, and the Planning Committee members scored projects against the downtown goals. Score sheets for these projects are still being tabulated. Mr. Reid stated that it is important to note that last night gave the opportunity for those whose projects were cut to come back and present their ideas with changes. The potential is there for a project to come back to the table.

Alderman Andreano questioned if the Council needs to vote on these projects to approve them, and Mr. Bauer stated that the only vote they would need to take is if the City has a monetary match in the project. This was addressed with the Committee a couple of weeks ago.

He continued in stating that when the Local Planning Committee has a list of projects finalized, they are recommended to the State. The State has the final say on approval for the projects. The target is for the Local Planning Committee to recommend \$15 million in proposed projects.

Alderman Witte questioned if parking was considered as a qualification for a project. She stated that there are locations within the project area that seem to have poor parking accessibility. Mr. Smith replied that this falls under the category of feasibility. Mr. Bauer stated that the project will still need to go through the appropriate procedures, such as zoning, planning, and State approval. Mr. Smith stated that a parking consultant did evaluate the area, and there is not a parking shortage downtown. People just want to be able to park in front of the front doors of the business, rather than walk a few blocks.

Alderman Smith questioned, of the \$15 million in projects that are submitted, if we know if some will be cut. Mr. Bauer replied that only \$9.7 million in projects will be approved, and he knows that ESD will go through the applications with a fine tooth comb to only approve the

most viable. Ms. Cornell stated that a lot of weight is placed on the recommendation of the Local Planning Committee.

Alderman George questioned the timeline for the project. Mr. Smith stated that the Local Planning Committee's portion needs to be wrapped up by the end of March. Alderman Andreano questioned if there is a timeline for an applicant to come up with the remainder of the financials needed for the project, and Mr. Bauer stated that the State would like to see projects breaking ground in less than five years. The intent is to make an impact now. Proposed project submitters presented a timeline for their project when it was submitted to the Local Planning Committee.

Mr. Bauer continued in stating that there is a very compact timeline for the DRI. A report is due to the State by March 30, 2018, and he hopes that the State analysis of the projects does not take long. Last year, the awarded projects were announced in July. The projects then go through various State agencies to contract with. Eight months from the announcement is not an unreasonable amount of time to get to a contract point. The State will keep the City and Council informed as to where everyone is in the process.

Ms. Cornell questioned the distribution of funds, and Mr. Bauer stated that funds are given on a reimbursement basis.

Alderman Andreano questioned if the money still goes to the community if someone does not make good on their promise, such as to go to a different proposed project. Mr. Bauer stated that he cannot say that it does not, but the projects are carefully vetted to ensure that there is not a failure. This is, however, Olean's grant. Ms. Cornell added that the State has a 90-something percent success rate on grant projects. This is the Governor's baby, and projects will not be allowed to proceed that have a risk to fail.

Mr. Bauer stated that, if a project is not chosen for the DRI, that there are many other opportunities out there. A project can still move forward and have an impact. Ms. Kerper added that with the timeline, if a project does not move forward with the DRI, it can be applied for with the Consolidated Funding Application process.

- b. PL #01-18: (Aiello) That the Common Council as Lead Agency declares the Allegheny River Public Access and Recreation Plan a Type I Action that will not result in any significant adverse environmental impact and thus issues a Negative Declaration in accordance with the New York State Environmental Quality Review Act.

Alderman Gonzalez stated that this is paperwork that is related to the Allegheny River Plan. Ms. Kerper added that Parts 1 and 2 have been sent to all interested agencies, who agreed that the Council should be Lead Agency. The Local Planning Committee for the Plan has also concurred with the SEQR findings and recommends that the Council approves the plan.

A motion to approve PL #01-18 was made by Alderman Witte, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried. Referred to Regular Meeting Tuesday, February 13, 2018 for Resolution.

- c. PL #02-18: (Aiello) That the City of Olean Common Council formally adopts the Allegheny River Public Access and Recreation Plan.

Ms. Kerper stated that the City was awarded a grant from the Department of State to prepare the plan, and worked with a Local Planning Committee consisting of members from the City of Salamanca, the Towns of Allegany, Olean, and Portville, and the Villages of Allegany and Portville. There are 26 priority recommendations from the Committee. The Council had previously received the plan for review.

A motion to approve PL #02-18 was made by Alderman Crawford, seconded by Alderman Andreano. Voice vote, ayes all. Motion carried. Referred to Regular Meeting Tuesday, February 13, 2018 for Resolution.

5. Approval of Committee Reports

A motion to approve committee reports was made by Alderman Gonzalez, seconded by Alderman Andreano. Voice vote, ayes all. Motion carried.

6. Adjournment

A motion to adjourn was made by Alderman Gonzalez, seconded by Alderman Witte. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 6:05 p.m.