

## Making Private-Public Partnerships Work



- Many people consider the things government does for them to be social progress but they regard the things government does for others as socialism.
  - Earl Warren



## Background: Uniland

- 35 year old company founded in WNY
  - 12 million sf built in WNY
  - 6 million sf in our owned/managed portfolio
  - More than 100 employees at local HQ
    - More than 1,000 subcontractors/ employees
  - Integrated in-house functions
    - Design
    - Construction
    - Property Management
    - Finance
    - Community Outreach
    - Government Relations



## WNY Commitment

- Educated workforce with strong work ethic
- Superior quality of life
- Solid basic infrastructure
- Strong air, rail and roadway connections
- International corridor
- Uniland desire to build a community to retain /return future generations



## Development challenges in WNY

- Low rents
- Large inventory of existing, non-competitive inventory
- Higher than average labor costs
- Strict regulatory climate
- Taxation as entry barrier
- Challenges are not unique or insurmountable, but public-private partnerships are necessary to level the national playing field



## Case studies

- Cross Point Business Park  
– Amherst 1998
- Avant  
– Buffalo 2008





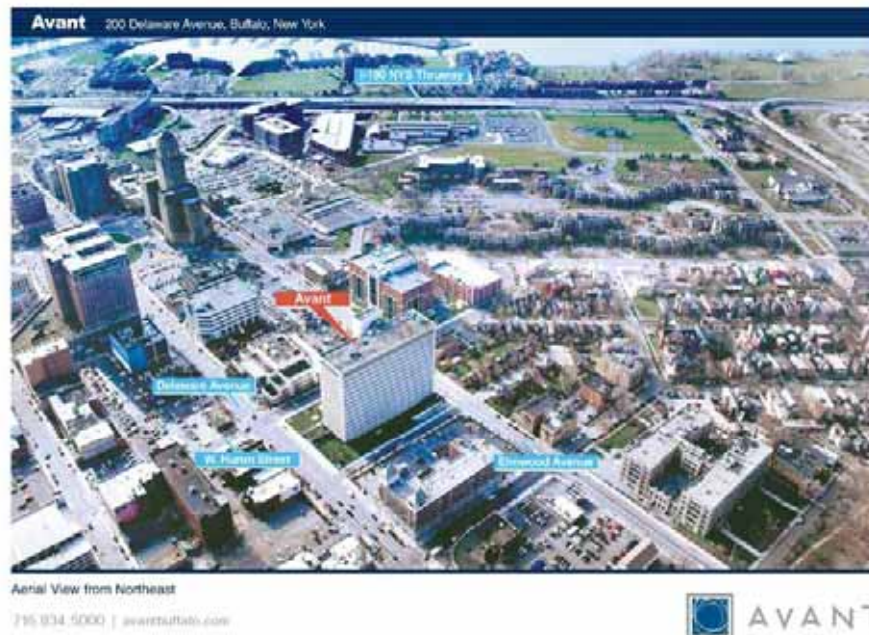
## Avant: Partnership in Progress

- GSA privatizing office function
- Former Dulski Federal Building has “great bones”- but environmentally obsolete
- 430,000 square feet abandoned in CBD
- GSA pegs clean-up cost at \$5 million – actual cost \$12 million
- Off tax rolls since 1968



## Niagara Center

- Adjacent lot was parking lot paying minimal taxes – problem area for neighbors
- UniQuest built 280,000 sf facility for GSA privatization – more than 90 percent occupied
- Multi-story parking ramp behind property open to the public creating additional downtown parking for neighbors/businesses.



## Avant Opportunity

- Embassy Suites Hotel
  - Floors 1-7
- Class A office
  - Floors 8-12
- Luxury condominiums
  - Floors 14-16
- Sustainable design
- Return to tax rolls
- CVB needs downtown hotel stock
- No permanent residents in census track
- 24-hour vertical community, active and secure welcomed by adjacent revitalizing neighbors



## Avant Challenges

- Abatement estimated at \$5 million by GSA was \$12 million
- Fuel and material costs have driven \$65 million project over \$80 million
- Starts and stops in other projects have created a reluctance for urban residential pioneers



## Avant Partnerships

- Federal Government – privatizing real estate
- ECIDA – Mortgage Tax Abatement
- NYSERDA – Energy efficiency support
- NYS- Abatement cost support
- Empire Zone – hiring success stories, graduated tax incentive
- Buffalo State – student Green Design project
- City - conversations ongoing



## Uniland Employment

- Would put our staff against any super-regional or national development company
  - Talented, stable and hardworking
- No active recruiting effort, they come to us and tend to stay
  - Carefully monitor our salary and benefits packages
  - Positive atmosphere of shared success, our best recruiters are current employees
- Glad to provide opportunity for exceptional local students to stay and grow.



## In Summary

- Projects with greatest potential impact require private-public partnership
- Need to create opportunity for educated and motivated work force already in place
- Public-private partnerships level the playing field as we compete nationally and internationally

