

WESTERN NEW YORK INDUSTRIAL REAL ESTATE DEVELOPMENT STRATEGY REQUEST FOR QUALIFICATION (RFQ)

Issued: May 1, 2019

Issued by: Invest Buffalo Niagara, 257 West Genesee Street, Suite 600 Buffalo, NY 14202

Contact: Matthew Hubacher, Research Director, mhubacher@buffaloniagara.org

Responses Due: Received no later than May 24, 2019 at 4:00PM

Number of Copies: 1 electronic copy submitted to the email address above

1. INTRODUCTION

Founded in 1999, Invest Buffalo Niagara is Western New York's private, nonprofit economic development organization tasked with business attraction and marketing for the region's eight counties (Erie, Niagara, Allegany, Cattaraugus, Chautauqua, Genesee, Orleans, Wyoming). Focused on job creation and capital investment, our mission is to attract new employers to the Buffalo Niagara region through proactive outreach to companies around the world in specific target industry sectors. To that end, Invest Buffalo Niagara has successfully assisted 380 businesses expand or relocate in the region, attracting and retaining nearly 44,000 jobs and producing over \$5.5 billion in capital investment. Additional information about Invest Buffalo Niagara's mission and vision can be found on our website: www.buffaloniagara.org

2. BACKGROUND

Invest Buffalo Niagara frequently assists companies seeking to identify suitable commercial real estate options in the region for economic development projects. However, there are specific industrial real estate requests that have been increasingly difficult to meet given the region's low vacancy rate for industrial buildings.

At 3.4%, Buffalo Niagara has one of the lowest industrial availability rates in the nation, according to market research conducted by CBRE|Buffalo. At nearly 67 million square feet, the region's industrial market is smaller than Great Lakes peer regions Detroit, Cleveland, and Pittsburgh, but more affordable from a price per square foot basis on leases and sales. Perhaps most troubling is the lack of completed industrial development projects and projects under construction. In 2018, only 331,000 square feet of a projected 605,000 square feet was brought

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online and only 338,000 square feet of new construction is proposed for 2019 according to CBRE|Buffalo. This diminished figure is even more alarming when compared to Detroit, Cleveland and Pittsburgh, which have 4.0 million, 3.3 million and 1.5 million square feet of industrial development under construction, respectively. These data further highlight the dire need for additional industrial buildings to be brought online in the Buffalo Niagara so that the region can remain competitive in manufacturing and production sectors.

Western New York has historically been a risk-averse region and the local real estate development community has generally not engaged in speculative build-outs of industrial property. Further, utility providers are unable to build out major infrastructure corridors to strategic development sites under the existing rules of their regulatory commissions.

In order to continue to be a world-class destination for industrial development there must be a concentrated strategy to assist the local real estate development and economic development communities bring additional industrial buildings to the market and prepare land sites for development. The comprehensive strategy will have specific, detailed action plans with recommendations of regional entities who should “own” each part of the strategy’s execution and be used to inform real estate developers, economic developers, utility providers, and local elected officials.

3. REQUEST FOR QUALIFICATION

Invest Buffalo Niagara seeks a consulting firm to develop a comprehensive strategy to increase industrial real estate offerings in the region through defined initiatives and tactics based on nationwide best practices and creative policy recommendations.

Interested real estate consulting firms shall provide an overview of qualifications and demonstrated track record of performing work outlined in this RFQ. Qualified firms shall demonstrate expertise and experience in the following areas:

A. Real Estate Planning and Advisory Services

- Real estate market research and analysis
- Land use and zoning considerations
- Site selection

B. Real Estate Financial and Economic Analysis

- Cost/benefit analysis
- Economic feasibility and impact analysis
- Incentive programs

C. Architecture and Engineering

- Site master planning
- Site surveys
- Design development services

D. Utility Infrastructure

- Feasibility studies
- Risk identification and assessment

E. Building Revitalization/Reuse

- Condition assessments
- Local policies and incentive programs

Selected finalists will be required to present formal proposals to Invest Buffalo Niagara either virtually or in person.

4. SCOPE OF WORK AND DELIVERABLES

A. Analysis of Buffalo Niagara Industrial Real Estate Market

- It is expected that the chosen consultant conducts an in-depth analysis of the current state of the industrial real estate market in Buffalo Niagara.
 - Interviews with local stakeholders including real estate developers, economic developers and Industrial Development Agency (IDA) staff, commercial real estate professionals, banks, and lenders from traditional and non-traditional financial institutions.
 - Interviews with outside influencers such as site selection consultants, corporate real estate personnel, and national real estate developers.
 - A detailed consideration of the regional industrial market's potential size given the current availability rate and economic conditions.
 - Recommendation on specifications of industrial spaces the region should make investments and the associated return-on-investment.

- An analysis of economic development opportunities being missed by the region due to lack of available industrial real estate and a recommendation of the “ideal building” specifications given the region’s economy and workforce.
 - A critical review of why local, regional and national developers have not responded to opportunities for industrial real estate development given continued interest in the region by economic development opportunities in a time of historically low industrial availability.
- A detailed inventory list of industrial properties and land sites in the region with specific identifying characteristics including but not limited availability of utility infrastructure, geographically based incentive programs including Opportunity Zones, transportation infrastructure and public transit options.
 - Additionally, consulting firm should recommend additional data points to assist the region holistically categorize industrial real estate offerings.

B. Best Practices, Program and Policy Recommendations

- A review of best practices from peer communities across the country, specifically regions that are historically risk-averse, on how to creatively bring additional industrial real estate to market.
 - Specific examples of how communities utilize technology to implement and manage real estate databases to analyze and inform market analysis, real estate development, economic development, and public policymaking.
 - Presentation of a list of best practices for easing duplicative and/or extraneous regulatory burdens in the entitlement process, specifically in a home-rule state, to mitigate risk and encourage real estate development.
 - Review of incentive programs offered by communities in other areas of the country to encourage real estate development and recommendations of incentives programs suited for the region.

C. Strategic Plan to Increase Available Building Inventory

- An investigation of revitalization efforts within industrial corridors across the country and an examination of policies and best practices that can be implemented in Buffalo Niagara to bring existing industrial buildings that are not currently viable/usable for production operations back on to the market.
- Development of a prioritized inventory list of underutilized industrial buildings in the region, including an estimated timeframe to rehabilitate each priority facility.

- A consideration of nationwide efforts to build industrial real estate facilities “on spec” with policy recommendations and a review of best practices. Specific attention shall be given to difficulties in securing traditional bank financing for real estate development projects in historically risk-averse markets.
- The recommendations shall be part of an overall strategy document and communicated in a specific, detailed, implementable action plans with timeframe estimates. The recommendations shall include details on specific entities and organizations in the region to “own” tactics within each initiative.
- A critical analysis on what the “ideal industrial spec building” should comprise in Western New York given the region’s current real estate market, building use, exiting workforce, economic condition and existing company mix.

D. Strategic Plan to Increase Available Development Ready Sites

- In addition to the detailed inventory list of land sites in the region, a critical review of site’s “development readiness” shall stipulate whether sites can meet a 12-18-month development timeframe, which is expected by economic development projects.
 - Development ready is used to describe land sites where the following criteria are present:
 - Site is available for sale with established terms
 - Utility infrastructure is installed at the site with adequate service levels to meet satisfy end user’s needs. If the utility infrastructure is not installed, a detailed plan with timing and cost estimates must be available.
 - Site due diligence is complete including but not limited to: zoning, environmental assessment, geotechnical assessment, and wetlands delineation.
 - Transportation infrastructure installed at the site to meet the needs of employees, receiving raw materials, and ship finished good. If the transportation infrastructure is not installed, a detailed plan with timing and cost estimates must be available.
- Specific consideration of economic development or financial incentive programs offered by communities in other areas of the country to encourage “development readiness” initiatives is required.
- A detailed consideration of the current timeline experienced by real estate developers who build on land sites in Western New York should be documented and recommendations on policy changes and program improvements should be given to make the process more streamlined and efficient.

5. GEOGRAPHY

The geography under consideration is a bi-national region with seven international ports of entry (four automotive/truck, two rail, one water port). Eight counties comprise the region: Erie, Niagara, Allegany, Cattaraugus, Chautauqua, Genesee, Orleans, and Wyoming. There are eleven cities within this geography, the economic makeup of the counties and municipalities is diverse with manufacturing and food and beverage processing accounting for over 70,000 jobs, nearly 10% of the total employment in the region.

6. SUBMITTAL REQUIREMENTS

A. Company Profile

- Name of business, contact person, and contact information (address, telephone, mobile telephone, email, and web address).
- Describe the type of business entity and list the majority and minority owners (statement of ownership).
- Describe DBE, M/WBE, Veterans Business Enterprise, Disabled person's business enterprise or other certification.
- List of subcontractors. If applicable, provide company name, contact person, address, and telephone number, and intended type of work and percentage of work to be performed by subcontractor.

B. Qualifications

- Description of the firm's relevant experience within the practice areas listed in Section 3 of this Request for Qualification.
- Description of experience with similar projects: references and/or samples of similar studies.
- Demonstrate an understanding of the project request and approach outlined herein
- Detailed proposed outcomes/output.
- Provide an overview of your understanding of the Buffalo Niagara market and describe your approach to this project.
- Description of your understanding of Invest Buffalo Niagara's role in the project.
- Names of the principal team members assigned to complete the work requirements associated with this request and relevant qualifications and project experience.
- Three references with detailed contact information.

7. EVALUATION CRITERIA

- A. Relevant experience in practice areas by firm, especially in risk-averse markets such as Buffalo Niagara
- B. Relevant experience and qualifications in practice areas by team members
- C. Overall organization, thoroughness and completeness of qualification response
- D. Experience in New York State and Buffalo Niagara region

8. TIMING

- A. Issue RFQ: May 1, 2019
- B. Response Due: May 24, 2019
- C. Review of Responses: June 2019
- D. Notice of Finalist Selection and Request for Proposal: June 7, 2019

9. SUBMISSION OF RESPONSES

Qualification submissions must be received by Invest Buffalo Niagara on or before May 24, 2019 at 4:00PM.

The submission should include one (1) electronic copy of proposal and other support items required by this request for qualification sent to: mhubacher@buffaloniagara.org

Late submissions or other forms of submission will not be accepted.

Invest Buffalo Niagara issues the Request for Qualification and reserves the right to terminate, modify or suspend the process, reject any or all submittals, modify the terms and conditions of this selection process and/or waive informalities in any submission.

All inquiries and questions regarding this RFQ shall be directed to Matthew Hubacher, Research Director, mhubacher@buffaloniagara.org or 716-842-1357 x102.