Trico Complex Redevelopment Feasibility Study

October 23 2012

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DOUG SWIFT DEVELOPMENT

Architectural Resources

FoitAlbert ASSOCIATES

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Introduction

The Trico Complex (The Complex) was listed on the National Register of Historic Places in 2001. This designation led to the Complex being considered a physical, cultural and historic asset that is intended to be preserved and ultimately redeveloped. In January 2012, representatives from the Buffalo Niagara Medical Campus (BNMC) reached out to Buffalo's preservation community to present its proposal to selectively demolish much of the Complex. After listening to the concerns expressed, BNMC informally organized an advisory committee comprised of representatives from Buffalo's Preservation Roundtable. The Roundtable is an ad hoc group consisting of prominent members of the local preservation community, with the goal of collaboratively finding ways to selectively tackle Buffalo's preservation and development issues. The goal of this advisory committee has been to inform and advise the BNMC on ways to preserve the Trico Complex.

The Trico Complex has suffered from over two decades of disinvestment and what some would consider as neglect. After the Trico Company moved from its headquarters in Buffalo, their property was sold to Steve McGarvey, a developer from Erie, PA. In 2001, McGarvey was just beginning a planned rehabilitation of the Complex as part of his Century City development plans. He had begun interior demolition work along with asbestos remediation. As part of that work, much of the roofing membrane was removed. After the roof was removed, he ran into financial difficulties forcing the project into bankruptcy. Unfortunately, Mr. McGarvey died soon after. This left the project in limbo for several years while the bankruptcy and estate issues were settled. It also left the Trico Complex without much of its roof, exposing it to over ten years of water infiltration and freeze/ thaw deterioration.

In 2007 the McGarvey estate held an auction to sell off the various parcels he had assembled. The four-acre parking lot, the four-story Trico building (now the BNMC's Innovation Center and the six-story Trico Complex (formally known as Plant 1) were sold as a single lot. The BNMC was primarily interested in the four-story building and the parking lot as part of the overall master plan for the medical campus. The Complex was a separate parcel within the auction lot and the Complex title was immediately transferred to the Buffalo Brownfield Restoration Corporation (BBRC) a subsidiary of Buffalo Urban Development Corporation (BUDC), a private not-for-profit development arm of the City of Buffalo. As part of that transfer agreement, BNMC was given Designated Developer status for the Complex. This gave BNMC all the rights and responsibilities of ownership, without BNMC having to assume the liabilities that could result from owning such a massive structure that had fallen into disrepair. This agreement intended to give BNMC a reasonable time to put together a redevelopment strategy and project.

BNMC spent several years developing a strategy and attempting to find a suitable development project that would rehabilitate the Complex. They solicited and received interest from several local and out-of-town developers, although no formal request for proposal (RFP) process was undertaken. Unfortunately, no development strategy emerged from this effort. Ultimately, BNMC determined that demolition of the Complex was their only feasible alternative.

Early in the process, officials from BNMC acknowledge that they had underestimated the passion and interest that the preservation community had for the Trico Complex. Much of the conflict that

arose over trying to save the Complex could have been avoided if there had been an open dialogue between the BNMC and the community. The BNMC had been under the belief that they had informed the preservation community adequately when there was an informal presentation to the Buffalo Preservation Board by Peter Cammarata, from BBRC, the legal owner of the building. Mr. Cammarata had been asked by BNMC to inform the Board that because of the structural and environmental concerns with the Complex, BNMC's likely redevelopment plan(s) for the site would include demolishing the Complex. In the time between that meeting and the announcement in early 2012, BNMC had made plans to redevelop the site for the purposes of building a 250,000 square foot addition to their Innovation Center located at 640 Ellicott Street, adjacent to the Complex. This building would provide medical research incubator space for start-up companies that develop from the ongoing academic research that is occurring on the medical campus. Both the relatively low ceiling heights and the environmental concerns outlined in this study of the Complex are viewed as impediments to re-habbing this structure into state-of-the-art laboratory space.

Trico Plant No. 1 Circa 1970's

After several months of planning and meetings, BNMC acknowledged that the Trico Complex deserved further analysis and temporarily shelved their plans for demolition. In April 2012, the group reorganized and BNMC asked Doug Swift Development to lead a process to collaboratively develop an adaptive reuse study for the Trico Complex in a way that balances the Buffalo Niagara Medical Campus' mission and the community expectations for the property. The BNMC has sponsored an independent Redevelopment Feasibility Study for the Trico Complex site to assess existing conditions and potential redevelopment strategies. This has been a cooperative effort incorporating professional resources, community groups and preservation organizations.

The goal is to achieve a collaboratively developed direction for the Trico site based on relevant facts and a fair evaluation of preservation and demolition options.

Approach

The BNMC agreed to undertake this effort, led by Doug Swift Development as the advisor leading the study and serving as the principal spokesperson. Doug Swift has had extensive experience in historic preservation and rehabilitation/adaptive reuse projects. Professionally, some of his projects in Buffalo include: City Centre Condominiums, the Root Building, Larkin at Exchange and Genesee Gateway. His not-for-profit experience includes chairing the restoration committee for the Darwin Martin House Restoration Corporation and Board President for the Roycroft Campus Corporation. He was a founding Board Member of Preservation Buffalo Niagara and a former Board Member of the New York State Preservation League. Additional members of the consultant team include the following:

- Architectural Resources, who provided overall coordination, administrative support, architectural concept development and renderings, as well as building code/zoning interpretations. Architectural Resources was chosen because of their extensive work planning and evaluating various components of the Medical Campus. They were also familiar with the Trico Complex through previous work for BNMC.
- Foit-Albert Associates, who provided historical preservation, structural engineering and environmental engineering consulting. Foit Albert was chosen because of their vast knowledge of the Complex through their work with the previous developer, Steve McGarvey, twelve years ago. In-house they have professional experts in historic preservation, environmental engineering and structural engineering, making them ideal to holistically analyze the Trico Complex from the three main factors impacting it.
- Baer and Associates who provided construction cost estimating. Baer is well known for having an extensive resume in the field of construction cost estimating.
- Militello Realty who provided market assessment analysis of potential reuse options. Militello has decades of experience marketing and analyzing the real estate market in the Buffalo metro area. Miltello's analysis and knowledge of Buffalo's real estate market forces is widely regarded.
- Harvey Garrett and Monica Pellegrino Faix who provided community liaison and outreach services. Harvey is a well-known community activist and preservation advocate. He volunteered to help coordinate the early Preservation Roundtable Committee meetings and led the discussions with BNMC. Monica is the Project Coordinator for the Richardson-Olmsted Complex and is trained as an urban planner. In June 2012, she took over Harvey Garrett's role as volunteer coordinator for the Roundtable meetings.

In April 2012, the consultant team approached a group of interested individuals, community representatives and preservation organizations to serve on an Advisory Committee to assist with this process. Mark McGovern was part of the Committee, representing the BNMC. Representing the ownership interest, Peter Cammarata from BBRC was part of the discussions. Real estate developer Rocco Termini was asked to join the Committee because of his expressed interest in the project and his historic rehabilitation experience. Tanya Werbizky from the New York State Preservation League and Elizabeth Martin from the New York State Office for Historic Preservation (SHPO) were included in the process in order to both inform this study as well as to be kept

informed of the progress of the process. To better familiarize themselves with the Complex, Elizabeth Martin and Julian Adams from SHPO toured the facility led by Doug Swift.

After two meetings where the Committee was asked to participate in a collaborative process to inform the results of the study, it was proposed that the study would best be served if the consultant team researched and produced the results to the Committee for their comments and questions. The process was flexible and fluid. In June and August 2012, two Roundtable meetings were held with interested parties to update the preservation community on the status of the consultant team's progress. The process has been open and engaging, recognizing that there are strong opinions throughout the community regarding the future of the Trico Complex. The intent has been to gather all relevant information regarding the condition of the building, as well as recognize the strong desire to redevelop the Complex. This report aims to provide as comprehensive an analysis as possible of previous environmental and structural studies, as well as provide updates to the existing conditions. The final result is a thorough assessment of the challenges and benefits of redeveloping the Trico Complex, while exploring the range of options available for redevelopment. Beyond looking for practical solutions to rehabilitating all or part of the Complex, the purpose of this study is to attempt to create a roadmap for a process that could inform future preservation/development conflicts in Buffalo.

Overview/Executive Summary

The purpose of the Trico Complex Redevelopment Feasibility Study is to realistically look at several development options, based on professional analysis of its current conditions, assumed programmatic end uses, detailed estimate of construction costs, potential funding sources and income projections. There are obviously many variables to the development scenarios outlined in this report, but any potential developer looking at different footprints will be able to extrapolate the overall square footage costs. This study is not intended to answer all the questions needed to determine the feasibility of a rehab project, but it provides a great deal of the due diligence necessary for a developer to make an informed decision on whether or not to proceed with a development project. While one goal is to redevelop the entire Trico Complex, partial reuse and stabilization/ mothballing options have also been considered.

Many factors are influencing the ultimate decision on future redevelopment of the Trico Complex:

- The structure's historic importance has been well documented through Foit Albert's research for its nomination for inclusion on the National Register of Historic Places, as well as the SHPO Parts One and Two documents that were part of a previous developer's intent to rehabilitate it.
- Historic preservation of Buffalo's architectural heritage is seen as playing a significant role in its ongoing economic development strategy, as well as positively impacting the quality of life of its residents.
- Similarly, the ongoing development of our Buffalo Niagara Medical Campus plays a key role in Buffalo's future.
- Buffalo's real estate market has long been recognized as having many challenges. While there have been several new and exciting projects that have been developed in recent

years and several have been announced for the near future, the economic realities of our City's market make each project a unique challenge.
- One of the unknowns that currently affects many development decisions in Buffalo is the future of the HSBC building. Should HSBC vacate their tower, it would cause a ripple effect on the commercial real estate market and rent structure throughout the downtown area.
- The Complex was left in a state of disrepair for over a decade when the previous owner went into bankruptcy and ultimately died. During the early phases of his redevelopment project, much of the roof was removed and never restored. This left a majority of the structure exposed to water infiltration and further damaged through years of the freeze/thaw cycle.
- When the Trico Company vacated the Complex, they left behind several areas that were severely contaminated with a variety of toxic spills. This contamination was exacerbated by the continuous exposure to rain water.

The Trico Complex has found itself in the crosshairs of a "perfect storm" surrounding the conflict that occasionally arises between all of these factors. The study does not make a recommendation on a preferred development option. It lays out the factors that affect each scheme's feasibility, with the explicit intent to provide information so that a developer can make an informed decision on how they might proceed with a project. While the preservation of the entire historic asset is preferred, it must be understood that the feasibility of that goal, especially with such a massive structure that has been neglected and compromised, may not be financially feasible or fundable.

Guiding Principles

The Guiding Principles of this study include the following:

- A "preservation first" approach
- Acknowledgement of the embedded value of the Trico Complex
- Reuse scenarios with historic, environmental, structural and financial analysis and impacts
- Analysis within the context of the BNMC's goals and the City of Buffalo's economic development strategy

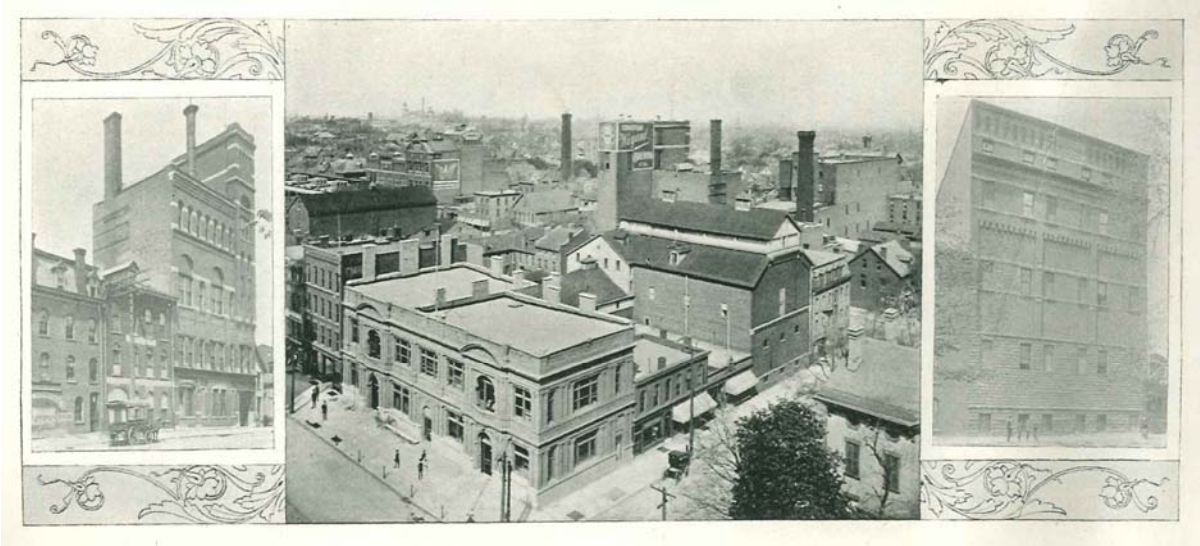
These Guiding Principles arose from an attempt to find a balance between the expectations of the preservation community and the goals of the BNMC. The consulting team has found that while disagreement exists, there is also much common ground to build consensus. All the groups involved agree that historic preservation is an important force driving Buffalo's resurgence and contributing to its quality of life, and that saving the Trico Complex would be an important milestone for that effort. Likewise, all parties agree that the mission and work of the BNMC is vital to the future economic vitality of the City. Finding a balance requires a "mutual gains" approach that acknowledges the validity of all opinions. It is the hope of the consulting team that, regardless of the ultimate development decision, everyone agrees that all sides have been heard and respected.

Process

1. Existing Conditions of the Trico Complex

Construction Phasing

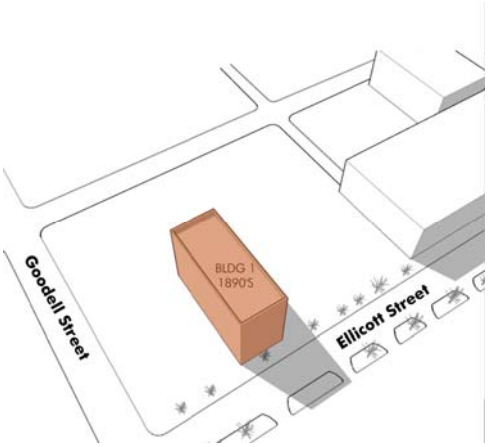
The Trico Plant No. 1 complex was the first factory built by Trico, a major manufacturer of windshield wipers. Founded by local Buffalo businessman John R. Oishei and John Jepson to market Jepson's windshield wiper blade invention, Trico had first rented manufacturing space in North Buffalo. In 1919 the Pierce Arrow Motor Company contracted the manufacturer to supply manually operated wipers for its luxury cars, and in 1920 Cadillac, Packard, and Lincoln did the same. The quickly growing business purchased and moved its operations to the former cold storage facility of the Christian Weyand Brewery at 624 Ellicott Street, which recently had been vacated due to enactment of Prohibition. A common misconception is that the Trico Plant No. 1 structure is a single building; in reality the complex is comprised of multiple building additions and expansions on a single site. The first building, the Christian Weyand Brewery Co. Cold storage building, was constructed in the 1890's, and purchased by Oishei in the 1920's. The balance of the buildings that comprise the Trico Complex originate from the mid 1920's to the late 1950's. From 1924, for over a decade, there was a near continuous cycle of new construction and additions to the complex.



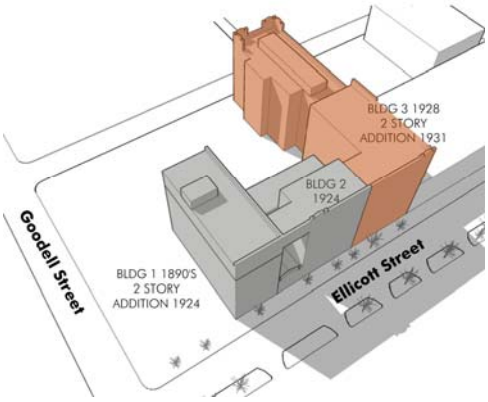
Weyand Brewery: Brewers Association book 1897

The original four-story, 40,000 square foot brewery building's brownstone and brick facade can still be seen from Ellicott Street surrounded by newer parts of the factory, and is known as Building No. 1. The building is a load bearing masonry structure and was constructed in the 1890's for the Weyand Brewing Company at a time when several large breweries were located in a predominantly German American neighborhood. Christian Weyand (1826-1898), a German speaking shoemaker from the Lorraine region in eastern France had earlier partnered with John

Schetter to start the brewing business. Shortly after the inception of the partnership his two sons joined him in the business. Weyand expanded the brewery to a capacity of over one million barrels per year, and built the ice house as a storage facility. The ice house is the only surviving part of the Weyand Brewery, and Oishei's decision to adapt and reuse the brewery building preserves one of the few remnants of Buffalo's once flourishing beer-making industry.

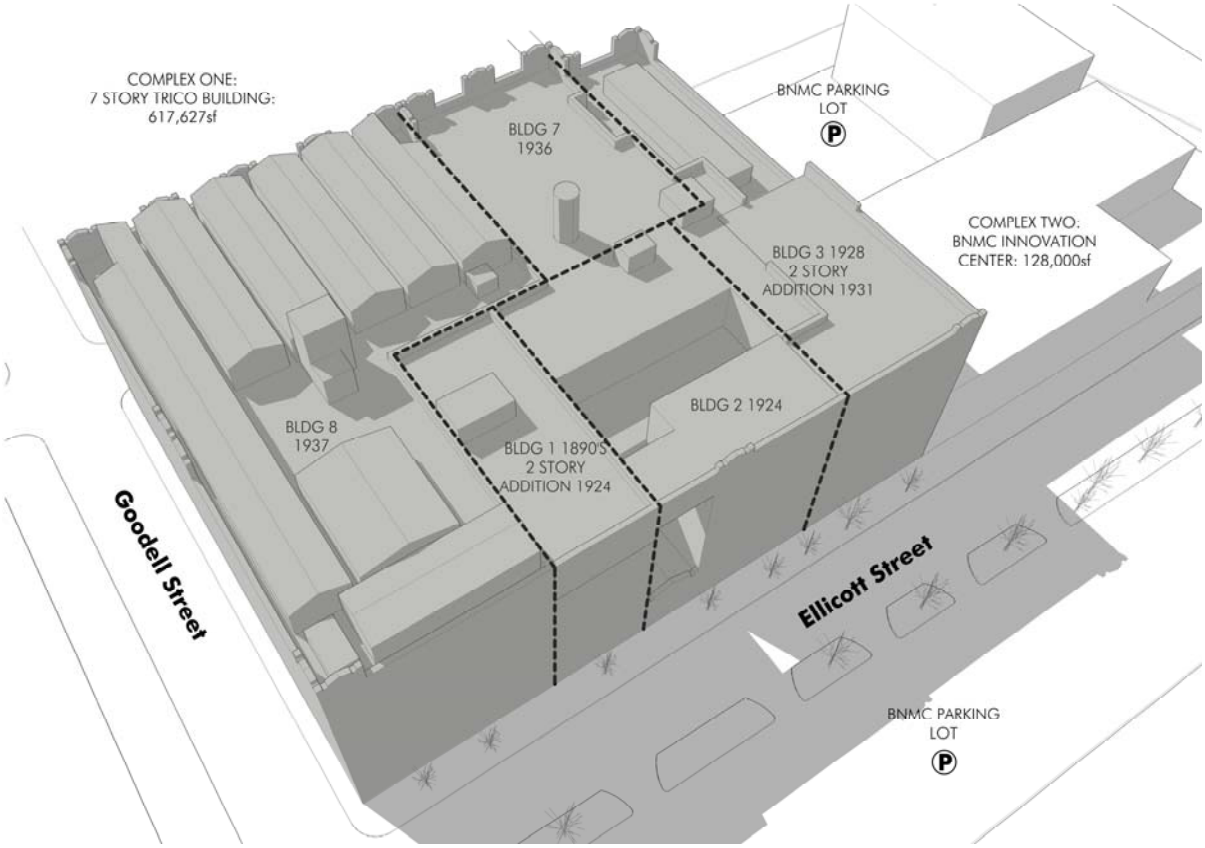


As the automobile industry grew, the Trico Windshield Wiper Company also grew. In 1922 the company became the supplier of automatic windshield wiper systems to Cadillac. Initial work expanding the factory began in 1924 when the Buffalo architectural and engineering firm of Harold E. Plumer and Paul F. Mann were brought on to erect a four-story reinforced concrete building. This new building would be known as Building No. 2, and is located a short distance north of the Weyand storage structure on Ellicott Street.



Additional buildings followed in the ensuing two decades, including a two story addition to the top of both Buildings No. 1 and 2. In 1928 Building No. 3 was constructed to serve as the business center of the company and less than 3 years later it too received a multiple story addition. Buildings 4, 5 and 6 (which no longer remain) and building No. 10 were built prior to 1923. By the completion of Building No. 8 in the late 1930's, Trico had taken up the entire block bounded by Burton, Washington, Goodell, and Ellicott Streets and the majority of the next block north on Ellicott. At an undetermined time in the development of the complex, metal structures were added to the roof of Building No.8.

The complex of buildings was used by Trico for the manufacture of windshield wipers and related automotive parts until 1998, when for business reasons the plant was closed and all operations were transferred to Texas and Mexico. The property was subsequently purchased by Pennsylvania developer Stephen McGarvey with the intention of turning the complex into a mixed residential and commercial center. As part of redevelopment, McGarvey successfully applied to have the site listed on the National Register of Historic Places. Unfortunately after the redevelopment had commenced McGarvey unexpectedly died, followed soon after by the bankruptcy of his estate, and all work on site was stopped. Buildings No. 9 and 10 were subsequently purchased, rehabilitated and utilized by the Buffalo Niagara Medical Campus Innovation Center, a biomedical business incubator. The remaining parts of the plant have remained vacant and are currently owned by Buffalo Brownfield Restoration Corporation, with Buffalo Niagara Medical Campus holding the rights as designated developer. In 2012 BNMC sought to further develop the Innovation Center with new construction on the Trico Complex property.

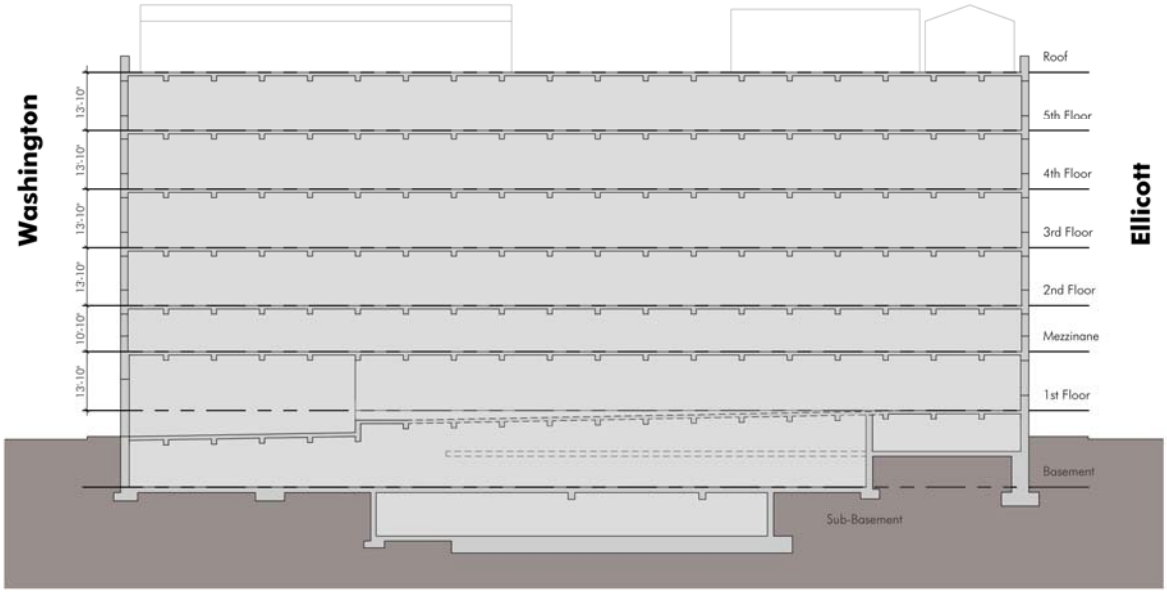


Trico Plant No. 1 Complex building division

The Trico Plant No.1 Complex as it stands today is one of the largest structures in the City Of Buffalo, with the following gross square footage per story and total (roof area is not included in the total square foot tabulation):

Basement	87,722	sf
First Floor	87,722	sf
Mezzanine Floor	84,810	sf
Second Floor	84,810	sf
Third Floor	84,794	sf
Fourth Floor	84,794	sf
Fifth Floor	76,939	sf
Roof	87,722	sf
Roof Top Structures	26,036	sf
Total Square Footage:	617,627	SF

The majority of the complex is considered an example of what is architecturally termed a Daylight Factory. The daylight factory is well represented in Buffalo. In addition to Trico Plant No.1 Complex, excellent local examples include the Larkin R/S/T Warehouse, currently known as Larkin at Exchange, the Pierce Arrow Building and the Buffalo Meter Company building. Another example, currently called the Tri-Main Center, was built by the Ford Motor Company in 1915 and later purchased by Trico and named Trico Plant No. 2. This architectural type is highly valued for redevelopment for a number of reasons. From an aesthetic perspective the brick exterior is appealing, often with detailing that today would be considered too expensive to undertake as new construction. Typically windows are high continuous strips only interrupted by structural columns at regular intervals. Most floor-to-floor and sections of individual floor plates are the same floor plan and height, resulting in an economy of scale when purchasing materials and considering a design. Having similar sized windows provides an economy of scale for maintenance, repair and/or replacement, as it is more cost effective to replace windows when there are fewer differences in dimensions. Trico Plant No.1 Complex has some of these daylight factory advantages. However, the sprawling nature of the complex, with multiple buildings constructed over time, means floor plates in different buildings are at different elevations and often subdivided by structures that would have to be removed before any conclusive assessment of each floor plate could be completed.



Typical Building Section

One initial obstacle is the elevation of the first floor. While the loading docks on the Washington Street elevation are at grade, the majority of the first floor is approximately 6' above sidewalk grade. This is a challenge in terms of resolving first floor access for potential commercial programs, although a similar issue has been resolved at the Tri-Main Center with split-level entries. While no solution to this issue has been proposed, it likely will be a challenge to provide a solution that is spatially efficient and also meets requirements for Americans with Disabilities Act (ADA) access. Another issue to consider in redevelopment is the aesthetics of new construction in

the basement, since approximately 6' of the basement level visible from grade. Much like at the Tri-Main Center, some of the periphery basement spaces at entrances should be utilized for such services as building management offices, although this may require the construction of a new subfloor since the basement has a floor to floor height in excess of 20'.

The property is currently zoned General Commercial (CM), with permitted uses ranging from residential to light manufacturing, although this wide range of options may be reduced with the introduction of the new zoning code that Buffalo will be adopting within the next year. Whatever the new zoning requirements are for the property, zoning should not be seen as a challenge to any potential redevelopment as it is assumed that the City of Buffalo will support any re-zoning if required.

2. Assessment of Issues Impacting Redevelopment

The consultant team has spent an extensive amount of time reviewing previously completed studies and reports. Large format construction documents dating back to the turn of the twentieth century have been scanned and incorporated into the review process. The consultant team has spent a considerable amount of time in the field examining the complex and analyzing the issues, size and complexity.

Environmental

Introduction

Foit-Albert Associates (FA) was contracted to evaluate the current and past environmental conditions of the complex of buildings commonly known as the Trico Complex. The purpose of this investigation was to evaluate recognized environmental conditions associated with the property and to provide recommendations for additional investigations prior to the redevelopment of the site.

Methods

The scope of work for this project consisted of a document and records review, a site reconnaissance, and the production of this report.

A review of existing public records, prior environmental reports, fire insurance maps, and agency database reports was conducted to characterize environmental features of the site and to identify past and present land use activities which may indicate the potential for recognized environmental conditions. The following environmental reports were reviewed during this investigation:

- Targeted Phase II Environmental Site Investigation Sampling Report for the Century Centre I, Six-Story Trico Production Facility, 791 Washington Street, Buffalo, NY, May 2007.
  Prepared by Watts Architecture and Engineering, P.C.

- Limited Phase II Environmental Site Assessment of the former Trico Plant I Facility, Buffalo, NY, January, 2002.
  Prepared by URS Corporation, 282 Delaware Avenue, Buffalo, NY.

- Phase I Environmental Site Assessment for Century Centre I, North Parking Lot, Ellicott and Virginia Streets, Buffalo, NY, January 12, & April 7, 1999.
  Prepared by Microbac Laboratories, Inc. Erie, PA.

- Phase I Environmental Site Assessment, 77 Goodell Street, Buffalo, NY June 1999.
  Prepared by Acres International Corporation, Amherst, NY

- Phase I Environmental Site Assessment for Century Centre I, Former Trico Plant I – 817 Washington Street, Buffalo, NY, May 31, 2001.
  Prepared by Microbac Laboratories, Inc. Erie, PA.

- Phase I Environmental Site Assessment for SoftBank Office Building – 817 Washington Street, Buffalo, NY, January 12 & April 7, 1999.
  Prepared by Microbac Laboratories, Inc. Erie, PA.

- Phase I Environmental Site Assessment for the Century Centre I, 640 Ellicott Street, Buffalo, NY, January 2008.
  Prepared by Prepared by Watts Architecture and Engineering, P.C.

- Phase I Environmental Site Assessment for the Century Centre I, Six-Story Trico Production Facility, 791 Washington Street, Buffalo, NY, December 2006.
  Prepared by Prepared by Watts Architecture and Engineering, P.C.

- Former Trico Manufacturing Building, Environmental File Review, April 5, 2007.
  Prepared by Benchmark Environmental Engineering & Science, PLLC

- Draft Generic Environmental Impact Statement for the Innovation Center Expansion Project, 791 Washington Street, Section 111.31, Block 1, & Lot 1.11, Buffalo, NY. December 29, 2011.
  Prepared by Liro Engineers, Inc.

- Pre-Renovation Survey for Lead Based Paint, Trico Building, 817 Washington Street, Buffalo, NY, December 2001.
  Prepared by Watts Architecture and Engineering, P.C.

A site reconnaissance was performed on June 5, 2012 to identify visual signs of past or existing contamination on or adjacent to the site and to evaluate any evidence found in the review of existing documents and public records that may be indicative of activities resulting in hazardous substances or petroleum products being used or deposited on the site. The site reconnaissance included the following:

- A visual reconnaissance of the site and adjacent properties to observe signs of spills, stressed vegetation, buried waste, underground or above ground storage tanks, transformers, unusual discoloration, and evidence of current or prior hazardous chemical use and/or storage.
- The periphery of the complex and all floors of the complex except the subbasement were observed.
- Areas of the site were photographed to document the current use of the property as well as significant conditions such as unusual discolorations, stressed vegetation, standing water, and other environmental conditions.

Results

The site had been developed for more than 150 years and was used for heavy industrial purposes for the majority of this time. As previously documented in several environmental reports, hazardous materials and petroleum products have been used during the previous operations. Elevated levels of heavy metals and PCBs remain throughout the complex. The results and conclusions presented in this report are consistent with prior reports

Since the 1980s, the complex has remained vacant and currently has extensive water damage from water infiltration throughout the complex. Plant operations such as electroplating, die-casting, rubber extrusion and metal fabrication took place on each floor of the complex and are documented on site maps attached to this section.

The following recognized environmental conditions were observed during the site reconnaissance and report review:

- The complex was previously sampled in 1994 and asbestos containing material was detected in approximately 43,000 square feet of material. This report should be reexamined to evaluate if all building materials were sampled. This material will need to be properly abated prior to any renovations or demolition.

Second floor sheet flooring material which is potentially asbestos containing.

- Lead based paint was detected in the sampling conducted in 2001. This report should also be reexamined to evaluate if all paint types in the complex were sampled.


Various paint colors and types that are chipping throughout the building.

- Debris was observed on each floor of the complex and much of it consisted of paint chips from the various building materials. There was no indication that this material has been sampled to date.


Debris of building materials located on floors throughout the building.

- Mold was observed in various parts of the complex. There was no indication in previous reports that any mold sampling had been conducted.

Mold and moss growth on the 6th and 4th floors respectively.

- Heavy metals, PCBs, and SVOCs have been detected in multiple wipe samples and a concrete sample collected from the fifth floor ceiling of building 8E. It should be noted that the 5th floor ceiling in this area, and others, have heavy discoloration. Based on the report review, the last sampling activities took place in 2007 and the site conditions have worsened since this time due to water infiltration. Previous areas that had detected concentrations of certain contaminants may now be present in other areas previously sampled or not detected.

The effects of water infiltration on the building conditions that may have impacted the potential spread of contaminants throughout the building.

The areas identified in the previous sampling reports identified the following areas as having elevated concentrations of PCBs:

a. Basement oil storage, truck repair, machine shop, and plastic molding shop



Remaining transformers and oil storage located in the basement.

b. First floor zinc dye casting and spring coiling areas (Building 8W)
c. Third floor chemical storage (Building 1) and motor assembly areas (Building 8W)


The former chemical storage room (Building 1) with heavy red staining on the floor.

d. Fourth floor rubber extrusion (Building 8E) and rubber lab areas (Building 1)
e. Fifth floor machining operations (Building 8E), product assembly (Building 8W), and barrel plating machine areas (Building 2)


Staining on the ceiling of the fifth floor, in the former machining operations area.

f. Sixth floor product assembly (Building 8W) and degreasing unit (Building 3) areas.

Area of the former trichlor degreasing unit and plating area.

- There are approximately 144,000 gallons of water in the sub-basement. PCBs and low levels of heavy metals were detected in a grab sample collected during the 2007 investigation. This water will require remediation prior to discharge into the city sewer system. Previous environmental reports document oil stained debris located in the sub-basement prior to the water infiltration. The sub-basement was not accessible during this investigation.

- According to the previous reports, the air quality in the complex has not been documented as there was no indication of air sampling.

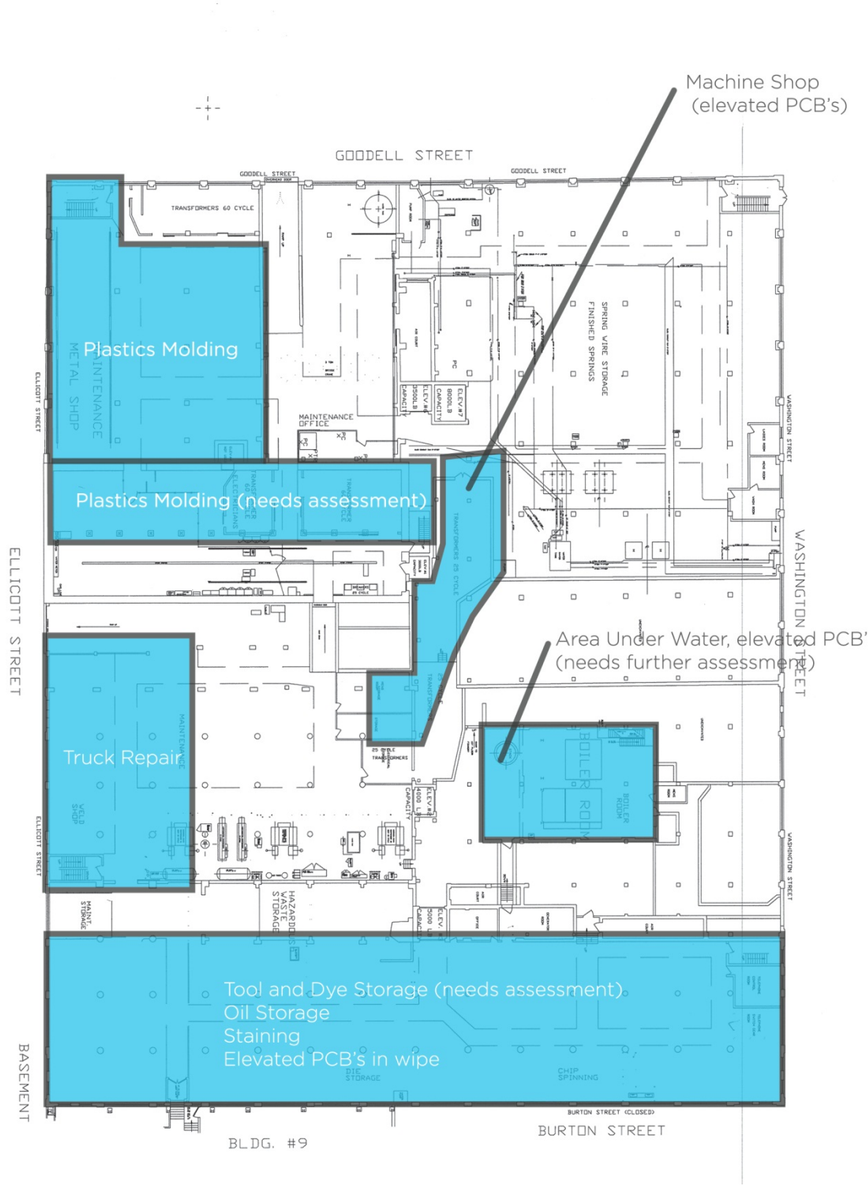
- The soil and ground water up gradient and down gradient from the Site have not been fully evaluated. It is unknown if subsurface contamination is entering the site from an off-site property or if the site is impacting the soil and ground water.

Environmental Conclusions

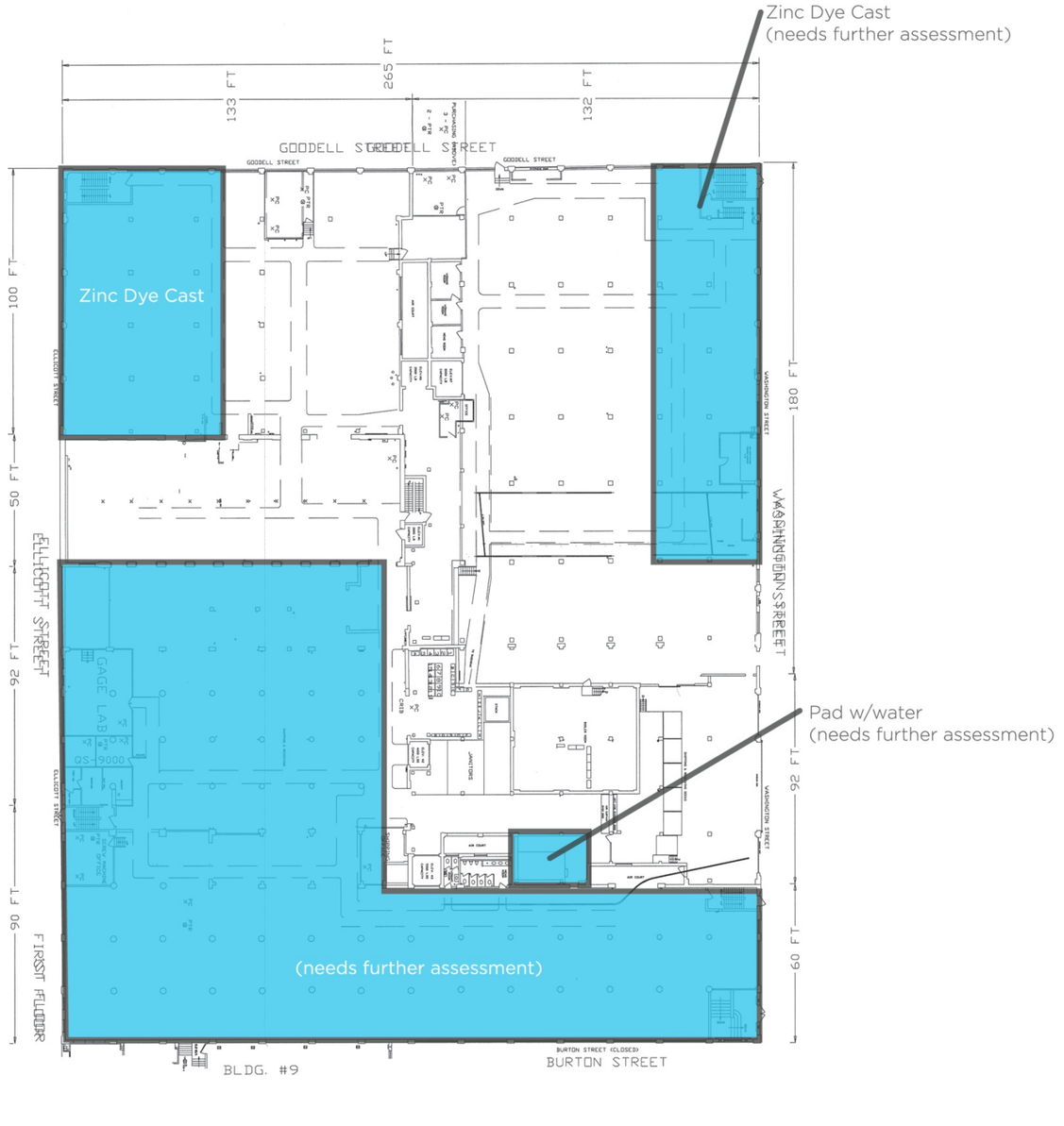
Due to changes in the existing site conditions associated with the water infiltration, Foit Albert recommends that additional sampling be conducted at the Site. Based on the review of existing reports, site assessment and visual inspection, Foit Albert produced a draft Sampling and Analysis Plan that recommends additional samples of water, concrete and other building materials to be samples based on the information reviewed. This plan included concrete, wipe and water samples from each floor and some ceiling areas of the complex prior to any renovation or demolition activities. The sampling should be conducted in areas of the complex visually identified as being impacted or collected from areas identified in the previous reports and historic operations where hazardous materials and/or petroleum products were used and stored. Additionally, dust and building debris located throughout the complex will need to be sampled to evaluate disposal options.

Based on the results of the additional sampling, a comprehensive remediation and decontamination work plan should be developed for the entire complex. There may be certain areas of the complex that may need to be removed. It may be feasible to locate penetration features within the plans to make best use of the remediated areas. The approximate 144,000 gallons of water located in the sub-basement will need remediation prior to disposal to a city sewer system. Based on previous reports and historical data, the air quality in the complex has not been evaluated. If this is of concern, FA recommends air sampling to be conducting prior to occupancy. Lead based paint and asbestos containing materials will need to be abated by a licensed contractor prior to renovation or demolition activities. This includes materials that have fallen off of substrates and are collected on the floor. If the soil and ground water beneath the site are of concern, Foit Albert recommends a limited soil and ground water sampling plan.

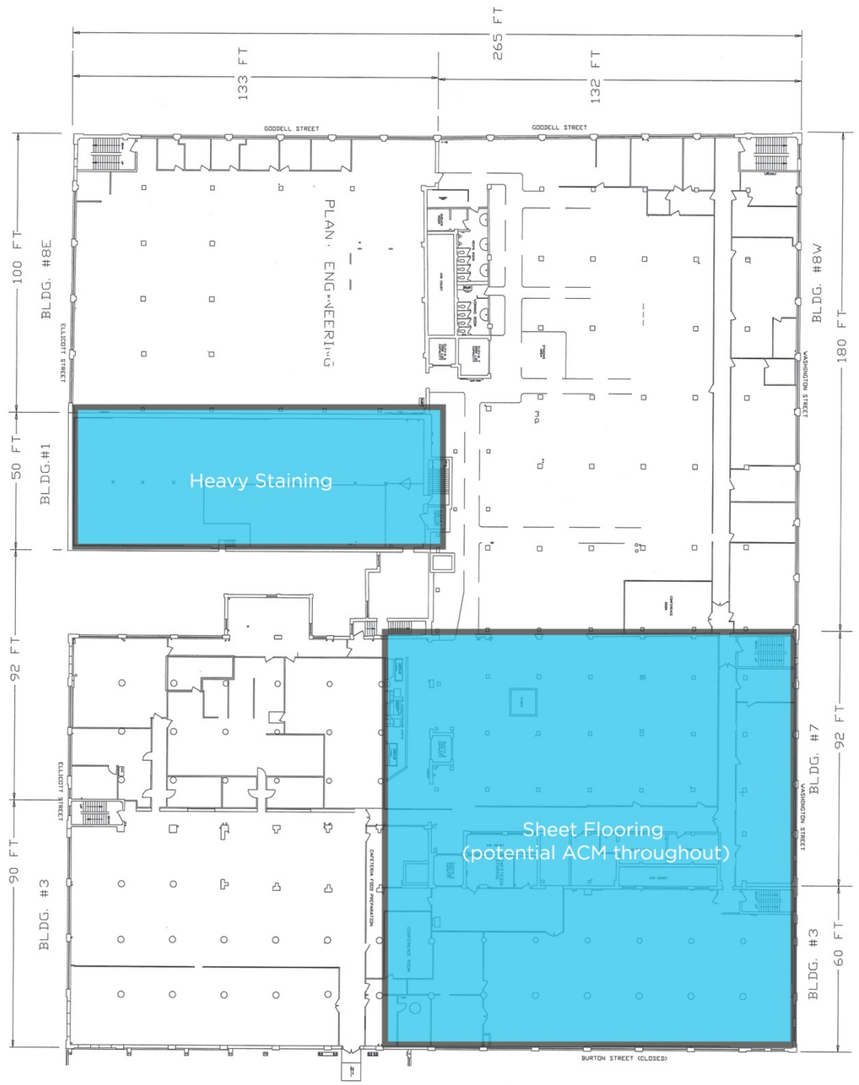
The following floor plans document the areas of environmental concerns. North is to the bottom of each Page.



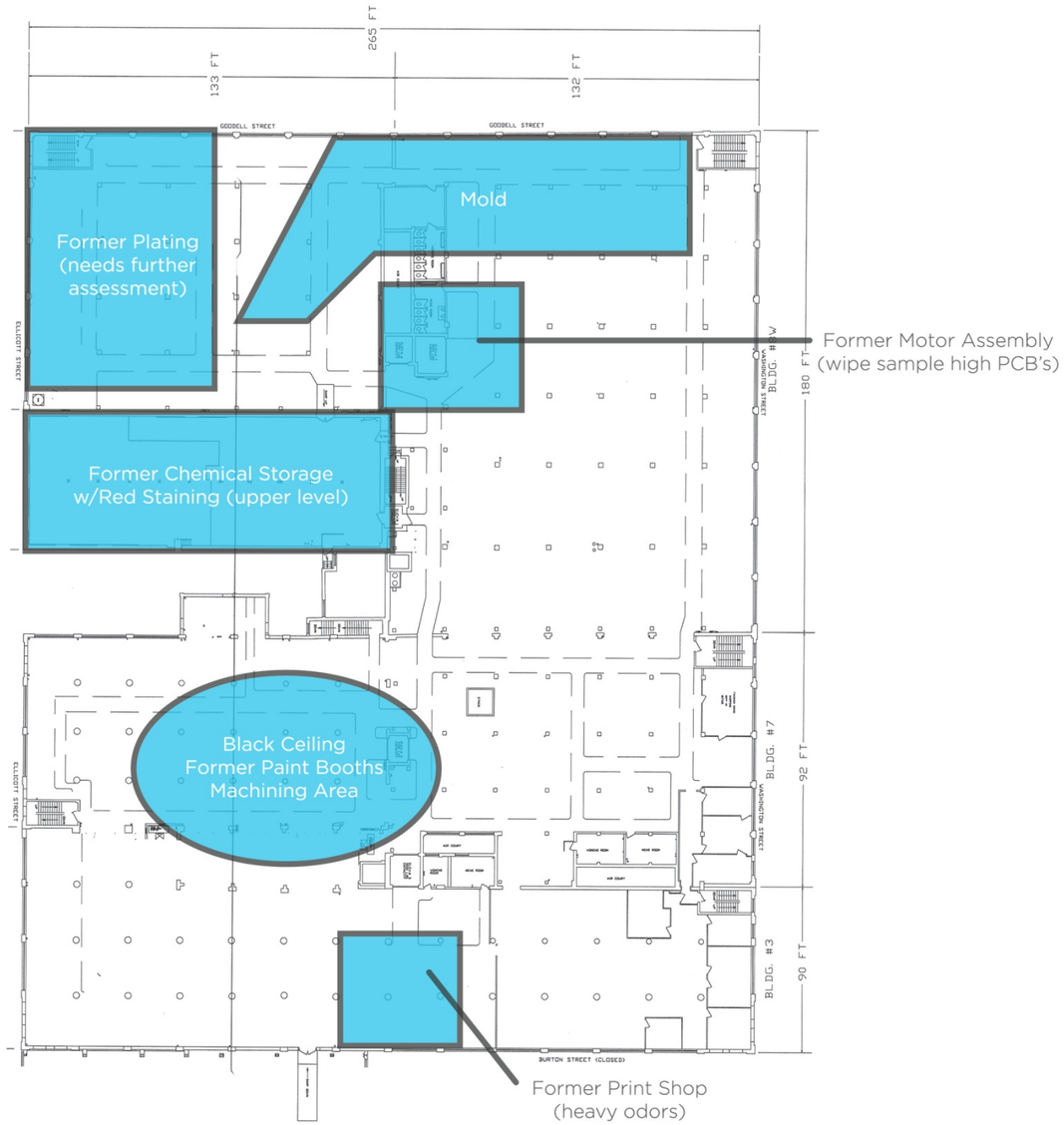
Basement



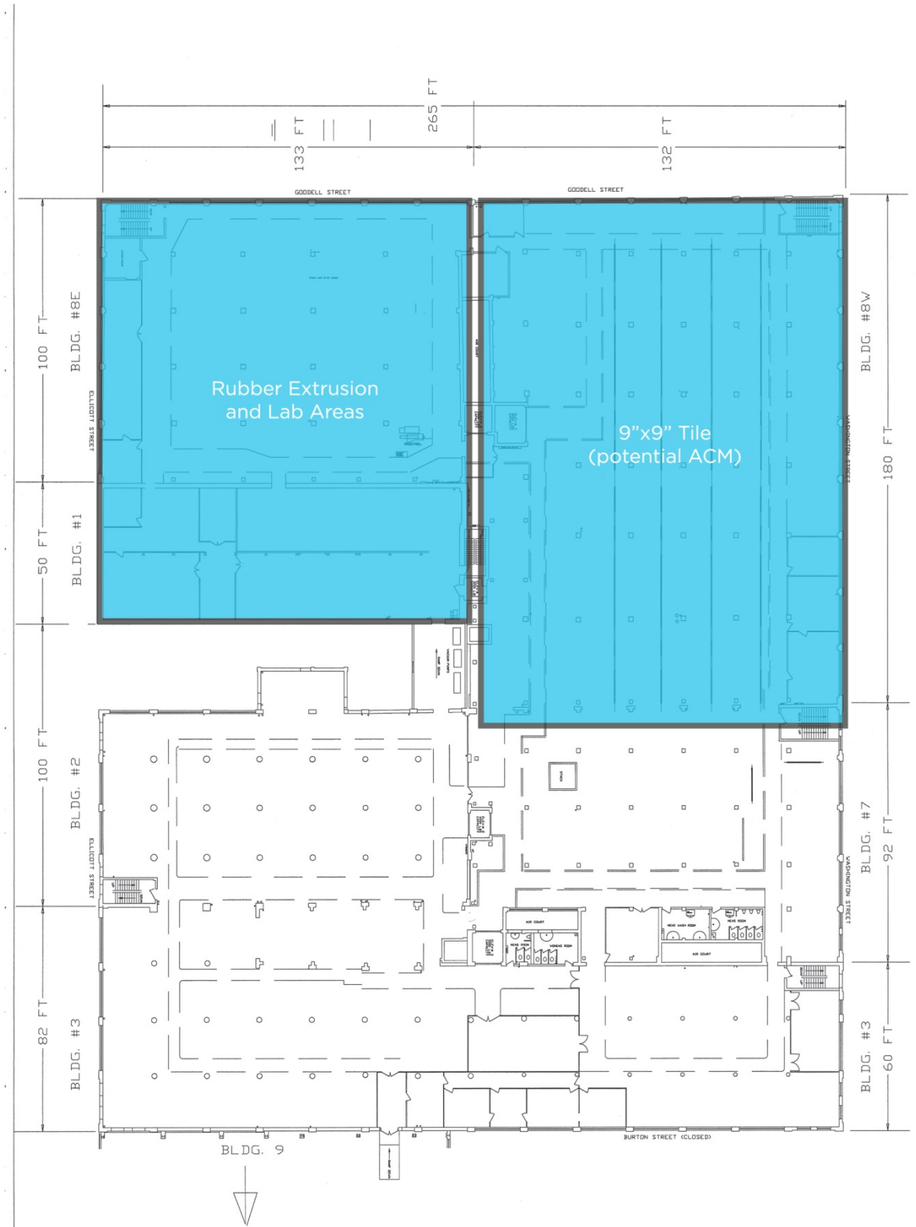
First Floor



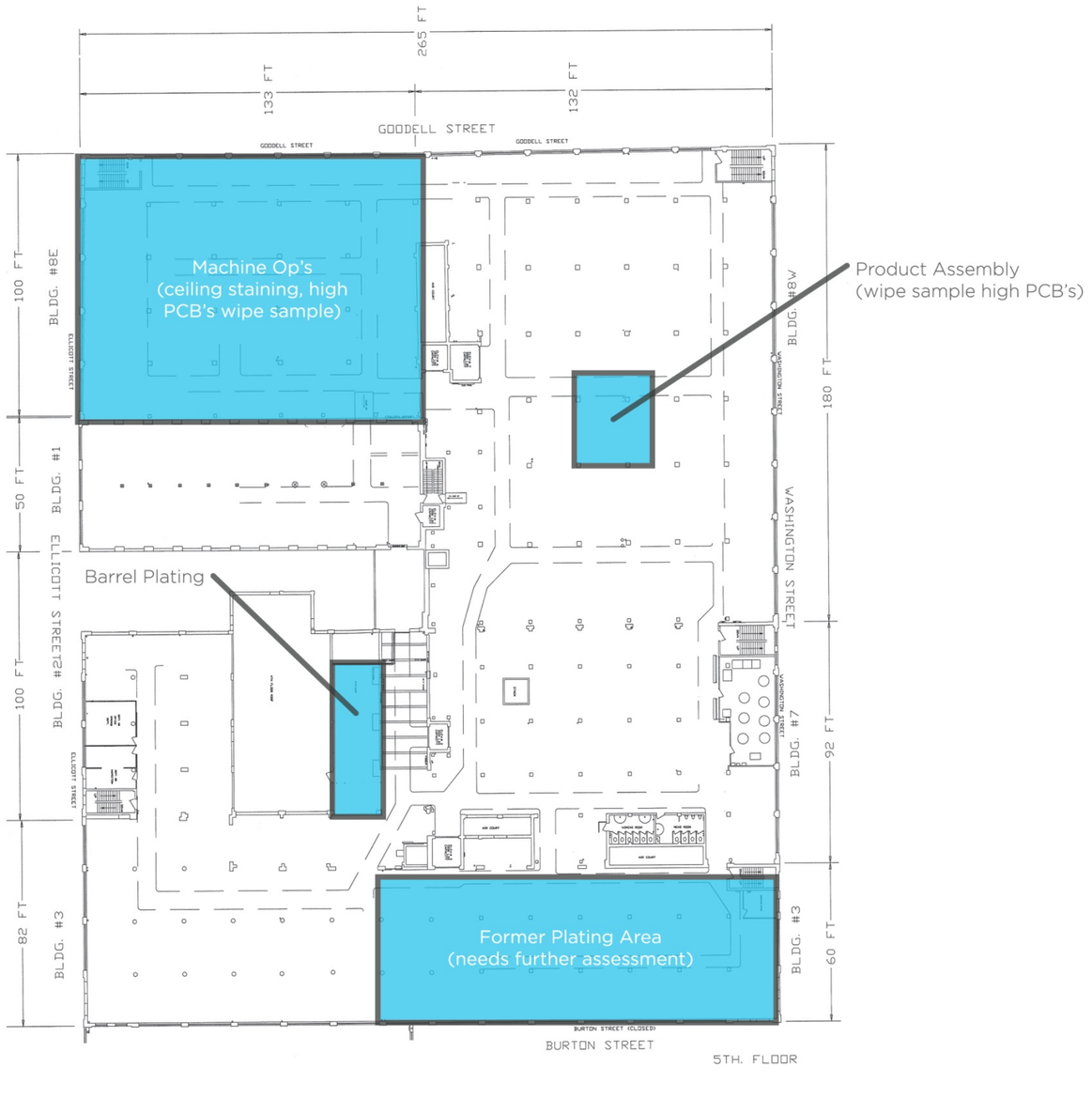
Mezzanine



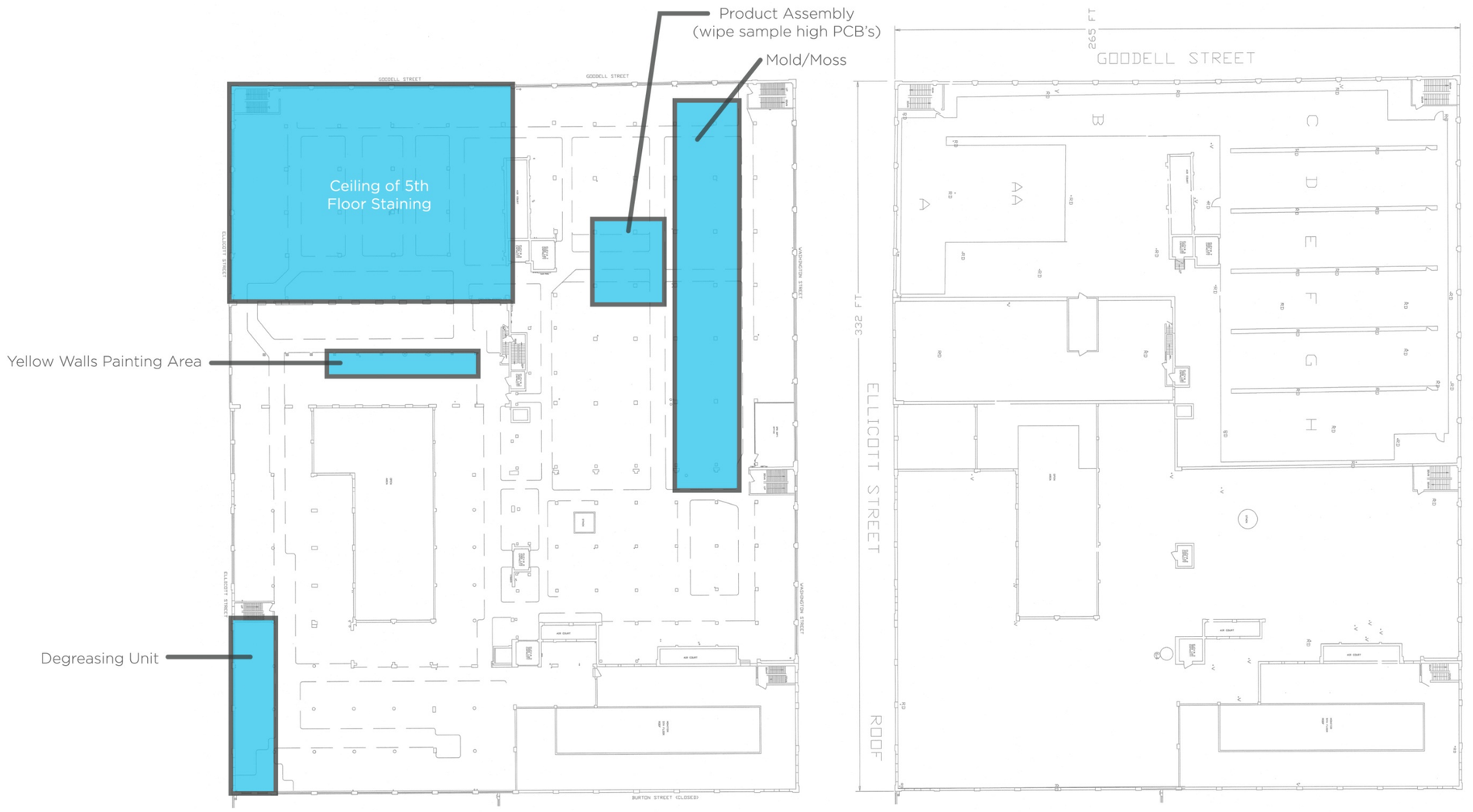
Second Floor



Third Floor



Fourth Floor



Fifth Floor

Roof Plan

Structural

Foit Albert Associates was commissioned to perform an evaluation of the building commonly known as the Trico Building. Rather than consider this as the Trico Building, it is more appropriate to consider it a "complex." The Complex is actually an assemblage of five structurally independent building units known as Buildings 1, 2, 3, 7, and 8. The complex consists of three distinct structural types. Building 1, the oldest building unit of the complex, is an unreinforced load-bearing masonry structure with riveted iron or steel floor framing in the lower four floors. Substantial amounts of the masonry walls were removed to accommodate openings into the adjacent buildings as the complex developed as a manufacturing facility. The upper two floors were added during the evolution of the structure and were apparently configured to match the floor elevations of Building 8 and the bridge to Building 2 at the sixth floor level. Buildings 2 and 3 are cast-in-place, reinforced concrete frame structural systems with two-way reinforced concrete deck slabs. Buildings 7 and 8 are steel frame structural systems with one-way deck slabs spanning intermediate stringers. All the steel framing is encased in concrete, presumably as fire protection. Where necessary to make attachments for equipment in the factory, there are numerous locations where small areas of encasement were removed. Decks appear to have concrete topping overlaid on the structural deck.

The complex has been examined on two prior occasions: in 2006 by Trautman Associates in anticipation of decommissioning the complex, and in 2007 by Siracuse Engineers in a letter addressed to the Buffalo Urban Development Corporation. The contents of these reports were used as a baseline from which to examine the complex for this report. On June 8 and June 11, 2012, a team of structural engineers from Foit-Albert Associates examined the exterior faces of the Ellicott Street and Washington Street elevations of the complex by man lift. The North and South elevations were examined from the ground and appear to have conditions consistent with areas examined more closely from the man lift. It is beyond the scope of the current study to perform an exhaustive condition evaluation of every square foot of the structure's facades. The purpose was to examine the structures to determine global conditions and make planning level estimates of corrective measures that would be necessary to execute a rehabilitation of the structures.

Observations: Exterior

Using the "Siracuse report" as a basis for comparison, we examined the façade bay by bay visually and by probing and sounding the masonry and concrete with a hammer and found that conditions fluctuate from fair to poor throughout the masonry of the façade. The rooftop masonry is also generally poor to very poor throughout. There are numerous rooftop masonry structures enclosing stairwells, and elevators and other equipment that are failing, exhibiting loose bricks, and easily displaced when sounded. The elevator enclosures appear structural in nature and would likely require reconstruction or modification prior to reestablishing the elevators into service.

Condition of masonry at roof level

Conditions also generally improve from the parapet line downward to the ground, though it cannot be characterized as "good" anywhere. Conditions encountered include:

- widespread open and weathering mortar joints
- widespread hollow sounding masonry when sounded
- localized areas of wet, completely decayed mortar that could readily be probed out of the joints
- locations of loose bricks
- numerous locations of horizontal cracks in the concrete encasement and columns
- loose and scaling concrete on concrete encasement
- cracked and spalling sill blocks
- failing lintels in various states of decay from moderate rusting to complete loss of the lintel.

Typical condition of masonry on upper areas of building facade

Generally, we concur with the findings of the "Siracuse report" and note that the deterioration is continuing to slowly progress. While there is considerable deterioration of the masonry assembly, the bricks themselves are in reasonably good condition and could be reclaimed for reuse in any rehabilitation contemplated; there were only limited locations where the bricks had decayed, broken, or scaled.


Typical spalling/broken window sill


Typical crack in column encasement concrete on building facade

Typical failing lintel over window

Observations: Roof and Interior

On June 12, and continuing on June 19, we conducted a walkthrough examination of the interior of the complex. During the course of this walkthrough, we examined the accessible portions of decks, concrete encasement, and concrete frame components visually and by sounding of the deck and concrete vertical surfaces that could be reached without ladder access. We began the examination at the roof level and proceeded downward through the complex making an orderly circuit of each building unit, commencing in Building 8 and moving clockwise around the complex from Building 8 to 7, 3, 2, 1, returning to Building 8.

The roof membrane has been removed from approximately one third of the roof area, specifically: perimeter of Building 8, outside the metal sheds, interior field of Building 8, again outside the metal sheds; Building 1; Building 3. Where the deck concrete is exposed, there is severe freeze/thaw damage to the upper surface to a depth of 1½ to 2 inches deep.

There does not currently appear to be any penetrations due to this condition, but the rubble of the damaged concrete is holding water and will likely exacerbate the situation going forward. Where some form of roof membrane remains – under the metal sheds on Building 8 and where the roof membrane and ballast remain on Building 7 – the condition of the roof deck is likely much better, though a definitive statement cannot be made without more invasive investigation in these areas. It should also be noted that though the membrane and ballast exist on Building 7, where the membrane is visible at the perimeter, it is cracking and failing and water will ultimately infiltrate in these locations as well. The metal sheds on the roof of Building 8 afford some protection to a portion of the roof, but direct additional runoff to the unprotected portion of the roof deck, depositing more water on the already compromised portion of the deck slab.

Typical condition of roof in areas where membrane has been removed, heavy freeze/thaw scaling and spalling

The conditions within these separate building units range from very good, with almost no evidence of water infiltration to heavily infiltrated, with spalling and scaling concrete and isolated locations of exposed reinforcement. There are locations of spalling concrete, usually in the portions of decks immediately below the areas where the roof deck is compromised.

Underside of floor deck, Bldg. 8, note variation of condition from building face inward

Underside of floor deck, note heavy scaling and exposed reinforcement, localized condition

Building by building observations are presented as follow.

Building 1

This building evinces signs of decay within the masonry at the sixth floor level and structural distress in portions of the remaining masonry at the lower levels. Beginning in the parapets, there is complete decay of the masonry of the south wall progressing downward into the sixth floor.

Collapsed parapet at SW corner of Bldg. 1

The parapets have collapsed and the wall is collapsing, with daylight visible from the sixth floor level.

Roof penetrated as a result of collapsed masonry parapet in photo above, note ongoing deterioration of masonry wall

Conditions from moisture are better as one moves downward until the first floor. Large amounts of masonry have been removed from the south load-bearing wall to provide access to adjacent Building 8, leaving masonry columns to support the framing of Building 1. This wall is several wythes thick at this level. Several of these columns are exhibiting structural distress in the form of multiple vertical cracks through the bricks and progressing through all the wythes, evidencing the cracks on both sides. This is a serious condition that raises a question as to the continuing and future structural capacity of these elements. Deferring action indefinitely in addressing this issue could result in a collapse of a portion of the building unit.

Failing column section in lower level of Bldg. 1, note multiple vertical cracks in column face

Building 2 & 3

Slabs at upper levels show considerable leakage through the deck slabs with efflorescent stalactites on the undersides. This is an indication of progressing decay within the concrete that will require additional investigation to establish an estimate of the current load bearing capacity of these decks. Additionally, holes have been cored through the decks at several locations on several floors, presumably in an effort to avoid excessive water accumulating on the floors. This has had the effect of permitting water to advance further into the building. Conditions are generally better in lower levels, though cracks are evident in these slabs as well. The columns appear in generally good condition, though the steel protective jackets in the lower portions are rusting heavily.

Underside of deck in Bldg. 3, note efflorescence, stalactites, multiple cracks

Building 3 exhibits one case of structural distress in the column at the NE corner of the building. The column appears to be displaced laterally at the sixth floor deck level, and there is a gap between the face of the column and the spandrel masonry on the Ellicott Street face of the building. The column has been cabled back to an interior column to temporarily restrain it against additional movement, but this should only be considered a temporary repair until a more complete repair might be considered and undertaken.

Northeast Corner Bldg. 3, 6th floor column cabled back to adjacent column to stabilize

The masonry of the parapet above this location also evidences warping and displacement, further indication that structural issues exist that should not be deferred indefinitely. The cap on this column is also severely freeze/thaw damaged, crumbly, flaking and loose. This condition, along with similar delaminating concrete farther down on the vertical faces of the column, poses a safety hazard to patrons coming and going from the adjacent building if this condition is left unchecked.

Warped masonry at top of column illustrated in Previous Photo

Building 7 & 8

The deck topping exhibits cracks that, more or less, follow the lines of the stringers supporting them. This condition is pervasive throughout both buildings and on all the floors. Many bays show a single crack that runs perpendicular to the stringers and appears to emanate from construction joints in most cases. These cracks do not generally appear to be structural in nature, further investigation should be undertaken to confirm this assumption.

There is no direct evidence of distress in the steel framing systems within these building units, other than one isolated location on the second floor of Building 8, where the concrete encasement is cracking, implying some heavy rusting in the framing encased.

Cracked beam encasement in Bldg. 8, second floor, localized condition

Two large transfer beams at the first floor level of Building 8 exhibit stalactites along the bottom of the concrete encasement.

Below areas where the roofing is more or less intact, the framing and deck exhibit correspondingly good conditions with minor peeling paint and other indications of excessive humidity such as ceiling tiles having fallen. In contrast, in areas where the roofing is no longer intact, the deck shows considerable leakage, mildew, mold growth and discoloration. The condition of the encasement and enclosed framing are difficult to determine considering the obscuring effect of the mold and discoloration.

Interior masonry walls throughout all of the separate buildings at all "roofless" light wells are severely compromised. In many cases there is standing water within the shafts that has not been evacuated. This may be because of clogged drains or from backup from drains that were fed into sumps that are no longer pumped. It is anticipated that significant quantities of the shaft enclosures require high levels of masonry reconstruction/rehabilitation.

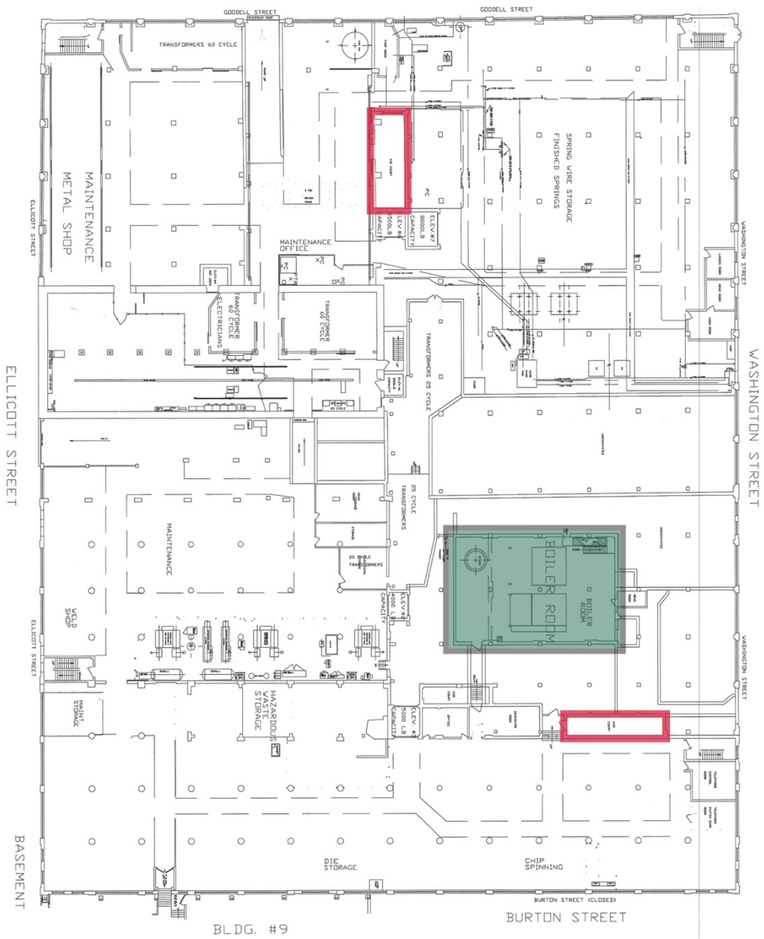
Looking down a light Well in Bldg. 8, masonry is wet and deteriorating due to continuous presence of water

Floor plans that document the areas of structural concerns are on the following pages. North is to the bottom of each Page.

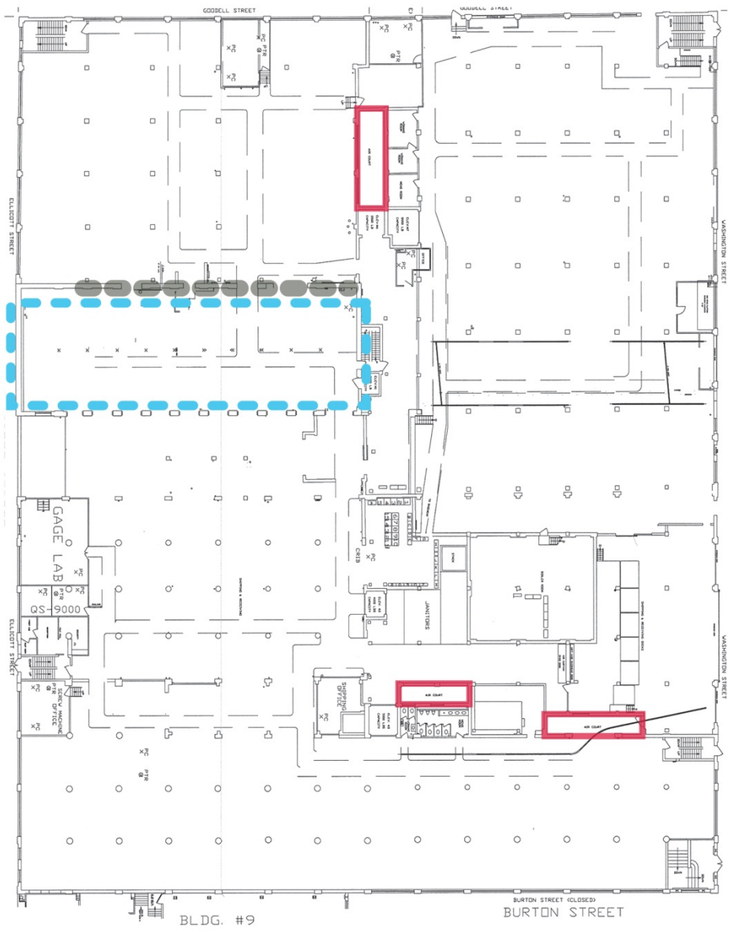
Structural Conclusions

Much, if not all, of the damage observed within the complex is a product of water infiltration and time. The lack of ventilation and heat within the complex is keeping the interior damp, though it does not appear that freeze/thaw behavior has caused substantial damage beyond the roof where the concrete is fully exposed to the cold and water. The observed damage is localized and will likely become more widespread if action to make the complex weathertight continues to be deferred.

The deterioration on the exterior of the complex is consistent with that observed on masonry buildings of similar vintages. There is considerable deterioration of the masonry, requiring action to restore it to a serviceable condition. This all appears to be consistent with masonry exposed to weather for many years. The condition of the sixth floor northeastern-most column should be addressed to protect the public below from loose concrete unpredictably and suddenly falling to the street.



Basement



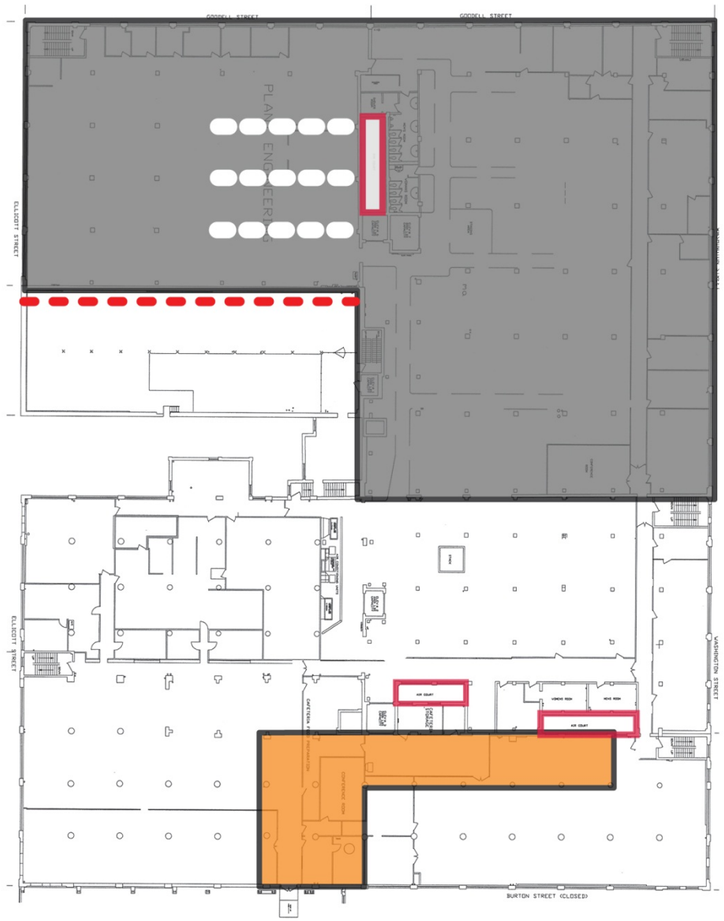
First Floor

Rebuild light well in its entirety.

Condition unknown (underwater)

Rebuild wall

Multiple locations of masonry columns exhibiting vertical cracking through multiple wythes of brick. Wall failure immanent.

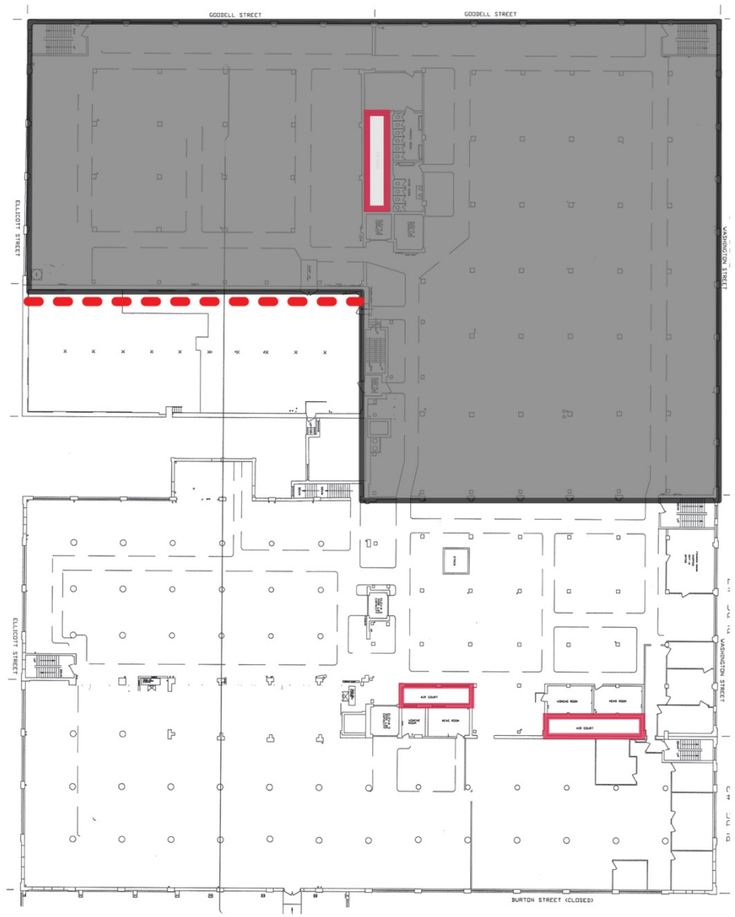


Mezzanine

Rebuild light well in its entirety.

Wall juncture at bearing wall requires further review because of possible overloading condition.

Rebuild wall

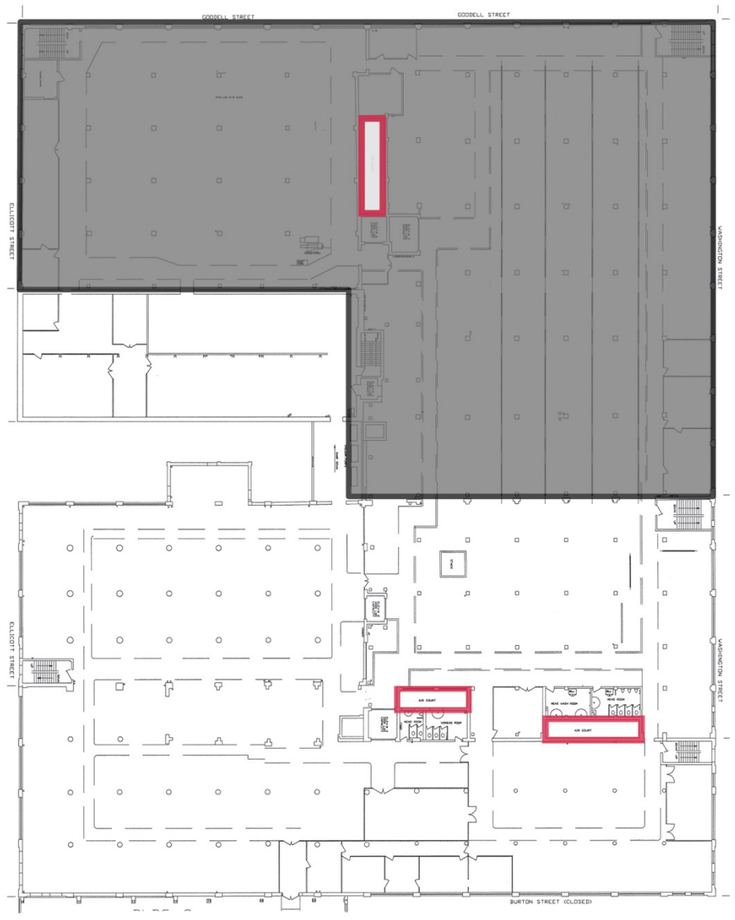


Second Floor

Parging fallen from ceiling.

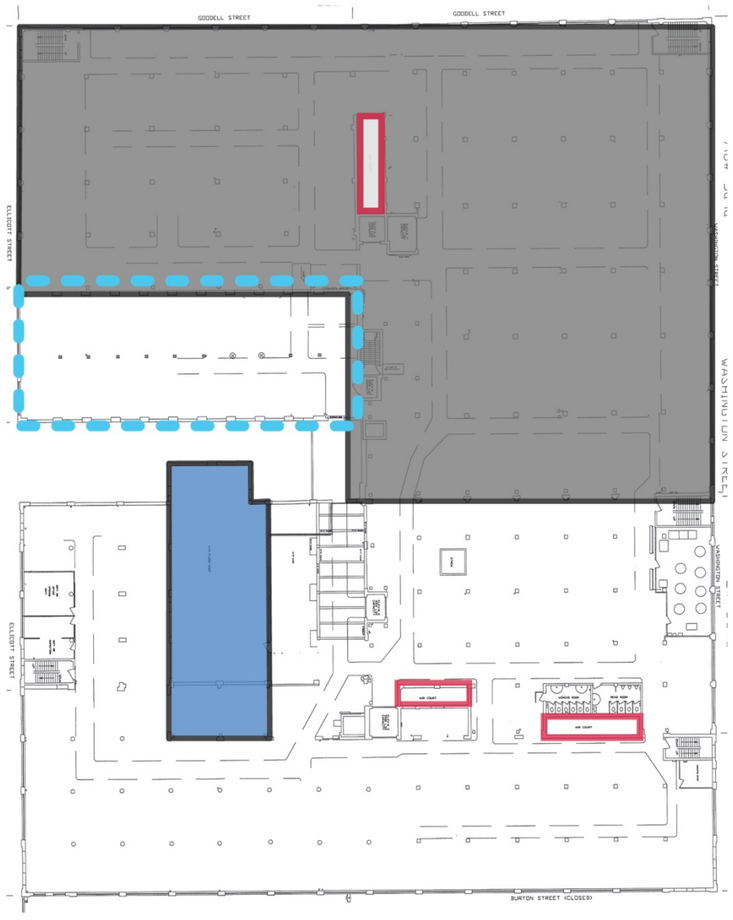
30% Deck replacement

Three large transfer beams supporting 2nd floor exhibit numerous stalactites and efflorescence on encasement concrete. Note: Greatest concentration of standing water is in this vicinity.



Third Floor

Rebuild light well in its entirety.

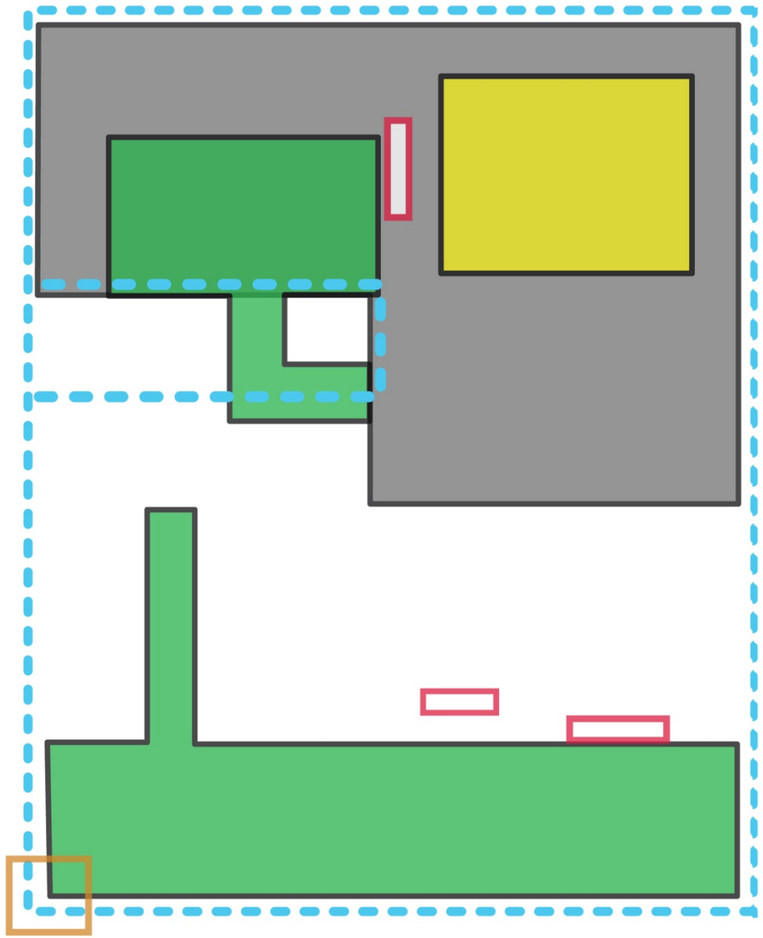


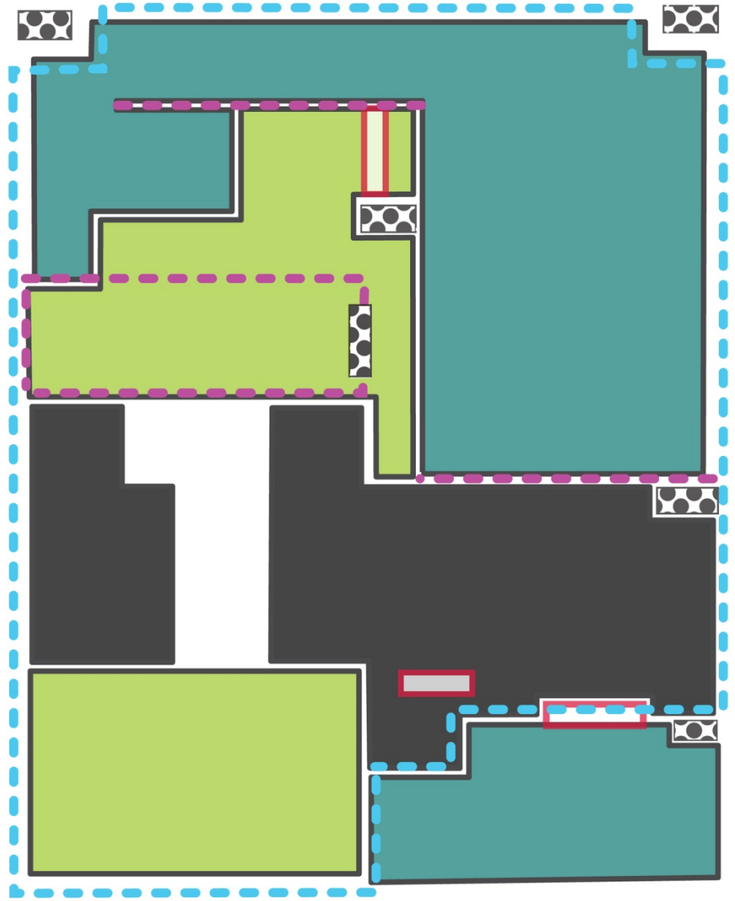
Fourth Floor

Cracks w/scaling & exposed, corroded rebar.

30% Deck replacement

Rebuild wall





Fifth Floor

- Parapet masonry crumbling, openings into building below.
- Ballast and membrane remain, where visible membrane exhibits deterioration, small perforations and splits, condition of deck beneath requires further evaluation, widespread leaking not apparent from below.
- Rebuild stair towers.
- Rebuild wall (6th floor) parapet 100% (at roof)
- Rebuild air court.
- Roof deck requires additional evaluation, condition indeterminate.
- Deck heavily & deeply scaled and spalled, replace roof deck slab.
- 40% Deck replacement

Roof Plan

- Deck exhibits numerous cracks w/efflorescence & stalactites.
- Concrete encasement exhibits mid-span cracks on stringers, general condition, appears to be along construction joints.
- Rebuild corner, significant masonry damage & column shifting

We offer the following estimates of the structural issues that would need to be addressed to restore the complex to a fully functional state.

- Estimate of roof slab to replace: approximately 40% of roof (of approx. 85,000 sf roof area)
- Remove and replace deck slab within structure: 30% of sixth floor, 25 % of fifth and fourth floors, 10-20 % of remaining floors
- Spot structural framing repairs: 5% of framing
- Estimate of masonry to reconstruct: 40% of masonry surface area (include masonry in interior light wells, inboard parapets, failing masonry in Building 1, etc.), including failed lintels, sill blocks, coping stones, penthouse structures to remain (elevator mechanical housings, stair wells to roof level, etc.)
- Estimate of masonry for deep rehabilitation: remaining 60% of surface area (include masonry in interior light wells)
- Rehabilitate concrete encasement of steel frame: rout cracks, remove all scaling concrete to sound material, patch all.
- Rehabilitate spalling scaling area of concrete frame portion of exterior structure, Buildings 2, 3.
- Reconstruct column at northeast corner sixth floor, structural repair
- Remove remaining roof membrane and install new roof membrane throughout structure after roof deck structure has been restored including lower roofs. (circa 90,000 sf)
- Remove and dispose of metal skin sheds on roof.

Structural Recommendations

To arrest the decay to the interior structure of the complex, it is necessary to make the envelope weather tight again, get the interior of the complex dried out, and reestablish ventilation to keep the interior dry.

Undertake a prioritized program to repair the structural issues, where possible integrated with the environmental clean-up. Where there is a topping on the deck, there may be the opportunity to make a new topping a component of an encapsulation scheme to contain environmental contamination.

Install temporary repair measures to the masonry columns of Building 1 prior to undertaking permanent repairs to restore the structural capacity of this masonry.

Code issues related to rehabilitation, structural modification, changes of use, etc. should be investigated to establish what impacts this might have in a preservation scheme. (Seismic resistance and necessary retrofit may be a limiting issue).

3. Documentation of Related Development Factors

The historical and cultural significance of the Trico Complex is well established by previously completed Historic Reports, the National Register of Historic Places nomination and previous tax credit applications. This report includes as reference in the appendix these previously completed.

Goodell & Washington Streets prior to Building No.8 construction

Additional Benefits to Preservation

There are many non-tangible benefits to historic preservation embedded in the potential rehab of the Trico Complex. Maintaining a cultural asset has many positive impacts in a community with a rich industrial and architectural heritage such as Buffalo. This community's collective memory is connected through its shared experience represented by the presence of the Complex in our daily lives. The thousands of people that were employed by Trico in this facility supported generations of families. The Complex has subconsciously impacted the people that have lived, worked and travelled in the neighborhood for decades.

The contributions of John R Oishei to the automobile industry and the greater Buffalo community cannot be underestimated. His development of the windshield wiper industry put Buffalo in the forefront of the early automobile industry. His legacy continues through his establishment of the John R Oishei Foundation. The Foundation's ongoing philanthropy impacts the lives of every Western New Yorker directly. This legacy should not be overlooked or diminished in any way.

Globally, our environmental sustainability has never been more of a concern. Energy conservation is of primary importance to all of us. Historic preservation has been accepted as one of the greenest forms of development available. There are many ways to calculate the embedded energy of an existing building, as well as the energy required to demolish and rebuild anew. The May T Watts Appreciation Society in Highland Park, Illinois developed one such calculator. Endorsed by the National Trust for Historic Preservation, this calculator converts the embedded energy represented by the Trico Complex to be the equivalent of nearly 5,000,000 gallons of gasoline. By the same calculator the embedded energy represented by the demolition of the structure is equivalent to an additional 52,000 gallons of gasoline.

These cultural and environmental benefits were introduced through discussions with the Advisory Committee. The consultants were asked to incorporate these concepts as part of the overall analysis. While these factors are important to consider in any redevelopment concept, it is difficult if not impossible for a private developer to incorporate them into their financial feasibility analysis. These issues can, however be used to help persuade the public sector of the importance of preserving the structure. It is possible that funding could be secured through various government programs that are created to encourage good environmental design and cultural preservation.

Market Assumptions

J. R. Militello Realty, Inc. provided the market analysis below to assess the viability of several reuse options for the Trico Complex. Militello Realty is one of the largest commercial real estate brokers in Western New York with extensive experience in matters of finance, marketing and development.

Through its research as of January 31, 2012, Militello Realty has identified 237 businesses searching for 3.1 million square feet of office space in Erie County. From Militello's experience, the majority of these businesses will decide on a location within three years of starting their search. It should be noted that most of these companies are now located in existing Erie County real estate. Many of them are considering the lease of a new facility to either accommodate growth or to downsize into a more cost effective environment. A small number of them are new to this market. Additional support for this "demand level" can be seen by reviewing office transactions that have closed each year. Militello Realty is able to document 1.3 million square feet of closed office transactions in 2010 and 1.2 million square feet in 2011. Year-to-date activity indicates a 1.2 million annual level will be achieved in 2012. These transactions involve both the sale and lease of property but are limited to only users of office space and do not include speculative investment in property.

Assuming an annual demand for office space of 1.2 million square feet, past statistics indicate that 37% (440,000 square feet) of these transactions could take place in Buffalo's Central Business District (CBD). The Central Business District office market has remained stable despite the impact of the recession with occupied space increasing slightly from a December 2009 level of 9.4 million to 9.5 million square feet in December of 2011. The Trico Plant No.1 Complex is on the fringe of the Central Business District and, therefore, will compete with lower Main Street properties for that portion of the projected 440,000 square feet of potential tenants looking to upgrade to better quality assets. Although the statistics indicate a net annual absorption of only

35,000 square feet, developers historically have targeted the 9 million square foot occupied tenant base as their primary source of new tenants. They have not relied on the relocation of business from outside the market to drive new development. Recent examples of this are the Phillips Lytle, Damon & Morey and Jaeckle Fleishmann moves from existing Central Business District assets to new developments. Militello Realty also saw the government tenant base in the former Dulski Center drive 280,000 square feet of new construction in the privately owned Federal Center. Across the street from the Trico property, URS Greiner expanded from a Delaware Avenue address into 52,000 square feet at 77 Goodell Street. This property is now considered an asset of the Medical Campus.

Medical

According to the Buffalo Niagara Medical Campus Master Plan (updated in 2010), the current number of employees on the Medical Campus is in excess of 12,500 including those employed in the newly opened Global Vascular Institute, and the number of annual patient visits is already over 1 million. Over the next few years (through 2015) the Medical Campus is projected to accommodate over 4.8 million square feet in medical and medical related facilities (not including the Trico site) (up from the current 3.4 million square feet) leading to additional growth in employees and patients coming to the Campus. From our leasing experience on the Medical Campus, Militello Realty believes that the Trico property could be positioned to capture a portion of this new demand and benefit from related spin-off activity generated by the existing base of institutions on the Campus. In addition to being a part of the Medical Campus environment, we believe that a private operator can successfully compete at the Trico property by providing attractive building amenities, responsive building management services and variable lease structures/rates.

Residential

To the same degree, the location advantage of the Medical Campus holds true for attracting tenants in the residential and retail markets. The Trico property, provided that rental rates can be held to supportable levels, will draw new renters resulting from the aggressive growth in hospital employment and the University of Buffalo student population. Militello Realty reviewed 246 residential projects in Buffalo to develop its lease-up profile for this project. Moreover, a 2011 updated study of the residential market potential in Downtown Buffalo conducted by Zimmerman/Volk Associates, Inc.[1] surveyed 20 properties therein and found that nearly all were "at or above functional full occupancy" (less than five percent vacant units). The study estimated the potential annual capture rate for the downtown Buffalo area at 111 – 222 new rental lofts/apartments per year for the next five years. If the new units are within a ¼ mile radius of public transit (which is the case for the Trico site), that capture rate could be even higher than 222 rental loft/apartment units; possibly as high as 332 on an annual basis. The target market for rental units of this type is primarily made up of younger singles and couples (and to a lesser extent "Empty Nesters" and retirees). The primary cohort group is likely to be drawn to the project location as a result of the educational and employment opportunities within the BNMC. With respect to the demand for new residential units downtown, however, the Zimmerman/Volk study does caution that "the continuing challenge in capturing this potential market is to produce new

[1] Update of Residential Market Potential. The Downtown Buffalo Study Area. Zimmerman/Volk Associates, Inc., December 2011.

units that are attractive to young people… at rents and prices the majority can afford… difficult to achieve without development incentives".

Retail

Relative to retail leasing, Militello Realty projects a limited tenant base at the property, primarily convenience stores and services that can be supported by the residential space and the daytime Medical Campus population. Most of the recent developments in downtown Buffalo have been mixed use (residential and commercial/retail). Militello Realty surveyed over 20 recent adaptive reuse projects constructed or proposed for the City of Buffalo Greater Downtown[2] area and found that at least 16 of them incorporated a mix of residential with commercial and/or retail activity including hotels, restaurants, offices, convenience shopping, laundromats, etc.

Hotel

Based on our review of market conditions and firsthand knowledge of hotel operators actively pursuing sites with a direct relationship to the Medical Campus, Militello Realty believes that the project can support a 120-room economy hotel. According to a recent Buffalo News article, Buffalo and Erie County hotels were operating at 84% occupancy in July of this year, an increase of 1% since July of 2011, which is well above the national average for July of 69.9%. Generally occupancy levels locally have been increasing over the past several years and have, during the same period, been notably above the national average. According to one owner of 10 hotels, "Western New York was a pretty good place to wait out the recession. The parity of the Canadian dollar has enabled us to fill up corporate rooms that left the marketplace" (together with occupancy related to Canadian visitors and the draw of amateur athletic events).[3]

In the vicinity of the Medical Campus (Downtown Buffalo), there are 7 existing hotels with a total of 1,284 hotel rooms. Only one, relatively small (100 rooms) hotel is actually located within the Campus itself, the Doubletree at 125 High Street. As is the case with respect to both residential and medical office uses, the Campus theoretically provides a good market for additional hotel rooms given the large number of patients, researchers, medical personnel and other visitors coming to the Campus (estimated at over 1 million per year currently and growing). That, combined with high occupancy rates in existing area hotels, leads us to anticipate that there could be a viable market for 120 hotel rooms at the project site if rates can be held competitive with other properties in Buffalo. Current published (internet discount) rates for mid-August at several downtown hotels range from $100 - $195 for a weeknight stay.

Parking

In all of our projections for use and absorption of space, parking availability is critical. On-street parking adjacent to the subject property is available but limited. A large surface area parking lot across from the site on the east side of Ellicott Street is, for the most part, reserved for existing institutions and users, and its current occupancy ranges from 85–95%. Moreover, this 4.25 acre site, now used for surface parking, is slated for the construction of 504,000 gross square feet of space for future research and education, medical office and ground-floor commercial space as well as structured parking for 1,080 cars as indicated on the BNMC Master Plan update. There

[2] "Greater Downtown" as defined by Buffalo Place, Inc.
[3] www.hotel-online .com/News/PR2012_3rd/July12_HartHotels.html

are no existing public parking ramps within a reasonable walking distance of the Trico site; the nearest ramp is located near the hospitals on High and Carlton streets, a distance of several blocks from the site and is operated by BNMC. The 10 surface lots and 2 parking garages located throughout the Campus at large are served by a shuttle bus which could, conceivably, offset the parking problems associated with the site in the near term should an agreement be reached with BNMC. Nevertheless, proposed additional development of the Campus' north end is projected to result in an overall parking deficit on the entire Campus of approximately 1,600–3,000 spaces by the year 2016 (without development at the Trico site).[4]

Based on the proposed mix of possible uses for the Trico site, we are projecting a need for at least 700 dedicated parking spaces on or near the site. The City of Buffalo zoning ordinance calls for a lower number of parking spaces than our market experience would suggest (roughly half as many spaces) but we believe that our estimates are more reflective of the actual market and, therefore, essential to capturing a sustainable market share.

More specific market and market income information related to individual redevelopment options is included in each specific scheme section, in the following section of this report.

Cost Estimation

Baer and Associates joined the consultant team to provide cost estimation services for each of the proposed redevelopment schemes and for the potential mothballing of the Trico Complex. The dollar values provided are rough order of magnitude numbers based on current year (2012) construction costs, and have been quantified from information provided by the consultant team related to any new environmental and structural findings, the proposed redevelopment schemes and historic documents. With the extent of the scope of work required for the reutilization of the Complex, the resulting numbers, although large, are considered realistic representations of what redevelopment of the Trico Complex will cost.

The values of work are presented in two manners. Embedded in the redevelopment narratives for each of the proposed options and the mothballing for the Trico Complex are a summary of the costs, primarily subtotal and total project values. Full detailed redevelopment cost breakdowns for each scheme are provided in the appendix of this report.

Operating Costs

Based on the assumption that any development of the Trico Complex would be awarded PILOT program status and taxes would be frozen at a reduced level, an estimated $8 per square foot is considered a reasonable estimation of annual taxes, utilities and maintenance costs for this market. This amount is the same for each of the three schemes. There would be a 3% escalation per year for operating expenses, which is not carried in the initial number. This estimation was provided by a member of the local developer community.

[4] A parking deficit of 3,000 spaces within the "next few years" is projected by the Buffalo Niagara Medical Campus Master Plan Update (2010)

4. Evaluation of Redevelopment Options

Redevelopment options for the Trico Complex range from mothballing and stabilization of the whole complex for future development, to various reuse schemes based on the complex's current conditions, configuration, and potential occupancies and funding resources. This report makes no assumptions regarding a developer or development group's involvement, and the consultant team is not aware of any specific redevelopment proposal other than BNMC's desire to expand the current Innovation Center. The narratives that follow are for three potential redevelopment options:

1. Full Complex Redevelopment Scheme
2. Courtyard/Light-Well Redevelopment Scheme
3. Goodell Scheme/North Parcel Development Site

A fourth option is included as an alternative if none of the three redevelopment options are viable in the current economic climate.

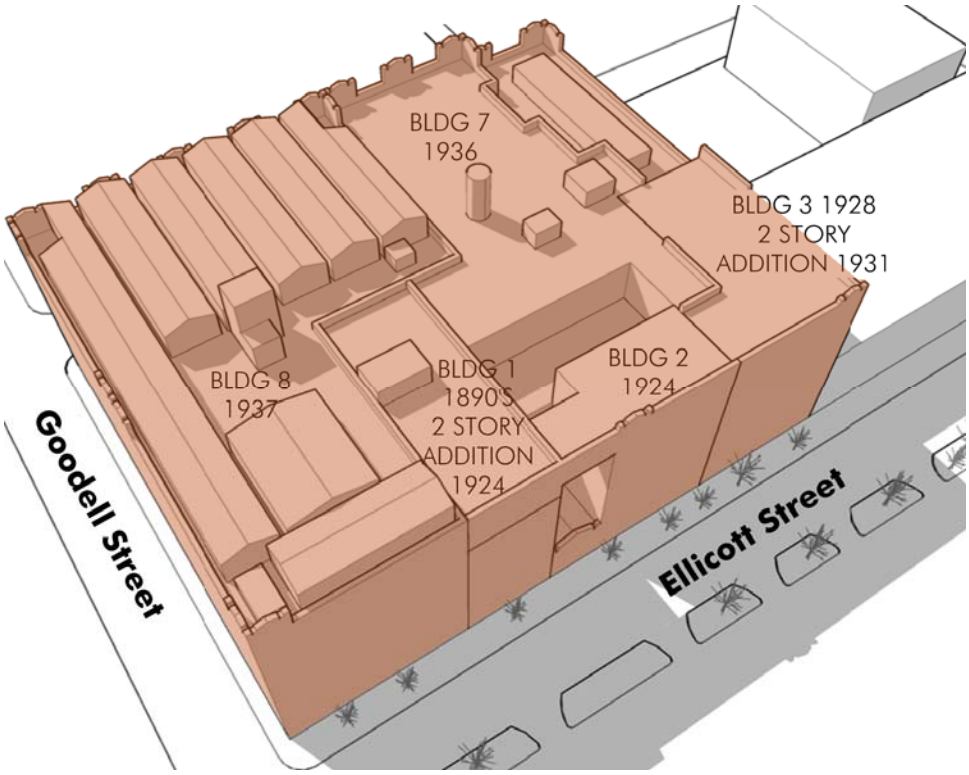
4. Mothball Complex for Future Developer

Each redevelopment option has been evaluated on the basis of:

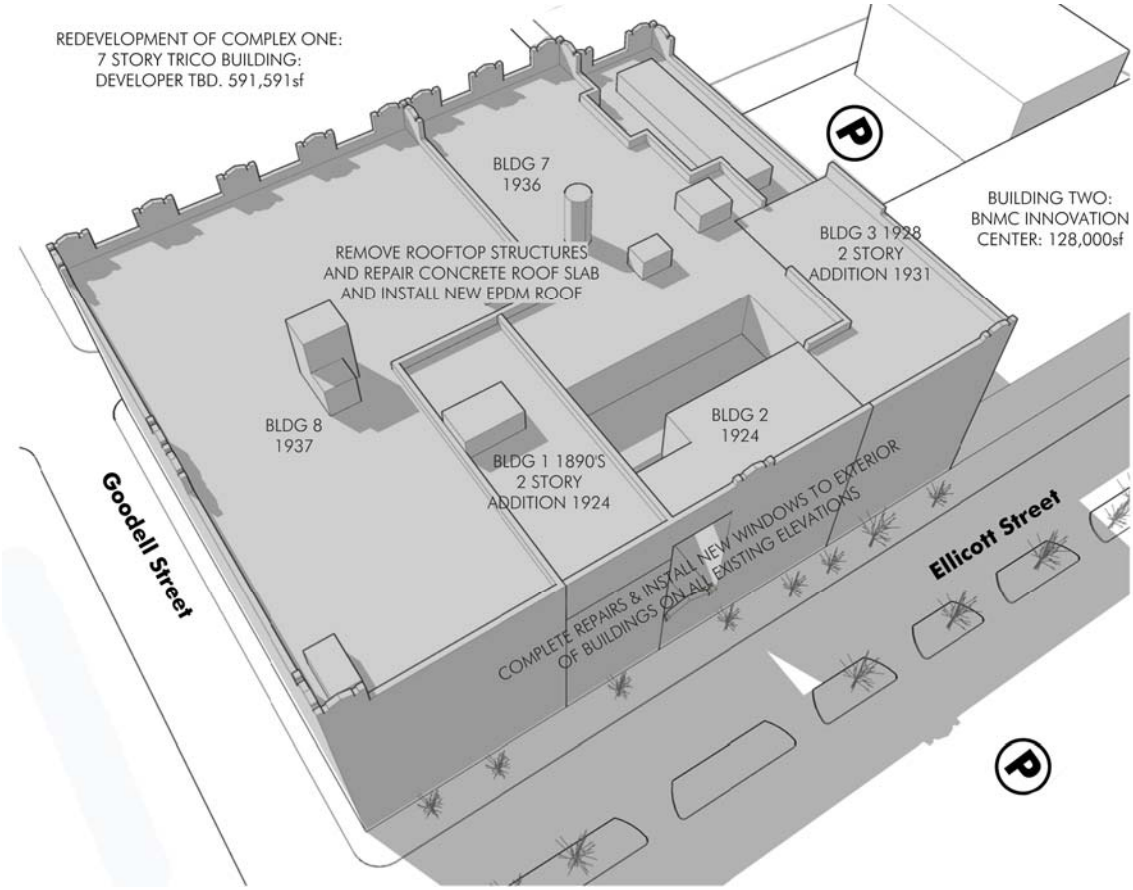
- Historic Preservation Goals
- Marketability on completion (absorption rate)
- Overall cost
- Attractiveness to developers
- Structural impediments
- Impact of the NYS Historic Tax Credit
- Alignment with BNMC goals

Full Complex Redevelopment Scheme

The "Full Complex Redevelopment Scheme" aims to reuse as much of the entire 617,627sf of Trico Plant No. 1 Complex as possible. Because of the historic significance of the complex as a whole, this redevelopment scheme should adhere to the Secretary of the Interior Standards for Historic Guidelines for the treatment of historic properties, in particular the guidelines for preserving the complex. This is defined as taking whatever measures are required to sustain the existing form, integrity and materials of the Complex. The focus would be not only creating a viable redevelopment plan but also the ongoing maintenance and repair of the historic materials and features rather than extensive replacement and new construction. This scope would exclude the existing roof top structures, as it is questionable if in their current condition they can be rehabilitated for any future reuse. This scheme does not involve the Buffalo Niagara Medical Campus as the existing structure does not meet their stated needs and is inconsistent with the published 2010 BNMC Master Plan.



Trico Plant No. 1 Complex



Full Reuse Scheme

In this scheme, the redevelopment includes 96% of the original Trico Plant No. 1 Complex. Because the roof top structures are called for removal under this scheme, the 26,036 square feet they represent was not included in the total square footage for redevelopment. The following gross square footage per story is seen as being utilized under this proposed scheme (roof area is not included in the total square foot tabulation):

Basement	87,722	sf
First Floor	87,722	sf
Mezzanine Floor	84,810	sf
Second Floor	84,810	sf
Third Floor	84,794	sf
Fourth Floor	84,794	sf
Fifth Floor	76,939	sf
Roof*	87,722	sf
Total Square Footage:	591,591	SF

Costs of Development

This redevelopment scheme will necessitate more intensive environmental remediation than what would be required for mothballing or demolishing. The cost of the basic remediation was determined from the previous demolition contract and follow-up information from Ontario Specialty Contracting, Inc. For the complex to be utilized for the various redevelopment programs, further investigation would be required to determine the exact amount, location and scope of remediation required. Per a conservative value provided by OSC, the additional testing and remediation would be approximately $5 per square foot in addition to the cost of basic remediation.

The exact extent of the envelope structural repairs required has been well documented in the structural assessment section of this report. The existing complex envelope has significant issues that need to be addressed before any future development occurs. The roof top structures have not stood the test of time well, and it is not feasible to preserve and or rehabilitate the existing metal roof sheds. If they are deemed historically significant, consideration should be given to replacing them. The rehabilitation of these structures is further complicated by the need to repair extensive areas of the concrete roof deck and install a new roof system. If these structures were removed, it would allow for the proper repair of the existing concrete roof deck where needed and the replacement of the entire roof system.

It is also recommended that any proposed roof system be reviewed for historical appropriateness, as it is possibility that a contemporary EPDM roof system may not be appropriate and an alternative roof system may need to be installed. The parapets are also in a state of failure and should be rebuilt using the existing materials. In addition to the roof, included in the complex envelope repairs is the existing exterior facade. This redevelopment scheme includes preserving the entire 1550 linear feet of existing exterior wall that rises to a height of roughly 95 feet above grade. While structural issues are provided in greater detail in the structural section, the envelope repair will require extensive masonry repair and the installation of new historically accurate windows on all elevations and at all seven levels.

In addition to the shell repairs, the developer would also be responsible for the initial core renovation work. This scope of work includes the mechanical air handling systems for heating and cooling the building and prep work required throughout the complex before potential tenant build outs can occur. Also included in this phase of development is the instillation of vertical transportation systems, including new passenger and freight elevators, as the existing elevators are likely not salvageable. In order to meet current code egress requirements, new stair towers will be needed in specific locations. Existing stairs towers in locations that would warrant continued use will potentially require renovations. Depending on the lease agreement type, there is always the potential for the developer to recoup some of these costs during the lease up period from potential tenants, but the initial building mechanical and facility infrastructure should already be in place by the build-out phase initiation. Vertical circulation will either utilize existing locations or potentially be located where the most structural and/or environment issues with floor slabs need to be addressed. Because these areas are not necessarily located based on the maximization of open floor space, there will be an increase in the area for common spaces such as corridors and

lobbies. A floor plate of this nature would have a low utilization ratio anyway simply due to its large size and non-linear layout. This scheme would also require minor exterior construction and landscaping. Existing sidewalks and streetscaping work would need to be undertaken to enhance the exterior appearance of the complex.

Cost Breakdown:

Basic environmental remediation:	$1,875,000
Additional Testing & Full environmental remediation:	$2,957,955
Exterior Envelope repair and reconstruction:	$15,518,000
Building Core renovation:	$19,567,000
Landscaping and Street work:	$500,000

Market Assumptions from Militello Realty

The interior build-out phase of this development scheme is based on the following market assumptions. The Trico Full Reuse Development scheme has a Total of 591,591 square feet (503,869 square feet of useable/income-producing space excluding basement). For this scheme Militello Realty is assuming a 5 year lease up period (versus a 4 year lease up period considered appropriate for the current market), although projections beyond this period cannot be reasonably supported. It is important to note that Militello Realty believes that the local market is not able to support reuse for the size of the redevelopment proposed in the Full Reuse Schemes. As outlined in detail below, moderate quantities of Retail, Medical Clinical and Office spaces can be accommodated on this site; however, the Full Reuse Scheme provides an excess of space that the market could not absorb within a reasonable amount of time. Militello Realty believes it is reasonable to increase beyond the anticipated market apartment component based on the high levels of occupancy occurring in existing Central Business District loft investments. In addition to Residential within limits, it is possible that Light Manufacturing could be utilized to accommodate the larger square footage of the Full Reuse scheme. The more aggressive redevelopment schemes encompassing the larger amounts of the whole Complex will face an extended duration in completing lease-up, but opens up the opportunity for the additional program as a potential reuse option. Specific to the Full Reuse development scheme, the following market assumptions are seen as an appropriate commercial utilization for this particular partial reuse/restoration of the Trico Complex:

A. Retail: A minimal amount of retail space is proposed for the redeveloped site, primarily the types of uses that will support the on-site residents and employees and a small number of visitors to the Medical Campus. The physical format of the property and its location do not work well as a traditional retail environment. Aside from restaurants and convenience retail, Militello does not see any viable market for additional retail tenants coming to the property. (Competing retail is proposed by the BNMC Master Plan for the 4+ acre site on the east side of Ellicott opposite the Trico site). A mix of uses such as a convenience store (3,400 square feet), a full service restaurant (4,000 square feet) and services such as a dry cleaner, fitness facility, take-out food establishments are likely market targets (5 units of 1,350 square feet each).

The Assumed Rental Rate for a full service restaurant is $18.00/rentable square feet net of taxes, utilities and maintenance of premises. The rental rate includes shell preparation for tenant finishes. Rent escalates 3% annually, and the lease up period is projected to be 12 months. Five retail units and the single convenience store will have a rental return of $25.00/rentable square feet net of taxes, utilities and maintenance of premises. Rent escalates 3% annually and includes "vanilla box" build out. The lease up period is projected to be 18 months.

Space standards: Retail

Within the retail rental rate, the Landlord delivers a "plain vanilla box" outlined as follows:

- For each space new 200 AMP, 3 phase service with meter.
- Existing concrete floor is broom cleaned and ready to receive finished floor system.
- Minimum of (1) men's and (1) women's operable handicap accessible restroom in each space (could be central common washrooms).
- Landlord allowance for 2x4' acoustical ceiling grid in spaces.
- Landlord allowance for standard 2x4' recessed fixtures in each space.
- Landlord to remove existing fixtures, shelving or other property from previous tenant unless otherwise specified in writing by Lessee.
- Landlord to construct demising wall between spaces in accordance with state and local code requirements. Demising wall shall contain drywall extending to the bottom of the roof structure; drywall surface to be taped and sanded with one coat of primer.
- Landlord shall provide a fully functional automatic fire sprinkler system all in accordance with state and local code requirements for the building. Regardless of whether the riser is located within the Leased Premises, the Landlord shall be responsible for monitoring costs and ongoing repair and replacement of associated equipment of the riser and alarm system on a pro-rata basis. Cost related to this system will be part of the CAM (Common Area Maintenance) charges.
- HVAC units will be delivered in good working order at the Landlord's expense. The number of units assigned to tenants per need as determined by tenant and Landlord.
- Each tenant will have access to an 8' x 8' size roll-up door for receiving merchandise (which could be the building common loading area).
- Landlord to provide clear tempered glass entry and glass store front.
- It is assumed that all of the retail units together will use 66 parking spaces. Depending on hours of operation these spaces may be used in common with other tenants.

B. Medical Office Space: Militello Realty has identified 150,000 square feet of medical tenants who would be interested in space on the Medical Campus in the next 18 months. If not excluded for competitive reasons by the health care institutions now on the Campus, Militello is of the opinion that it would be possible to capture up to 70,000 square feet with the average tenant size being 5,000 square feet. Militello's leasing projections also assume that there are no lingering, negative environmental conditions, either actual or perceived. An extended lease up period (60 months) and an assumed additional 20,000 square feet of medical space is anticipated over the optimal market driven need. Three new medical facilities are currently proposed for the Medical Campus which may come on line during the projected lease up period. These facilities will be new construction (latest technology and superior physical layout) and located closer to the hospitals than the Trico site. These properties coupled with the support of BNMC members will be

formidable competition for the Trico property. To achieve the projected lease up, the Trico property will need to offer lower rents, better amenities and easily accessible, free parking which will allow it to operate independently of the Medical Campus parking inventory.

Based on current market data, Medical Office space can rent for $30.00/square foot net of electricity and janitorial services, with the tenant paying its share of annual increases in operating expenses and taxes over the base year. This annual pass-through is not compounded into the annual rent escalation of 3%. The rental rate includes a $50.00/rentable square foot tenant allowance. The lease up period is expected to take 36 months.

Space standards: Medical Office Space
Medical Office Space will have no overnight patients. The primary use of the space is clinical although it may contain components for research and general office.

Issues to address in determining quality and pricing of the space:

- *Use of the space:* general office, patient examination or treatment rooms "clinical space", reception/waiting areas, storage, conference or training rooms, research/labs.
- *Access:* relationship of the leased space to parking and public areas for both patients and staff.
- Quality of *HVAC* and utility service to space.
- Quality and level of *lighting*.
- Landlord *services* provided with the space.
- Function or *efficiency* of the space.
- *Condition* of the leasehold improvements before start of tenant finish work.

For clinical space, appropriate standards for "A" quality facilities include the following:

- A rational and efficient floor plan. Generally the space has a comfortable patient waiting room (20-35 sf/seat) and reception area just inside the main entrance (85 sf/employee). Doctors' offices (100-150 sf) and examining rooms (80-100 sf) are arranged along the perimeter of the space with administrative functions and other support facilities (lab 150-400 sf, 120-250 sf pharmacy, 200-400 sf conference room) in the center core. The loss factor for common areas is reasonably controlled.
- An HVAC system with a high degree of zoning and the ability to maintain a consistent and comfortable environment all year round. The system incorporates filtration devices where appropriate and is cost efficient to operate.
- The location should have a good relationship to public transportation and be readily identified with easy patient access.
- Free and adequate parking (6 spaces/1,000 sf) for patients and staff within reasonable walking distance to entrance of space.
- The property should offer a high quality operating environment and be established as a physically attractive and desirable business address.
- Tenant finishes are at a higher level; sound attenuation in the walls, upgraded ceiling tiles and floor coverings (new carpeting and paint within the last 3 years), higher light levels with energy efficient fixtures with parabolic lenses.

- The property should have a professional management team in place with proper direction and financial support from the ownership group. There should be in place written policies and practices that maintain a cost effective, stable and quality operating environment.
- The provision of sufficient parking for medical offices is particularly important to the lease-up of medical office space at this location. Although public transit is available in the general area, a location without dedicated (and generally free or inexpensive) parking for patients cannot compete in the open market for medical offices. Based on market experience, Militello projects a need for 300 parking spaces for 50,000 square feet of medical office space. This parking must be in close proximity to the leased space.

C. General Office: Militello Realty has been active in leasing space both on the Medical Campus and in the Central Business District. Based on our leasing experience and the above statistical profile of demand, we predict that this scheme could secure approximately 50,000 square feet of general office space. Given market conditions for similar space in downtown Buffalo, a lease-up period of 48 months is projected. Average office tenant size would be recommended to be on average 6,000 square feet each. As with the full redevelopment scheme, Militello Realty has assumed leasing 10,000 square feet of office space each year for 5 years. However, the Central Business District market has averaged over a 20% vacancy during the last 10 year period. This means that during this time frame over 2.2 million square feet of space has remained vacant. As with the medical space, particularly in the Class A market, the competition for tenants is very strong from new development. Even with a high level of investment, Militello does not believe that the Trico property can compete for the Class A market. To compete for B market tenants, as stated under Market Assumptions above, tenants must be drawn from the existing inventory of Central Business District space. This calls for lower pricing, free parking and a higher level of tenant allowances. Unlike the medical market, there is no real compelling reason, short of attractive economics and parking, to locate an office on the Medical Campus. Achieving the 50,000 square feet lease up level will be very difficult.

The assumed Rental Rate for B+ space is $18.00 per square foot, net of electricity and janitorial services. The tenant will pay its share of annual increases in operating expenses and taxes over the base year. This annual pass-through is not compounded into the annual rent escalation of 3%. Lease rate includes tenant allowance of $25.00/rentable square feet with a projected lease up period of 48 months.

Space standards: General Office Space

- The number of dedicated parking spaces needed for the proposed level of general office build-out is estimated at 200 (5 spaces/1000 square feet for employees and clients)
- The rating (i.e.: "A, B, C") of office space and the related rental pricing is primarily determined by both the quality and condition of the entire structure and the interior fit-out of the tenant spaces. There are many subsets of tenants (government, back office, corporate, etc.) with differing internal layouts but all generally require the same physical environment. For this study Militello assumes that the property will attract B+ quality office tenants using two primary space formats:

- Open landscape. 20% private offices with the balance of space finished to accommodate various modular office systems. Space is designed for lower density, administrative back office functions, but not a call center.
- Private office. Some open landscaped areas but primarily hard walled private offices and conference rooms. One use subset may be 15,000 square foot executive suites concept.

D. Residential: Residential is the bright light in this market. If the product is priced at competitive market rates, Militello sees the potential conservative estimate of a maximum of 120, for-rent, loft apartments ranging in size from 700 square feet (one bedroom unit) to approximately 900 square feet (two-bedroom unit) proposed for this location assuming that market-rate rents can support the cost of development. These projected rental rates are within the range of actual rents for newly constructed units of a similar type and size that have come on line in downtown Buffalo during the past few years through the redevelopment of existing commercial and industrial buildings. A 36 month lease up period for loft apartments is anticipated based on the recent and growing uptake of similar units in and around downtown Buffalo.

The assumed Rental Rate for one bedroom units will rent at ($1.29/sqft/month) $900/month and two bedroom units at ($1.33/sqft per month) $1,200/month. The tenant will pay metered premises utilities and janitorial.

Space Standards: Residential

- Assume 60, one-bedroom (700 square feet) and 60 two-bedroom (900 square feet) loft apartments (with full baths). Can be "Hard Lofts" (i.e., minimally finished with minimal room delineations or unfinished with no interior partitions except for bathrooms) or "Soft Lofts" (i.e., fully furnished and partitioned into separate rooms)[5]
- Stainless steel appliances, granite countertops, internet services and in-unit washers and dryers (or laundry rooms on each floor or a laundromat in close proximity).
- Hardwood floors, high exposed ceilings, large windows (as are characteristic of loft apartments in reused industrial or warehouse facilities).
- Workout rooms, fitness centers and nearby convenience shopping also adds to the marketability of loft apartments.
- State-of-the-art security systems
- As noted earlier, dedicated, secure parking for residential units is a significant amenity provided by most of the existing or proposed residential developments located throughout downtown. Both the Zoning Code and Militello Realty's market experience indicate a need for at least 1 dedicated parking space per living unit.

E. Hotel: The majority of the hotel developments in this market involve ownership of both the physical asset and the hotel operation by the development group. The decision to invest in the hotel is based on the probable returns generated from the operation. The physical configuration of each type of hotel product, along with its national brand affiliation, results in differing capital investments and projected returns. For the purpose of this study, Militello Realty recreated one

[5] Information on standards for loft apartments partially obtained from Update of Residential Market Potential, The Downtown Buffalo Study Area, Zimmerman/Volk Associates, Inc., December 2011

such investment scenario in order to generate a probable lease rate for the development proforma used to analyze the Trico investment. Militello assumed that the landlord does not have an equity interest in the hotel and is only renting to the operator of the franchise. The landlord is responsible for the shell and core improvements and making the space ready for the start of construction of tenant finishes (hotel rooms and public areas).

Militello Realty concluded that the hotel in this case could support a rental rate of $13.60/rsf. This rent would be net of all utilities, taxes and maintenance of the hotel asset. The lease term would be 15 years and have annual rent escalations of 3%.

Space Standards: Hotel (120 rooms)

- Indoor pool and exercise room. Restrooms off of pool area.
- Small breakfast dining area
- Average size lobby with ceramic floor tiles and vinyl wall coverings.
- 1,000 square foot business center and meeting room
- A sundries counter in lobby and vending areas with ice machines on each floor.
- 90 parking spaces.
- Will feature standard room configurations with king (58%) and double beds (42%). The guest rooms will average approximately 400 square feet
- Rooms will have a microwave and small refrigerator, coffee maker and internet service.
- Guestroom bathrooms will be of a standard size with a shower-in-tub, commode and single sink with vanity area, Formica counter top. The floors will be tile and walls finished with vinyl wall coverings.
- The hotel will be served by the necessary back-of-the-house space such as in-house laundry facility, a breakfast preparation area and administrative offices.

F. Light Manufacturing. Historically the property was a manufacturing facility and if the physical support services can be restored to the property, there is a potential to attract 125,000 square feet of light industrial tenants. The addition of light manufacturing/R&D and warehousing to the proposed tenant mix is based on a survey of 6 loft buildings in the City of Buffalo (701 Seneca, Larkin, now known as Larkin at Exchange, 255 Great Arrow, Tri-Main, 640 Ellicott, and 77 Goodell) with a total of 2,883,558 rentable square feet of space. For our purposes we are categorizing this mix of space as "Industrial space". All of the surveyed properties have achieved a reasonable level of leasing success, collectively hitting an 86% occupancy level. The building structures are similar to the Trico property and their tenant mix runs from A quality office to C quality warehouse space.

Commercial Loft Data								
Building Information	Operating Strategy	Year Built/renovated	Rentable SF	Typical Floor Size	Building Use	Parking Spots	Current Asking Rents Indus	Current asking Rent ofc
255 Great Arrow	Low cost mixed use	1912/ongoing	386,388	109,000	Mfg, Ind, Stor, Office	467	$5.00	$8.00
701 Seneca Street	B grade mixed use	1903/2011	1,053,577	125,000	Mfg, Ind, Stor, Office	272	$4.50	$14.50
2495 Main Street	B grade mixed use	1915/1990	650,000	105,000	Mfg, Ind, Stor, Office	550	$6.00	$12.00
726 Exchange	Class A Office with Svc's	1912/2003	550,000	60,000	Office	2,500	$0.00	$20.00
640 Ellicott St	Bio Sciences	1930/2010	109,893	24,000	Labs, R&D, Office	640	$7.00	$20.00
77 Goodell	Class B+ ofc	1930/2001	133,700	29,893	Office	374	N/A	N/A

The projected rent structure is lower for the industrial space than for office and residential as are the landlord's build out and management responsibilities. For the most part, the landlord would be responsible within the rent proposed for a "turnkey finish" of the tenant spaces.

Space Standards: Light Manufacturing

- Tenant spaces would be delivered with 10% "B-" quality office space.
- Floors would be finished concrete with an epoxy coating or other durable sealer.
- Ceilings would be painted concrete deck, and strip fluorescent lighting fixtures would be installed.
- The landlord would provide packaged AC units in the offices and gas unit heaters in the open areas for heat.
- To service the proposed "industrial" tenant base, 8 to 10 loading docks will need to be added into the first floor layout.
- Additionally, 2-3 large freight elevators are required that can accommodate both a fork lift and its load at the same time.
- The building would need a 1,200 to 2,000 amp power service with distribution to each tenant space as needed.
- Three car parking spaces per 1,000 square feet must be available and free to tenants.

With a higher level of tenant finishes, it is possible that the Trico property could attract R&D operations now on the Medical Campus which are moving into the second stage of growth. (Examples of such tenants: Smart Pill 35,000 square feet medical research; drug warehouse for pharmacy operations; Cleveland Biolabs 50,000 square feet medical equipment sales/service). This scheme results in roughly 75,500-80,000 square feet spread throughout the entire complex unutilized. While primarily because the market will in all likelihood not absorb the additional space, it is also space that will be lost due to the large individual floor level size, the inefficient

spatial layout of each floor plate, and the need to provide additional common corridors that would not be required if this were a more linear or elongated building.

Based on input from local leasing agents and developers, we recommend the following reuse plan for Trico Plant No. 1 Complex:

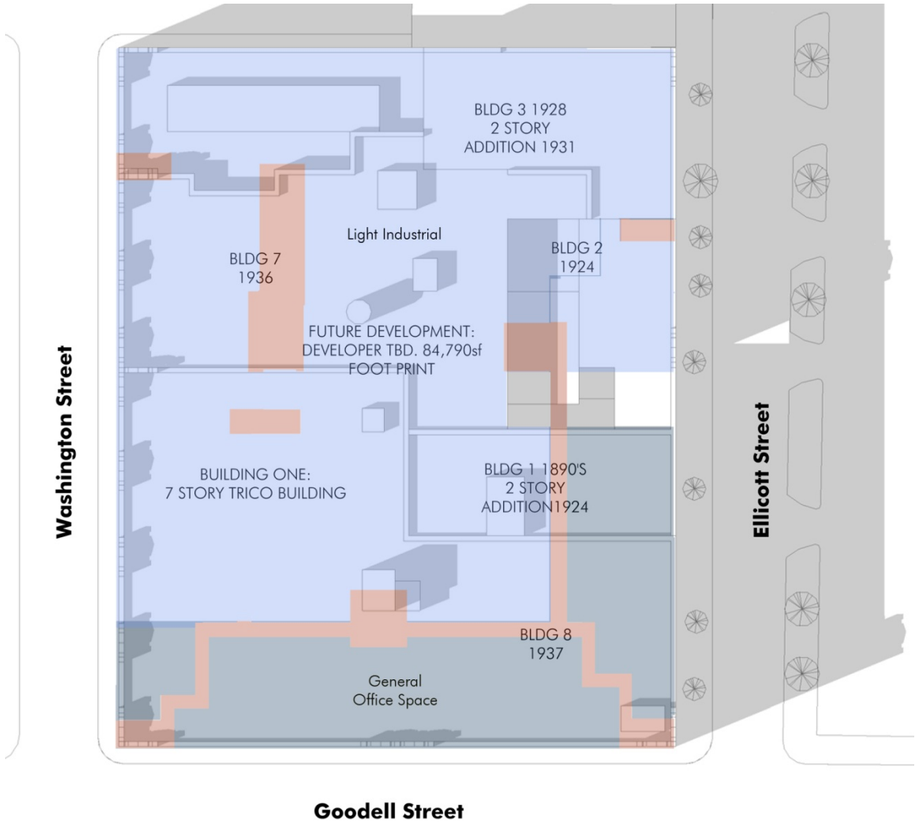
Basement:	Mechanical, Budget Hotel and tenant storage
First Floor:	Retail, Light Industrial and shared tenant entries
Mezzanine level:	Commercial Offices and Light
2nd Floor:	Commercial & Clinical Offices and Light Industrial
3rd Floor:	Budget Hotel and Commercial & Clinical Offices
4th & 5th Floors:	Loft Residential Apartments

In addition to the market driven challenges, several program related issues require further consideration for any redevelopment options. Most significantly, throughout the entire complex the first floor is elevated several feet above the sidewalk grade, which will impact access. Secondarily, the Mezzanine level has a low floor to floor height, less than 11' that would also limit its utilization ratio. Both of these issues are the same no matter the redevelopment scheme and would be the responsibility of any developer to address to ensure the successful redevelopment of any portion of the Trico Plant No. 1 Complex. Another hurdle that will need to be overcome in this particular redevelopment scheme is the considerable amount of floor plate that will be "landlocked" in the center area of each story with very little or possibly even no access to natural light. It is possible that this interior space could be utilized for tenant storage or for a program such as a call center. While build-out costs for these programs will be only marginally less than for those at the perimeter, the rent in return will be reduced considerably for these types of spaces.

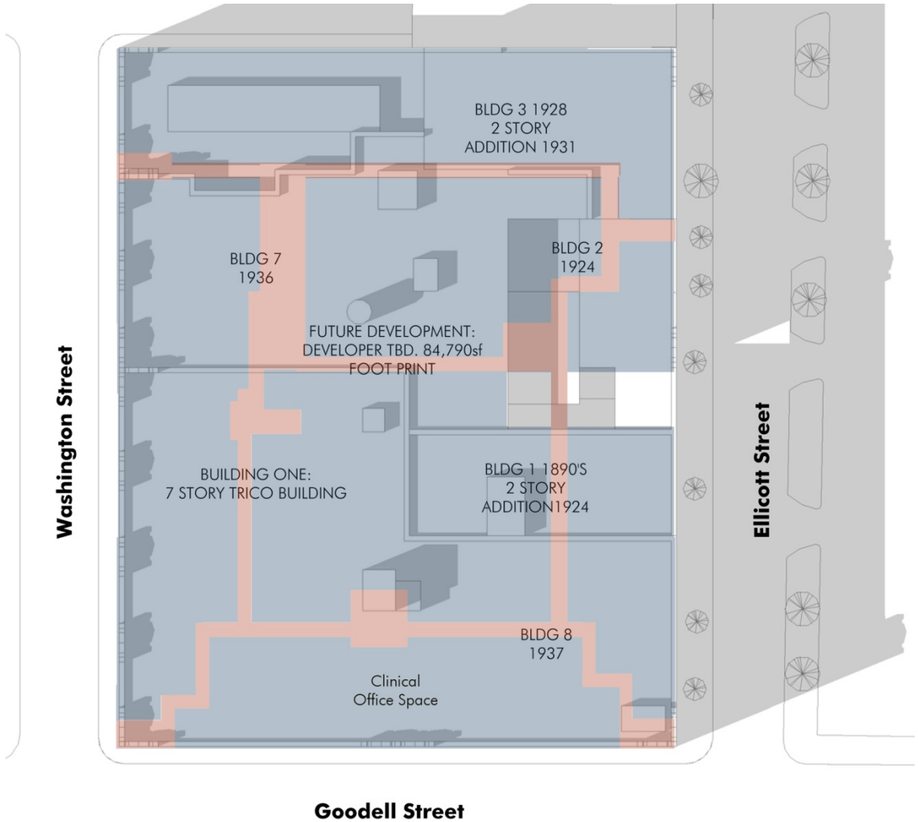
To recap, Militello has analyzed uses most likely to locate in a fully redeveloped Trico Complex. Yet the local market is not able to absorb the amount of space provided in the Full Complex Redevelopment Scheme, and this redevelopment scheme is predicted to have an excess of space, approximately 88,720sf non-programmed, undeveloped space.

With the suggested programs in mind, Architectural Resources developed a basic schematic layout for the utilized floor levels. No plan for the basement has been provided as the space has limited options for any program that could provide an income source for the developer. In addition, parking has not been considered a viable option for the basement level due to the existing layout of the space, among other reasons. North is to the top of the page.

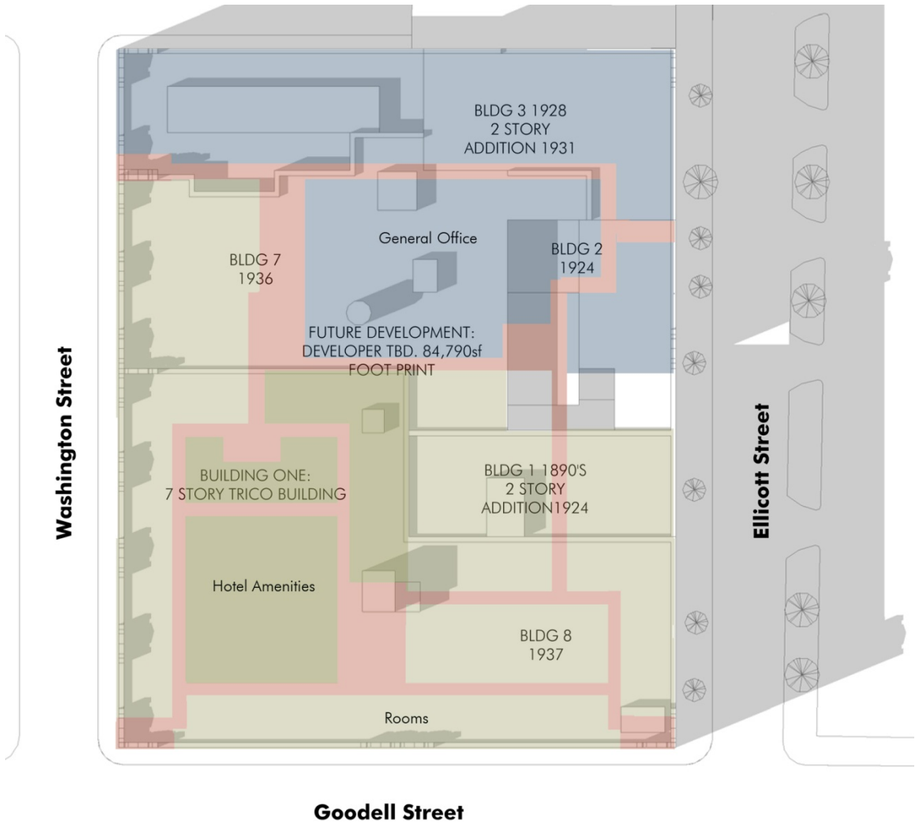
First Floor: Retail & Light Industrial



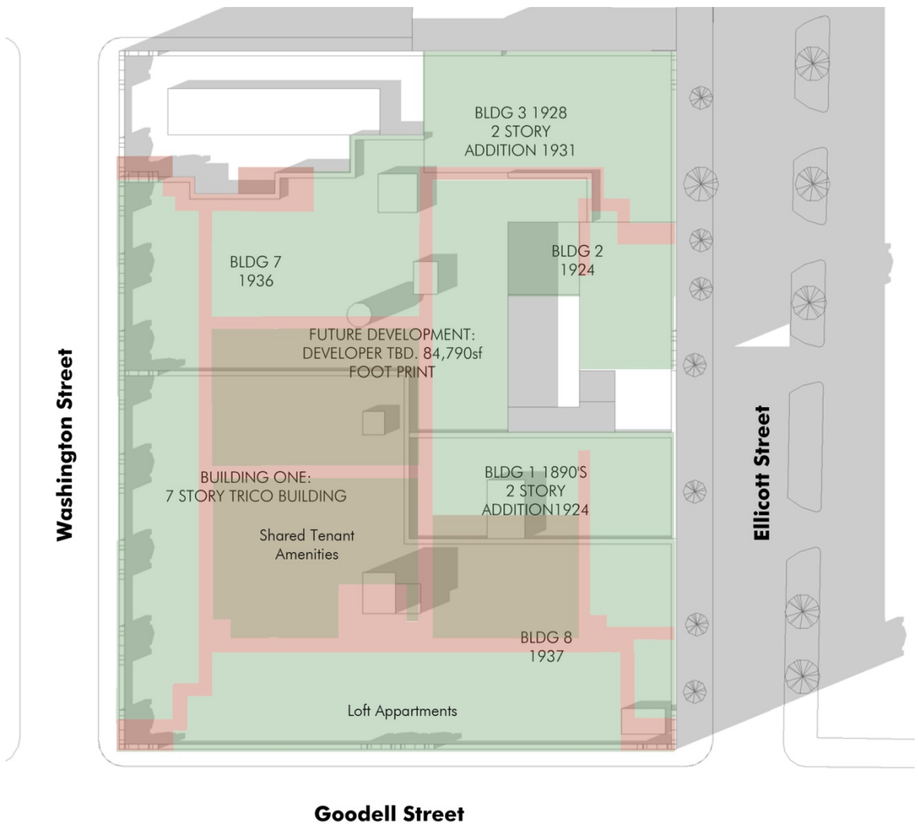
Mezzanine Level: General Office & Light Industrial



Second Floor: Clinical Office Space



Third Floor: General Office & Budget Hotel



Fourth & Fifth Floors: Residential

Based on this proposed utilization, with values provided by Baer & Associates, it is estimated that the interior build-out phase of this particular redevelopment of the Trico Complex would cost approximately: $58,939,000.

The full project cost being approximately:

Cost Breakdown:	
Total Demolition and Environmental:	$5,011,995
Total Exterior and Core renovation cost:	$35,585,000
Interior Tenant Build out:	$58,939,000
Soft Costs:	$14,178,600
Estimated Total Development cost:	**$113,714,595**

This development total does not include the build-out cost for the budget hotel as most of this cost would be carried by the hotel chain that would locate in the complex. A portion of the development cost could be covered by NYS historic tax credits, estimated to be approximately 2.6 million dollars, Federal historic tax credits could be worth an additional 20 million dollars. The availability of these particular funds would require approval by various agencies including the New York State Office of Parks, Recreation and Historic Preservation.

Off-Street Parking

This report makes no assumptions of where future parking will be located, what form it will take (surface lot or ramp structure), or who will be providing it. Such items would be addressed by any future potential developer as a component of their redevelopment plan for Trico Plant No. 1 and at that time said developer would determine the cost for providing required off-street parking. Buffalo City zoning code mandates that required parking be provided on the same lot or on another site within 1000 feet of the lot boundary. Parking is not considered a viable option for the existing basement level, due to the existing column spacing, the spatial requirements of accommodating the elevation change from grade, and the negative impact on leasable first floor square footage due to the need for ramping.

Rendering of Full Redevelopment Scheme

In our opinion the basement space would be better utilized as a primary mechanical floor and where leasable income loss would be negligible and would be preferable to utilizing space on upper floors for large utility rooms. The zoning code requires all downtown businesses to provide off-street loading spaces, determined by the total square footage of select building uses. Under this development scheme, the current City of Buffalo zoning code would require a minimum of 665 individual parking spaces and an additional 14 accessible parking spaces with access aisles, which would be the equivalent of 21 individual parking spaces. For this scheme an estimated total of 686 spaces would be required. An estimate 12 loading zones will need to be provided adjacent to the complex. The City will allow some crossover between daytime and after hours parking which could reduce the number. However, based upon standard parking demands for this region as determined by Militello Realty, the following quantities are recommended as the minimum number of parking spaces required based upon the programs proposed as a component of the Full Complex Redevelopment Scheme:

Retail: Restaurant, Misc. Retail and Convenience	66
Medical: Clinical Space	300
General Office	200
Loft Apartments	120
Budget Hotel	90
Traditional Light Manufacturing	225
Medical Light Manufacturing	150
Total	1151

If the unutilized square footage can be developed, this additional program space would increase the market driven parking requirements.

Income Derived from Development:

The following assessment of income potential for the redevelopment of the Trico Full Complex Redevelopment Scheme has been provided by Jim Militello of J. R. Militello Realty, Inc. The leasable rates are considered appropriate for this market and this location. Many assumptions on the financial returns for a development of this Complex have been made, all with guidance from professionals familiar with this market. Based on the current market, the lease-up duration for this scheme is anticipated to be the following:

Retail (Restaurant)	12 Months
Retail (5 Stores)	18 Months
Retail (Convenience)	12 Months
Office (Class B)	60 Months
Medical (Clinical)	60 Months
Residential (Loft Apts)	36 Months
Budget Hotel	18 Months
Traditional Light Mfg	60 Months
Medical Light Mfg	60 Months

With all assumptions having been met and full lease up accomplished, gross rental incomes per year for the Full Complex Redevelopment Scheme are anticipated to be the following:

	Area (gsf)	Rent/gsf	Income
Retail	6,750	$25.00	$168,750
Convenience	3,400	$25.00	$85,000
Restaurant	4,000	$18.00	$72,000
Medical office	70,000	$30.00	$2,100,000
General office	50,000	$18.00	$900,000
Residential (1*60)	42,000	$1.29	$650,160
Residential (2*60)	54,000	$1.33	$861,840
Hotel (120 rooms)	60,000	$13.60	$816,000
Light Manufacturing	125,000	$5.00	$625,000
Total	415,150		$6,278,750

There is roughly 88,720sf of non-programed space in addition to the total square footage listed above, that represents available space in this redevelopment scheme beyond what is considered can be absorbed by the current market. Building core, circulation and common spaces are not included in these numbers although some of this square footage would in all likelihood be income producing. Typically these spaces are shared between all the tenants based on individual lease agreements.

Operating costs per year for this development scheme are estimated to be approximately $4,730,000. This amount would escalate roughly 3% per year.

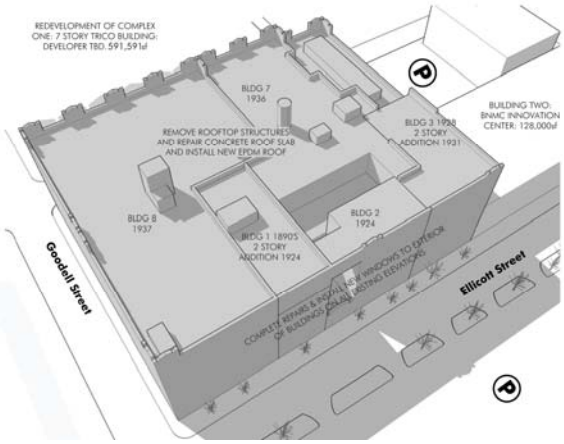
Conclusion by Doug Swift Development

From the historic preservation perspective, redevelopment of the entire Trico Complex is the preferred option. It saves all of the 591,591 square feet of the historic structure, with the exception of the steel sheds on the roof. However this approach poses many challenges. Given the current Buffalo market place, the sheer volume of space to be filled in this scenario is the largest hurdle to overcome. The absorption rate for filling the building is difficult to predict but likely to take longer than a typical developer would be willing to consider. Approximately 80,000 square feet is lost in this scenario because of the market absorption rate and the large interior spaces that have no access to daylight. Most of the identified uses require minimum distances to natural light, either by code or market expectations. The loss of this square footage has a negative impact on the projected cash flow because while the space would not be income producing, it would still have operational costs associated with these spaces.

For the purposes of this study, the same operational expense of $8 per sf was used which significantly reduces the annual Net Operating Income (NOI). Another developer might calculate this number differently to reduce the loss, but it can't be eliminated completely. As a result of the increased equity required and the reduced NOI, the ability to leverage conventional financing is compromised.

The overall cost of the project is another hindrance. There are very few developers willing to take on a $113 million project without a substantial public subsidy. What subsidies might be available are difficult to predict; however, it is fair to assume some public support would be possible for the right project. It is likely that whatever public funding is available, beyond what any project of this type qualifies for, would have an upper limit regardless of the final footprint. This funding would be spread over more square footage reducing its impact to close the financing gap identified in the above analysis. The current $5 million cap on the NYS Historic Tax Credit would yield approximately $2.7 million. While this equity would certainly help to fund this project, its impact would be minimized when spread over such a large structure. Unfortunately the condition of some spaces, especially Building, 1 is so compromised that extraordinary measures are required to restore and rebuild them.

Summary Sheet: Full Complex Redevelopment Scheme



Available redevelopment square footage (including Basement):	591,591sf
Proposed Market driven redevelopment Square footage:	415,150sf
Basement Square footage:	87,722sf
Square footage beyond Market assumptions:	88,719sf

Potential reuse options:

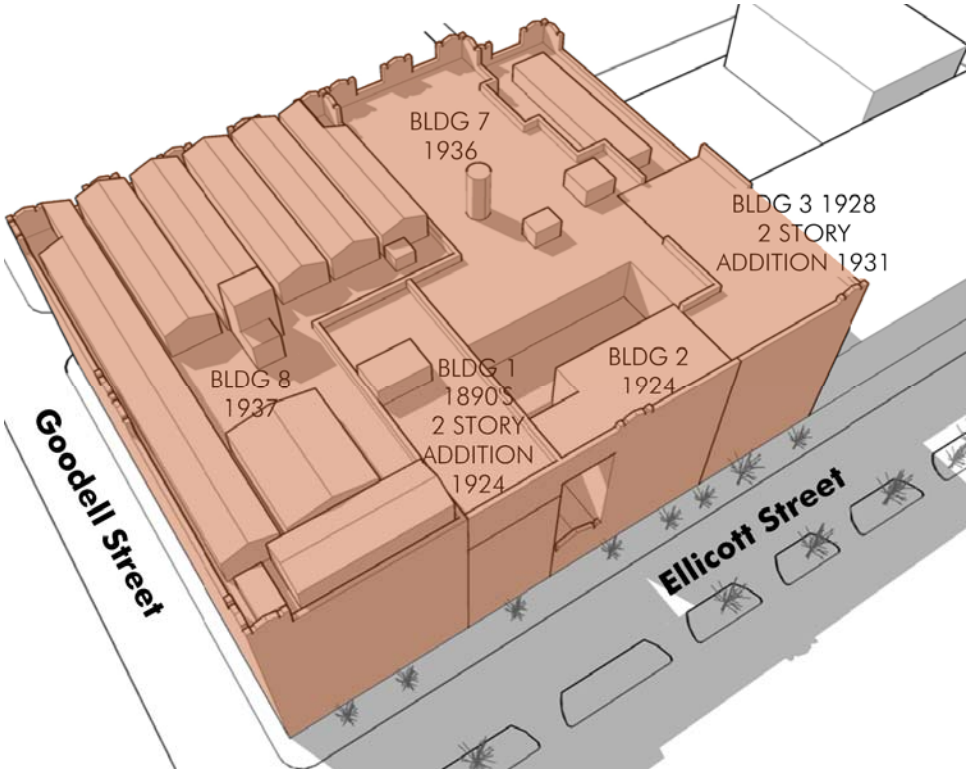
Basement:	Mechanical, Budget Hotel and tenant storage
First Floor:	Retail and shared tenant amenities
Mezzanine level:	Commercial & Clinical Offices and shared tenant amenities
2nd Floor:	Light Industrial: Traditional & Medical
3rd Floor:	Budget Hotel
4th & 5th Floors:	Loft Residential Apartments

Lease up:	12-60 months depending on program
Est. Min. Parking Spaces:	1151

Est. Development Cost:	$113,714,595
Est. Non-Private Funding:	$23,118,626
Est. Annual Costs:	$4,732,728
Est. Annual Return:	$6,278,750

Courtyard/Light-Well Redevelopment Scheme

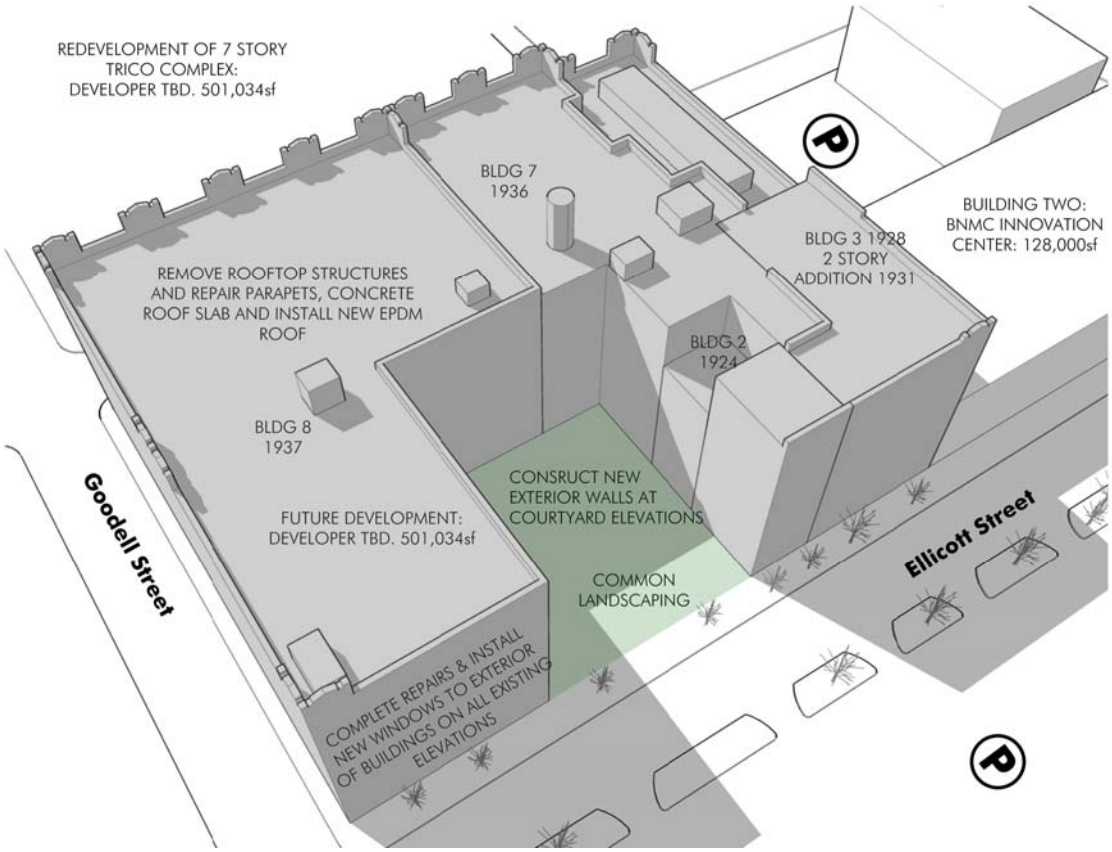
The "Courtyard/Light-Well Redevelopment Scheme" involves a significant scope of new construction while maintaining a sizable portion of the existing buildings. In this scheme, the majority of the complex is preserved, with a large light-well located on the Ellicott Street side of the complex. Due to the significant structural issues, Building 1 would require extraordinary measures to restore, making it unfeasible to rehabilitate. Most if not all of the structure would have to be disassembled and reconstructed, making it impractical to restore. As a result of this condition and the manner in which Building No. 2 is partially supported by Building No. 1, this area is recommended to be utilized as a light-well. The addition of a natural light source is considered critical for a successful redevelopment that does not include manufacturing or a substantial amount of "lost" floor space. The current floor plates are quite large and natural light does not permeate to all the areas of each as well as in better examples of daylight factories. Due to the extent of water infiltration, it is unlikely the original façade of either Building No. 1 or No. 2 could be saved without extensive and costly repairs; therefore, the overall form of the new complex becomes "U" shaped. The historic Washington and Goodell Street elevations remain largely intact, and a more manageable floor plate is created.



Trico Plant No. 1 Complex

The size of the courtyard is based on the locations of existing column lines and floor plate widths that could accommodate a variety of reuse options. Although it is assumed that the sections of the remaining buildings can be segmented and partially removed as shown, it is expected that a

developer would undertake a thorough structural investigation, as would be considered standard preliminary efforts for any redevelopment plan. Because the roof top structures are called for removal under this scheme, the 26,036 square feet they represent was not included in the total square footage for redevelopment.



Courtyard/Light-Well Development Scheme

The Trico Complex Courtyard/Light-Well scheme would represent the redevelopment of 81% of the original Trico Plant No.1 Complex with the following gross square footage per story being utilized under this proposed scheme (roof area is not included in the total square foot tabulation):

Basement	72,727	sf
First Floor	72,727	sf
Mezzanine Floor	72,727	sf
Second Floor	72,727	sf
Third Floor	72,727	sf
Fourth Floor	72,076	sf
Fifth Floor	65,323	sf
Roof	72,727	sf
Total Square Footage:	501,034	SF

Costs of Development

As with the Full Complex Redevelopment Scheme, this redevelopment scheme will necessitate more intensive environmental remediation beyond what would be involved for mothballing or demolishing the complex for it to be utilized for redevelopment programs. Based on the initial contract with Ontario Specialty Contracting, Inc. the cost of basic remediation is estimated to be $1.8 million. For the complex to be utilized for the various redevelopment programs, further investigation would be required to determine the exact amount, location and scope of remediation required. Per a conservative value provided by OSC, the additional testing and remediation would be approximately $5 per square foot in addition to the cost of basic remediation.

The building envelope of the entire Complex has numerous locations requiring immediate attention, all of which will need to be addressed before any future development occurs. The roof top structures have not stood the test of time well, and under this scheme they are removed. Their removal also enables the proper repair of the existing concrete roof deck where needed and replacement of the entire roof system. As previously stated, large sections of the existing EPDM roof were removed by the former developer, and the areas of roof system that are still in place are showing all the signs of failure. About 40% of the roof slab has been exposed and has suffered some level of spalling due to freeze/thaw. The estimated total removal cost, including the full removal of Building No. 1, most of Building No. 2 and a portion of Building No. 7 would be approximately $360,000.

In addition to the roof, included in the envelope scope of work are repairs to the existing exterior facade. The exact extent of the required envelope structural repairs has been well documented in the structural issue assessment section of this report. This redevelopment scheme estimates that roughly 1080 linear feet of existing exterior wall, over seven floors will require extensive masonry repair and the installation of new historically acceptable windows. The area of the building utilized for the new light-well will have no existing exterior walls after selective demolition and therefore will require 380 linear feet of new exterior wall. In order to maintain the historic significance of this portion of the complex, and the adherence to the Secretary of the Interior's standards for the treatment of historic properties, the construction of the new exterior walls should respect the existing in construction and look, while maintaining different detailing so as not to be confused with the original façade, recognizing that this likely will be a more costly approach than similar, newer styles of construction.

As with the Full Complex Redevelopment Scheme, in addition to the shell, the developer would also be responsible for the initial core renovation work. This scope of work includes the mechanical air handling systems for heating and cooling the building, vertical circulation including new elevators, new and replacement stair towers and prep work required throughout the complex before potential tenant build outs can occur. Depending on the lease agreement type, there is always the potential for the developer to recoup some of this cost during the lease up period from potential tenants, but the initial building mechanical and facility infrastructure should already be in place by the build-out initiation. This particular scheme would also require some exterior construction and landscaping. The existing basement could be "capped" at grade so that an expanded basement level can be utilized as part of this scheme, and the grassed and planted

courtyard constructed. Existing sidewalks and streetscaping work would enhance the exterior appearance of the complex.

Cost Breakdown:	
Basic environmental remediation:	$1,875,000
Additional Testing & Full environmental remediation:	$2,505,170
Building Demolition:	$362,000
Exterior Envelope repair and reconstruction:	$15,734,000
Building Core renovation:	$17,403,000
Landscaping and Street work:	$650,000

Market Assumptions from Militello Realty

The Trico Courtyard/Light-Well Development provides a total of 501,034 square feet (428,307 square feet of useable/income-producing space excluding basement). Although the scope is slightly reduced from the Full Complex Redevelopment Scheme, the market assumptions are the same for this proposal. As with the Full Complex Redevelopment Scheme, Militello Realty is assuming a 5 year lease up period (versus a 4 year lease up period considered appropriate for the current market). Projections beyond this period cannot be reasonably supported. While the Courtyard Scheme and the Full Complex Redevelopment Scheme differ in overall size (501,034 versus 591,591), the market assessment is essentially the same due to the limitations of development square footage that this market can absorb. Whereas the Full Complex Redevelopment Scheme left roughly 80,000 sf of unutilized, non-programmed space, this scheme suffers from less underutilized space due to the amount of the complex removed for the courtyard/light-well. Specific to the Courtyard Redevelopment Scheme, the market assumptions are the same as were for the Full Complex Redevelopment Scheme with the following important points:

A. Retail: A minimal amount of retail space is proposed for the redeveloped site, primarily the types of uses that will support the on-site residents and employees and a small number of visitors to the Medical Campus. The physical format of the property and its location do not work well as a traditional retail environment. Aside from restaurants and convenience retail, Militello does not see any viable market for additional retail tenants coming to the property. (Competing retail is proposed by the BNMC Master Plan for the 4+ acre site on the east side of Ellicott opposite the Trico site). A mix of uses such as a convenience store (3,400 square feet), a full service restaurant (4,000 square feet) and services such as a dry cleaner, fitness facility, take-out food establishments are likely market targets (5 units of 1,350 square feet.

The Assumed Rental Rate for a full service restaurant is $18.00/rentable square feet net of taxes, utilities and maintenance of premises. The rental rate includes shell preparation for tenant finishes. Rent escalates 3% annually, and the lease up period is projected to be 12 months. Five retail units and the single convenience store will have a rental return of $25.00/rentable square feet net of taxes, utilities and maintenance of premises. Rent escalates 3% annually and includes "vanilla box" build out. The lease up period is projected to be 18 months.

B. Medical Office Space: Militello Realty has identified 150,000 square feet of medical tenants who would be interested in space on the Medical Campus in the next 18 months. If not excluded for competitive reasons by the health care institutions now on the Campus, Militello is of the opinion that it would be possible to capture up to 70,000 square feet with the average tenant size being 5,000 square feet. Militello's leasing projections also assume that there are no lingering, negative environmental conditions, either actual or perceived. An extended lease up period (60 months) and an assumed additional 20,000 square feet of medical space is anticipated over the optimal market driven need. Three new medical facilities are currently proposed for the Medical Campus which may come on line during the projected lease up period. These facilities will be new construction (latest technology and superior physical layout) and located closer to the hospitals than the Trico site. These properties coupled with the support of BNMC members will be formidable competition for the Trico property. To achieve the projected lease up, the Trico property will need to offer lower rents, better amenities and easily accessible, free parking which will allow it to operate independently of the Medical Campus parking inventory.

Based on current market data, Medical Office space can rent for $30.00/square foot net of electricity and janitorial services, with the tenant paying its share of annual increases in operating expenses and taxes over the base year. This annual pass-through is not compounded into the annual rent escalation of 3%. The rental rate includes a $50.00/ rentable square foot tenant allowance. The lease up period is expected to take 36 months.

C. General Office: Militello Realty has been active in leasing space both on the Medical Campus and in the Central Business District. Based on our leasing experience and the above statistical profile of demand, we predict that this scheme could secure approximately 50,000 square feet of general office space. Given market conditions for similar space in downtown Buffalo, a lease-up period of 48 months is projected. Average office tenant size would be recommended to be on average 6,000 square feet each. As with the full redevelopment scheme, Militello Realty has assumed leasing 10,000 square feet of office space each year for 5 years. However, the Central Business District market has averaged over a 20% vacancy during the last 10 year period. This means that during this time frame over 2.2 million square feet of space has remained vacant. As with the medical space, particularly in the Class A market, the competition for tenants is very strong from new development. Even with a high level of investment, Militello does not believe that the Trico property can compete for the Class A market. To compete for B market tenants, as stated under Market Assumptions above, tenants must be drawn from the existing inventory of Central Business District space. This calls for lower pricing, free parking and a higher level of tenant allowances. Unlike the medical market, there is no real compelling reason, short of attractive economics and parking, to locate an office on the Medical Campus. Achieving the 50,000 square feet lease up level will be very difficult.

The assumed Rental Rate for B+ space is $18.00 per square foot, net of electricity and janitorial services. Tenant will pay its share of annual increases in operating expenses and taxes over the base year. This annual pass-through is not compounded into the annual rent escalation of 3%. Lease rate includes tenant allowance of $25.00/rentable square feet with a projected lease up period of 48 months.

D. Residential: Residential is the bright light in this market. If the product is priced at competitive market rates, Militello sees the potential conservative estimate of a maximum of 120, for-rent, loft apartments ranging in size from 700 square feet (one bedroom unit) to approximately 900 square feet (two-bedroom unit) are proposed for this location assuming that market-rate rents can support the cost of development. These projected rental rates are within the range of actual rents for newly constructed units of a similar type and size that have come on line in downtown Buffalo during the past few years through the redevelopment of existing commercial and industrial buildings. A 36 month lease up period for loft apartments is anticipated based on the recent and growing uptake of similar units in and around downtown Buffalo.

The assumed Rental Rate for one bedroom units will rent at ($1.29/sqft/month) $900/month and two bedroom units at ($1.33/sqft per month) $1,200/month. The tenant will pay metered premises utilities and janitorial.

E. Hotel: The majority of the hotel developments in this market involve ownership of both the physical asset and the hotel operation by the development group. The decision to invest in the hotel is based on the probable returns generated from the operation. The physical configuration of each type of hotel product, along with its national brand affiliation, results in differing capital investments and projected returns. As with the previous development model, it is assumed that the landlord does not have an equity interest in the hotel and is only renting to the operator of the franchise. The landlord is responsible for the shell and core improvements and making the space ready for the start of construction of tenant finishes (hotel rooms and public areas). The hotel in this case could support a rental rate of $13.60/rsf. This rent would be net of all utilities, taxes and maintenance of the hotel asset. The lease term would be 15 years and have annual rent escalations of 3%.

F. Light Manufacturing. There is a potential to attract 125,000 square feet of light industrial tenants. The addition of light manufacturing/R&D and warehousing to the proposed tenant mix is based on a survey of 6 loft buildings in the City of Buffalo (701 Seneca, Larkin, 255 Great Arrow, Tri-Main, 640 Ellicott, and 77 Goodell) with a total of 2,883,558 rentable square feet of space. For our purposes we are categorizing this mix of space as "Industrial space". All of the surveyed properties have achieved a reasonable level of leasing success, collectively hitting an 86% occupancy level. The building structures are similar to the Trico property and their tenant mix runs from A quality office to C quality warehouse space. A graphed comparison has been provided in the 100% reuse scheme. The projected rent structure is lower for the industrial space than for office and residential but so are the landlord's build out and management responsibilities. For the most part, the landlord would be responsible within the rent proposed for a "turnkey finish" of the tenant spaces. With a higher level of tenant finishes, it is possible that the Trico property could attract R&D operations now on the Medical Campus which are moving into the second stage of growth.

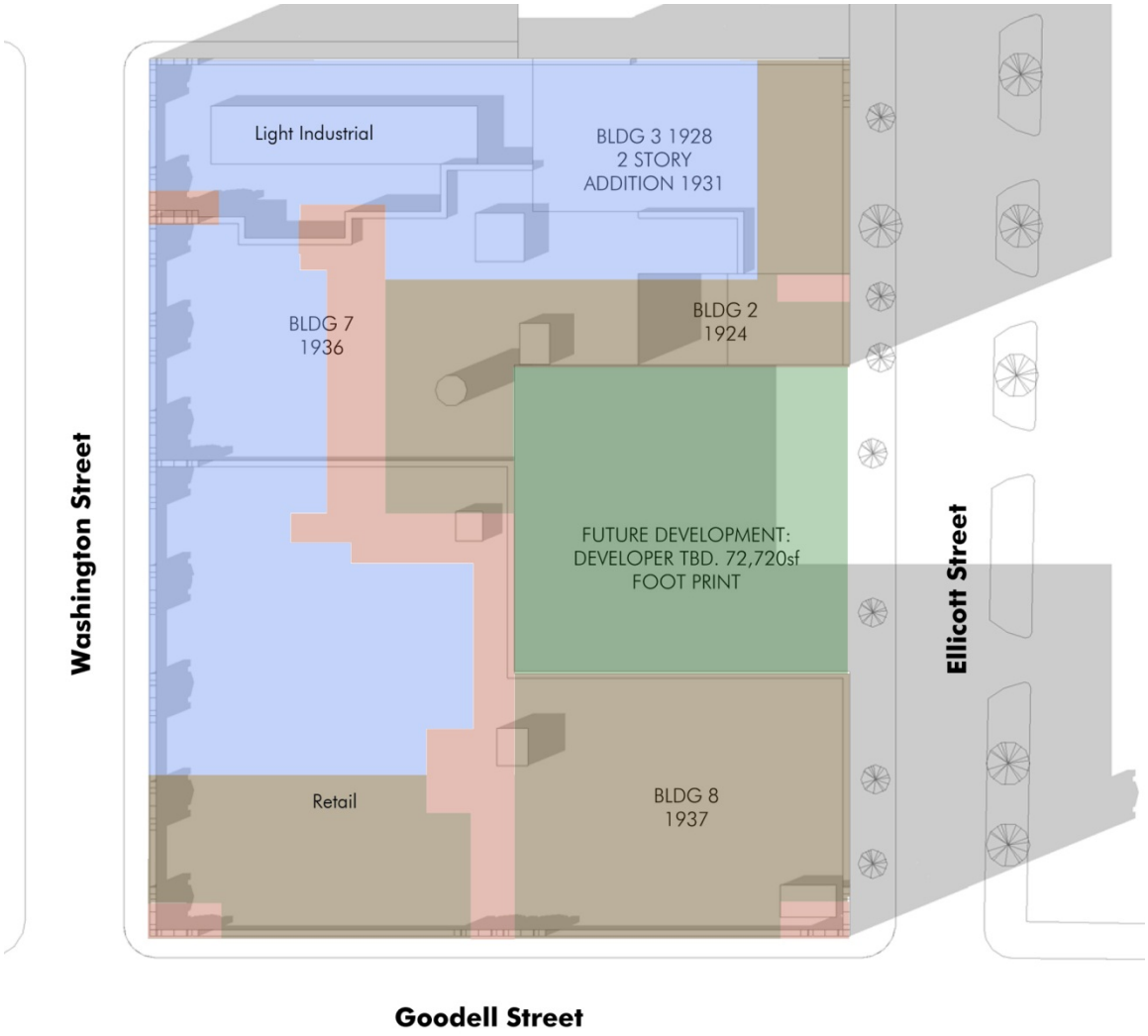
Based on input from local leasing agents and developers, we recommend the following reuse plan for Trico Plant No. 1 Complex:

Basement:	Mechanical, Budget Hotel and tenant storage

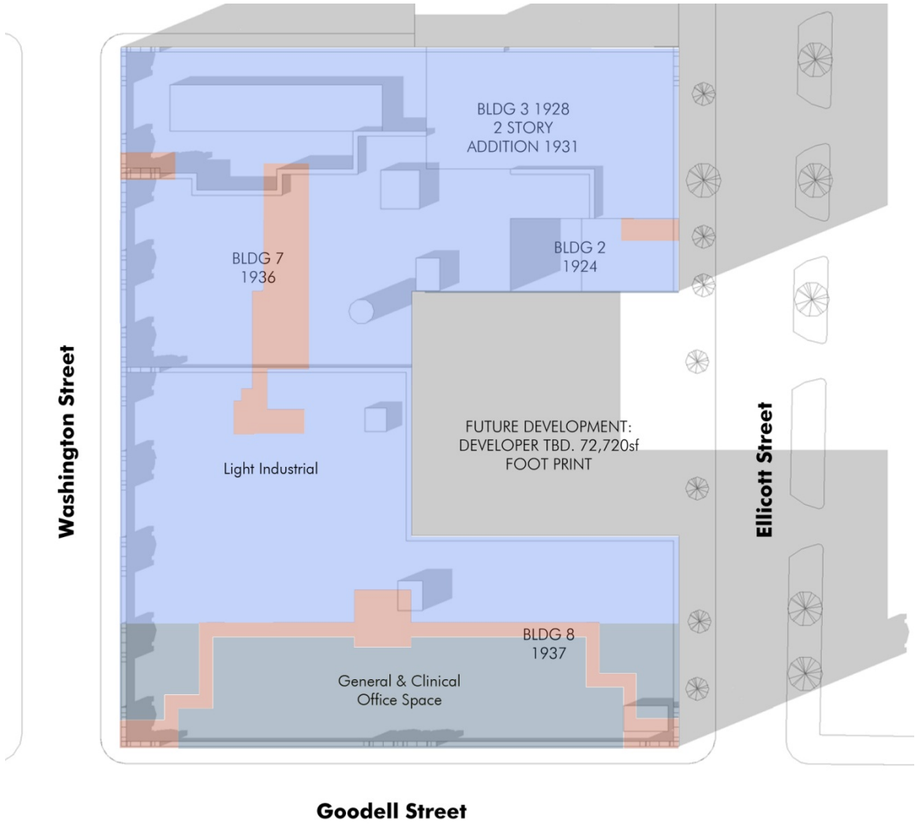
First Floor:	Retail and shared tenant amenities
Mezzanine level:	Commercial & Clinical Offices and shared tenant amenities
2nd Floor:	Light Industrial: Traditional & Medical
3rd Floor:	Budget Hotel
4th & 5th Floors:	Loft Residential Apartments

As with the previous redevelopment scheme, in addition to the market driven challenges, several program related issues that require further consideration for any redevelopment options. Most significantly, throughout the entire complex first floor is elevated several feet above the sidewalk grade, which will impact access. Secondarily, the Mezzanine level has a low floor to floor height, less than 11' that would limit its utilization ratio. These issues are the same no matter the redevelopment scheme and would be the responsibility of any developer to address to ensure the successful redevelopment of either the entire or a reduced portion of the Trico Plant No. 1 Complex.

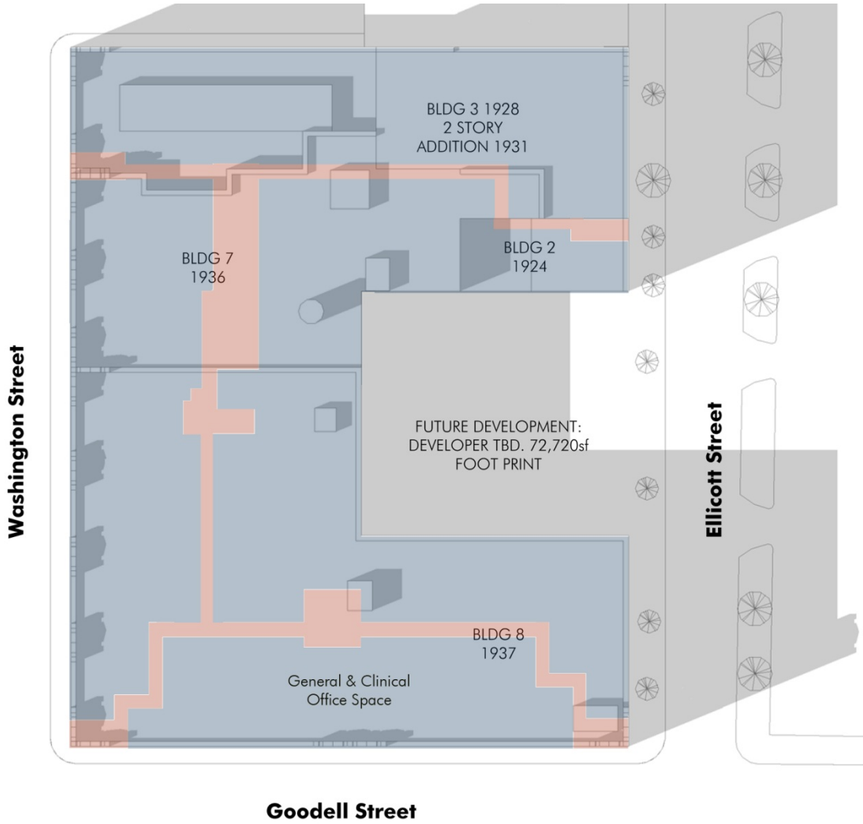
With the suggested programs in mind, Architectural Resources developed a basic schematic layout for the utilized floor levels. No plan for the basement has been provided as the space has limited options for any program that could provide an income source for the developer. In addition, parking has not been considered a viable option for the basement level due to the existing layout of the space, among other reasons. This conceptual layout maximizes the existing floor plates and minimizes underutilized square footage such as common space. Vertical transitions are either in existing locations or where the most structural and/or environment issues with floor slabs need to be addressed. North is to the top of the page. See conceptual plans starting on the next page:



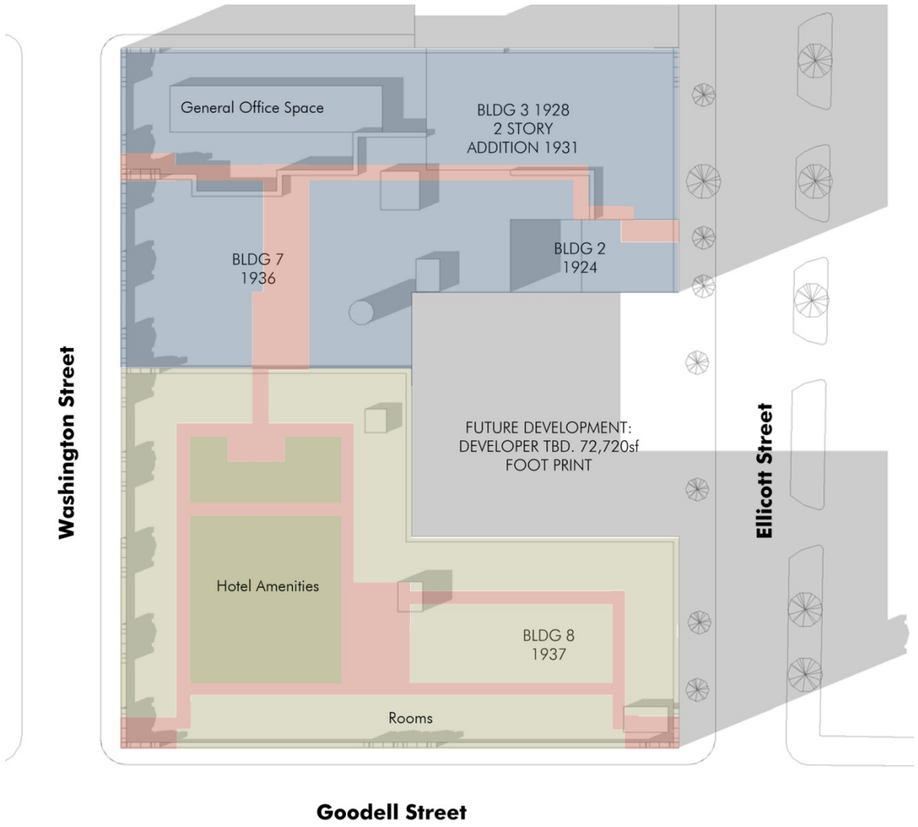
First Floor: Retail & Light Industrial



Mezzanine Level: General Office Space & Light Industrial



Second Floor: General & Clinical Office Space



Third Floor: General Office & Budget Hotel

Fourth & Fifth Floors: Residential

Based on this proposed utilization, with values provided by Baer & Associates, it is estimated that the interior build-out phase of this particular redevelopment of the Trico Complex would cost approximately: $46,347,000.

The full project cost being approximately:

Cost Breakdown:	
Total Demolition and Environmental:	$4,742,170
Total Exterior and Core renovation cost:	$33,787,000
Interior Tenant Build out:	$46,347,000
Soft Costs:	$12,020,100
Estimated Total Development cost:	**$96,896,270**

This development total does not include the build-out cost for the budget hotel as most of this cost would be carried by the hotel chain that would locate in the complex. As with the Full Redevelopment Scheme, a portion of the development cost could be covered by NYS historic tax credits, estimated to be approximately $2.6 million, and Federal historic tax credits could be worth an additional $19 million. The availability of these particular funds would require approval by various agencies including the New York State Office of Parks, Recreation and Historic Preservation.

Off-Street Parking

As previously stated, this report makes no assumptions of where future parking will be located, what form it will take (surface lot or ramp structure), or who will provide it. Such items would be addressed by any future potential developer as a component of their redevelopment plan for Trico Plant No. 1 and at that time said developer would determine the cost for providing required off-street parking. Buffalo City zoning code mandates that required parking be provided on the same lot or on another site within 1000 feet of the lot boundary.

Parking is not considered a viable option for the existing basement level, due to the existing column spacing, the spatial requirements of accommodating the elevation change from grade, and the negative impact on leasable first floor square footage due to the need for ramping. In our opinion the basement space would be better utilized as a primary mechanical floor and utility spaces for the budget hotel, where leasable income loss would be negligible and would be preferable to utilizing space on upper floors for large utility rooms. The zoning code requires all downtown businesses to provide off-street loading spaces, determined by the total square footage of select building uses. Under the Courtyard Redevelopment Scheme, the current City of Buffalo zoning code would require a minimum 632 individual parking spaces and an additional 13 accessible parking spaces with access aisles, which would be the equivalent of 19 individual parking spaces.

Rendering of Courtyard/Light-well Redevelopment Scheme

For this scheme an estimated total of 651 spaces would be required. An estimated 10 loading zones will need to be provided adjacent to the complex. The City will allow some crossover between daytime and after hours parking that could reduce the number. However based upon standard parking demands for this region as determined by Militello Realty, the following quantities are recommended as the minimum number of parking spaces required based upon the programs proposed as a component of the "Courtyard Redevelopment Scheme":

Retail: Restaurant, Misc. Retail and Convenience	66
Medical: Clinical Space	300
General office	200
Loft Apartments	120
Budget Hotel	90
Traditional Light Manufacturing	225
Medical Light Manufacturing	150
Total	1151

Income Derived from Development

The following assessment of income potential for the redevelopment of the Trico Courtyard Redevelopment Scheme is derived from meetings with and review by Jim Militello of J. R. Militello Realty, Inc. The leasable rates are considered appropriate for this market and this location. Many assumptions on the financial returns for a development of the Complex have been made, all with guidance from professionals familiar with this market.

Based on the current market the lease-up duration for this scheme is anticipated to be the following:

Retail (Restaurant)	12 Months
Retail (5 Stores)	18 Months
Retail (Convenience)	12 Months
Office (Class B)	60 Months
Medical (Clinical)	60 Months
Residential (Loft Apt's)	36 Months
Budget Hotel	18 Months
Traditional Light Mfg	60 Months
Medical Light Mfg	60 Months

With all assumptions having been met and full lease up accomplished, gross rental incomes per year for the Courtyard/Light-Well Redevelopment Scheme are anticipated to be the following:

	Area (gsf)	Rent/gsf	Income
Retail	6,750	$25.00	$168,750
Convenience	3,400	$25.00	$85,000
Restaurant	4,000	$18.00	$72,000
Medical office	70,000	$30.00	$2,100,000
General office	50,000	$18.00	$900,000
Residential (1*60)	42,000	$1.29	$650,160
Residential (2*60)	54,000	$1.33	$861,840
Hotel (120 rooms)	60,000	$13.60	$816,000
Light Manufacturing	125,000	$5.00	$625,000
Total	415,150		$6,278,750

Building core, circulation and common spaces are not included in these numbers although some of this square footage would in all likelihood be income producing. Typically these spaces are shared between all the tenants based on individual lease agreements.

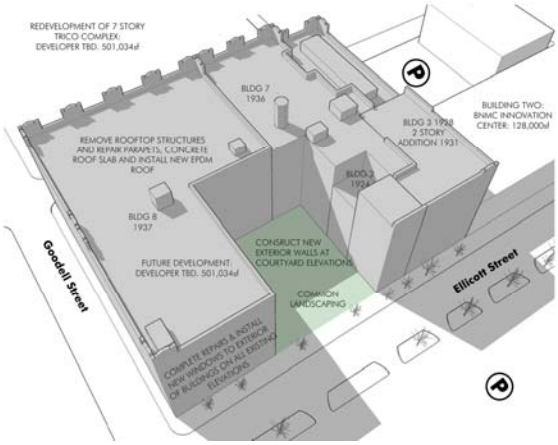
Annual operating costs for the Courtyard Scheme are estimated to be approximately $4,008,000. This amount would escalate roughly 3% per year.

Conclusion by Doug Swift Development

The Courtyard/Light-Well Redevelopment Scheme removes much of the Complex's square footage that is considered extraordinarily difficult to restore. Building 1 and the related parts connected to it are removed. This opens up a centrally located courtyard that gives most of the remaining spaces equal and adequate access to natural light. This scheme retains a majority of

the Complex's historic fabric while reducing the footprint modestly. The overall useable square footage remains the same as the Full Redevelopment Scheme because the loss factor from the interior dead space is greatly reduced. It is also built to the expectations of how much space can realistically be absorbed. There are few cost savings with this plan, as the exposed basement area has to be covered and waterproofed. A new urban green-space may be the highest and best use for this courtyard. It would add a neighborhood amenity, but it would also come at additional cost. A new façade is needed where the buildings are exposed after the removal of the selected areas. This plan also has many of the same challenges as the full restoration project. It tries to develop more square footage than the market can absorb in a reasonable time frame, the available public dollars will be spread thinly, and the current $5 million cap on the NYS tax credits will not go very far. While the funding gap is reduced from the Full Complex Redevelopment scheme, it is still very high and the overall development cost of $95 million is still higher than many developers may be willing to undertake. The equity investment is lower than the Full Complex scheme and the NOI has increased, allowing for a higher conventional financing limit. While improving the gap financing required, it is still a significant hole to fill.

Summary Sheet for Courtyard/Light-well Scheme



Available redevelopment square footage (including Basement):	501,034sf
Proposed Market driven redevelopment Square footage:	415,150sf
Basement Square footage:	72,727sf
Square footage beyond Market assumptions:	13,157sf

Potential reuse options:

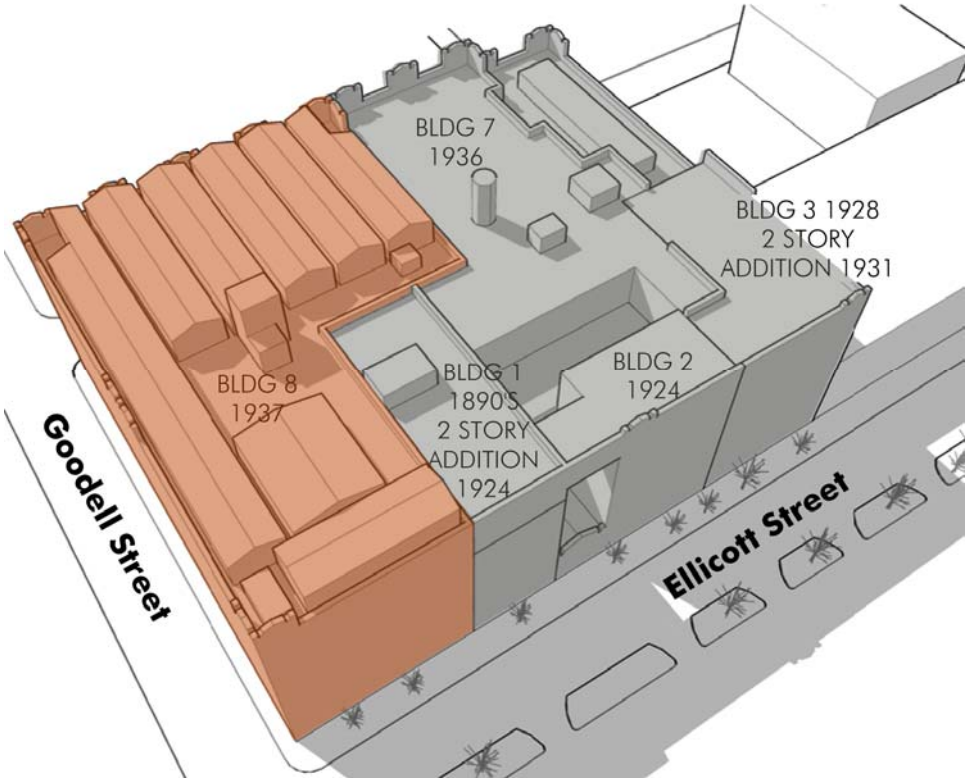
Basement:	Mechanical, Budget Hotel and tenant storage
First Floor:	Retail and shared tenant amenities
Mezzanine level:	Commercial & Clinical Offices and shared tenant amenities
2nd Floor:	Light Industrial: Traditional & Medical
3rd Floor:	Budget Hotel
4th & 5th Floors:	Loft Residential Apartments

Lease up:	12-60 months depending on program
Est. Min. Parking Spaces:	1151

Est. Development Cost:	$96,896,270
Est. Non-Private Funding:	$22,029,253
Est. Annual Costs:	$4,008,000
Est. Annual Return:	$6,278,750

Goodell Scheme/North Parcel Development Site

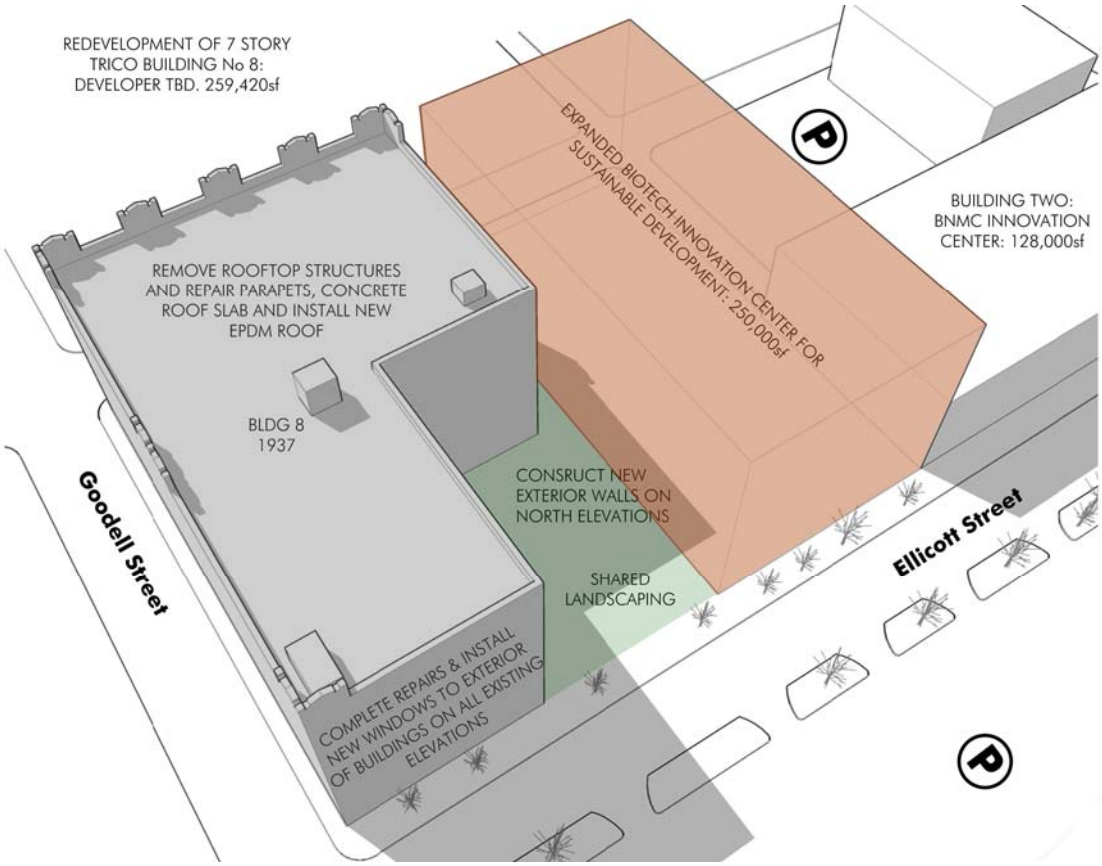
The consultant team recognizes there are numerous options that could be analyzed to selectively remove various portions of the Complex's structure. Due to the limitations of the scope of this study, one scheme was chosen based on the overall conditions of the various buildings, market absorption assumptions and the development goals of the BNMC. Other options could be explored that retain more of the original historic fabric if it fit the overall project intent. The "Goodell Development Scheme" concentrates resources toward redevelopment of Trico Building No. 8. As stated in a previous section, this was one of the last buildings to be constructed in the Trico Plant No. 1 Complex, completed in 1937. Building No. 8 is an "L" shaped steel framed, concrete encased structure with a masonry and glazed exterior wall that displays many of the attributes of the "Daylight Factory" architectural style of construction. While the multistory building does have a perimeter of windows and exposed regular frames, in this example the column spacing is much closer than typically seen in standard examples of the style. The roof is reinforced concrete slab, and while sections of the EPDM membrane have been removed, most of the concrete slab has been protected by the metal penthouse structures that are in a failing condition.



Building No.8 Trico Plant No.1 Complex

Where the concrete is exposed there is extensive spalling of the upper portion of the concrete deck surface. In spite of Building No. 1's structural issues and the removal of the northern buildings for

future BNMC/Innovation Center development, redevelopment of Trico Building No. 8 would be in the most strategic and visible location on the site. Specifically, its redevelopment would maintain the iconic view as automobile traffic comes up Goodell Street towards Main Street and travelling north on Ellicott Street and Washington Street, be a cornerstone of the block and a southern gateway to the larger BNMC campus. This scheme would allow BNMC a sufficient footprint to expand the current Innovation Center.



Goodell Redevelopment Scheme

In this scheme, the reuse of Trico Building No. 8 would enable the redevelopment of 42% of the original Trico Plant No. 1 Complex. Because the roof top structures are called for removal under this scheme, the 26,036 sf they represent was not included in the total square footage for redevelopment. The following gross square footage per story will be utilized under this proposed scheme (*roof area is not included in the total square foot tabulation):

Basement	37,060	sf
First Floor	37,060	sf
Mezzanine Floor	37,060	sf
Second Floor	37,060	sf
Third Floor	37,060	sf

Fourth Floor	37,060	sf
Fifth Floor	37,060	sf
Roof*	37,060	sf
Total Square Footage:	259,420	SF

Costs of Development

Reducing the size of redevelopment to Building No. 8 has several advantages. This scheme is a more manageable redevelopment project, would have an easier time attracting a legitimate developer to take on the project, and is more in scale with the current local demand. This scheme saves an entire building rather than portions of several buildings, and eliminates from the equation the majority of structural and environmental "hot spots" within the larger complex. This scheme also allows BNMC to develop the northern portion of the property. Under this scheme there is no demolition cost associated with the removal of the portions of the complex that are required for the Innovation Center's new construction, as it is assumed that the current contract held by BNMC with Ontario Specialty Contracting, Inc. for demolition of the entire complex would include this scope of work. This contract would also include 100% of the basic remediation of environmental issues.

Any potential developer for Building No. 8 would be responsible for the cost of additional, more intensive levels of remediation that will be required for proposed redevelopment uses. For the complex to be utilized for the various redevelopment programs, further investigation would be required to determine the exact amount, location and scope of remediation required. Per a conservative value provided by OSC, the additional testing and remediation would be approximately $5 per square foot.

The building envelope has several significant issues that need to be addressed before any future development occurs. The roof top structures have not stood the test of time well, and under this redevelopment scheme it is recommended that they be removed. The primary motivating factor for their removal is to enable the proper repair of the existing concrete roof deck where needed and the replacement of the entire EPDM roof system. In addition to the roof, included in the building envelope repairs is the existing exterior facade. This redevelopment scheme preserves 545 linear feet of existing exterior wall that will require extensive masonry repair and the installation of new historically acceptable windows. The exact extent of the envelope structural repairs that are required has been well documented in the structural assessment section of this report. The north elevations of the building have no exterior wall construction and will be left exposed from the removal of Buildings No. 2, 3, and 7 and therefore will require 345 linear feet of new exterior wall. In order to maintain the historic significance of this portion of the complex, and the adherence to the Secretary of the Interior's standards for the treatment of historic properties, the construction of the new exterior walls should respect the existing in construction and look while maintaining different detailing so as not to be confused with the original façade, although this will likely be a more costly approach than similar, newer styles of construction.

In addition to the shell, the developer would also be responsible for the initial core renovation work. This scope of work includes the mechanical air handling systems for heating and cooling the building, vertical circulation including new passenger elevators, new and replacement stair towers and prep work required throughout the complex before potential tenant build outs can occur. Depending on the lease agreement type, there is always the potential for the developer to recoup some of this cost during the lease up period from potential tenants, but the initial building mechanical and facility infrastructure should be in place by the build-out initiation. This particular scheme would also require minor exterior construction and landscaping. The existing basement left exposed from the removal of the buildings North of Building No. 8 could be "capped" at grade so that an expanded basement level can be utilized as part of this scheme and the grassed and planted courtyard constructed. Existing sidewalks and streetscaping work would need to be undertaken to enhance the exterior appearance of the complex. It is assumed that no above or below ground redevelopment would occur as part of this scheme north of the furthest extent of Building No. 8, as this would be the area of the property to be fully developed by BNMC. Leaving this section of the basement exposed would facilitate the development of the expanded Innovation Center.

Cost Breakdown:

Basic environmental remediation:	$1,875,000*
Additional Testing & Full environmental remediation:	$1,297,100
Building Demolition:	$1,163,000*
Exterior Envelope repair and reconstruction:	$8,952,000
Building Core renovation:	$10,455,000
Landscaping and Street work:	$1,000,000

Amounts assumed to be paid for by BNMC in exchange for the opportunity to develop the cleared property for the expansion of the Innovation Center.

Market Assumptions from Militello Realty

Specific to the Goodell Redevelopment Scheme, the following market assumptions are seen as an appropriate commercial utilization for this particular partial reuse/restoration of the Trico Complex:

A. Retail: A minimal amount of retail space is proposed for the redeveloped site, primarily the types of uses that will support the on-site residents and employees and a small number of visitors to the Medical Campus. (Competing retail is proposed by the BNMC Master Plan for the 4+ acre site on the east side of Ellicott opposite the Trico site). A mix of uses such as a convenience store (3,400 square feet), a full service restaurant (4,000 square feet) and services such as a dry cleaner, fitness facility, take-out food establishments are likely market targets (5 units of 1,350 square feet).

The Assumed Rental Rate for a full service restaurant is $18.00/rentable square feet net of taxes, utilities and maintenance of premises. The rental rate includes shell preparation for tenant finishes. Rent escalates 3% annually, and the lease up period is projected to be 12 months. Five retail units

and the single convenience store will have a rental return of $25.00/rentable square feet net of taxes, utilities and maintenance of premises. Rent escalates 3% annually and includes "vanilla box" build out. The lease up period is projected to be 18 months.

Space standards: Retail

Within the retail rental rate, the Landlord delivers a "plain vanilla box" outlined as follows:

- For each space new 200 AMP, 3 phase service with meter.
- Existing concrete floor is broom cleaned and ready to receive finished floor system.
- Minimum of (1) men's and (1) women's operable handicap accessible restroom in each space (could be central common washrooms).
- Landlord allowance for 2x4' acoustical ceiling grid in spaces.
- Landlord allowance for standard 2x4' recessed fixtures in each space.
- Landlord to remove existing fixtures, shelving or other property from previous tenant unless otherwise specified in writing by Lessee.
- Landlord to construct demising wall between spaces in accordance with state and local code requirements. Demising wall shall contain drywall extending to the bottom of the roof structure; drywall surface to be taped and sanded with one coat of primer.
- Landlord shall provide a fully functional automatic fire sprinkler system all in accordance with state and local code requirements for the building. Regardless of whether the riser is located within the Leased Premises, the Landlord shall be responsible for monitoring costs and ongoing repair and replacement of associated equipment of the riser and alarm system on a pro-rata basis. Cost related to this system will be part of the CAM (Common Area Maintenance) charges.
- HVAC units will be delivered in good working order at the Landlord's expense. The number of units assigned to tenants per need as determined by tenant and Landlord.
- Each tenant will have access to an 8' x 8' size roll-up door for receiving merchandise (which could be the building common loading area).
- Landlord to provide clear tempered glass entry and glass store front.
- It is assumed that all of the retail units together will use 66 parking spaces. Depending on hours of operation these spaces may be used in common with other tenants.

B. Medical Office Space: Militello Realty has identified 150,000 square feet of medical tenants who would be interested in space on the Medical Campus in the next 18 months. If not excluded for competitive reasons by the health care institutions now on the Campus, Militello is of the opinion that it would be possible to capture up to 50,000 square feet with the average tenant size being 5,000 square feet. Militello's leasing projections also assume that there are no lingering, negative environmental conditions, either actual or perceived.

Based on current market data, Medical Office space can rent for $30.00/square foot net of electricity and janitorial services, with the tenant paying its share of annual increases in operating expenses and taxes over the base year. This annual pass-through is not compounded into the annual rent escalation of 3%. The rental rate includes a $50.00/ rentable square foot tenant allowance. The lease up period is expected to take 36 months.

Space standards: Medical Office Space

Medical Office Space will have no overnight patients. The primary use of the space is clinical although it may contain components for research and general office.

Issues to address in determining quality and pricing of the space:

- *Use of the space*; general office, patient examination or treatment rooms "clinical space", reception/waiting areas, storage, conference or training rooms, research/labs.
- *Access:* relationship of the leased space to parking and public areas for both patients and staff.
- Quality of *HVAC* and utility service to space.
- Quality and level of *lighting*.
- Landlord *services* provided with the space.
- Function or *efficiency* of the space.
- *Condition* of the leasehold improvements before start of tenant finish work.

For clinical space, appropriate standards for "A" quality facilities include the following:

- A rational and efficient floor plan. Generally the space has a comfortable patient waiting room (20-35 sf/seat) and reception area just inside the main entrance (85 sf/ employee). Doctors' offices (100-150 sf) and examining rooms (80-100 sf) are arranged along the perimeter of the space with administrative functions and other support facilities (lab 150-400 sf, 120-250 sf pharmacy, 200-400 sf conference room) in the center core. The loss factor for common areas is reasonably controlled.
- An HVAC system with a high degree of zoning and the ability to maintain a consistent and comfortable environment all year round. The system incorporates filtration devices where appropriate and is cost efficient to operate.
- The location should have a good relationship to public transportation and be readily identified with easy patient access.
- Free and adequate parking (6/1,000 sf) for patients and staff within reasonable walking distance to entrance of space.
- The property should offer a high quality operating environment and be established as a physically attractive and desirable business address.
- Tenant finishes are at a higher level; sound attenuation in the walls, upgraded ceiling tiles and floor coverings (new carpeting and paint within the last 3 years), higher light levels with energy efficient fixtures with parabolic lenses.
- The property should have a professional management team in place with proper direction and financial support from the ownership group. There should be in place written policies and practices that maintain a cost effective, stable and quality operating environment.
- The provision of sufficient parking for medical offices is particularly important to the lease-up of medical office space at this location. Although public transit is available in the general area, a location without dedicated (and generally free or inexpensive) parking for patients cannot compete in the open market for medical offices. Based on market experience, Militello projects a need for 300 parking spaces for 50,000 square feet of medical office space. This parking must be in close proximity to the leased space.

C. General Office: Militello Realty has been active in leasing space both on the Medical Campus and in the Central Business District. Based on our leasing experience and the above statistical

profile of demand, we predict that the project could secure approximately 40,000 square feet of general office space. Given market conditions for similar space in downtown Buffalo, a lease-up period of 48 months is projected. Average office tenant size would be recommended at 6,000 square feet.

The assumed Rental Rate for B+ space is $18.00 per square foot, net of electricity and janitorial services. Tenant will pay its share of annual increases in operating expenses and taxes over the base year. This annual pass-through is not compounded into the annual rent escalation of 3%. Lease rate includes tenant allowance of $25.00/rentable square feet with a projected lease up period of 48 months.

Space standards: General Office Space

- The number of dedicated parking spaces needed for the proposed level of general office build-out is estimated at 200 (5/1000 square feet for employees and clients)
- The rating of (i.e.: "A, B, C") office space and the related rental pricing is primarily determined by both the quality and condition of the entire structure and the interior fit-out of the tenant spaces. There are many subsets of tenants (government, back office, corporate, etc.) with differing internal layouts but all generally require the same physical environment. For this study Militello assumes that the property will attract B+ quality office tenants using two primary space formats:
- Open landscape. 20% private offices with the balance of space finished to accommodate various modular office systems. Space is designed for lower density, administrative back office functions, but not a call center.
- Private office. Some open landscaped areas but primarily hard walled private offices and conference rooms. One use subset may be 15,000 square foot executive suites concept.

D. Residential: Loft Apartments (rental) – A conservative estimate of 60, for-rent, loft apartments ranging in size from 700 square feet (one bedroom unit) to approximately 900 square feet (two-bedroom unit) are proposed for this location assuming that market-rate rents can support the cost of development. These projected rental rates are within the range of actual rents for newly constructed units of a similar type and size that have come on line in downtown Buffalo during the past few years through the redevelopment of existing commercial and industrial buildings. A 12 month lease up period for 60 loft apartments is anticipated based on the recent and growing uptake of similar units in and around downtown Buffalo.

The assumed Rental Rate for one bedroom units will rent at ($1.29/sqft/month) $900/month and two bedroom units at ($1.33/sqft per month) $1,200/month. The tenant will pay metered premises utilities and janitorial.

Space Standards: Residential

- Assume 30, one-bedroom (700 square feet) and 30 two-bedroom (900 square feet) loft apartments (with full baths). Can be "Hard Lofts" (i.e., minimally finished with minimal

room delineations or unfinished with no interior partitions except for bathrooms) or "Soft Lofts" (i.e., fully furnished and partitioned into separate rooms)[6]
- Stainless steel appliances, granite countertops, internet services and in-unit washers and dryers (or laundry rooms on each floor or a Laundromat in close proximity).
- Hardwood floors, high exposed ceilings, large windows (as are characteristic of loft apartments in reused industrial or warehouse facilities).
- Workout rooms, fitness centers and nearby convenience shopping also adds to the marketability of loft apartments.
- State-of-the-art security systems
- As noted earlier, dedicated, secure parking for residential units is a significant amenity provided by most of the existing or proposed residential developments located throughout downtown. Both the Zoning Code and Militello Realty's market experience indicate a need for at least 1 dedicated parking space per living unit.

E. Hotel: The majority of the hotel developments in this market involve ownership of both the physical asset and the hotel operation by the development group. The decision to invest in the hotel is based on the probable returns generated from the operation. The physical configuration of each type of hotel product, along with its national brand affiliation, results in differing capital investments and projected returns. For the purpose of this study, Militello Realty recreated one such investment scenario in order to generate a probable lease rate for the development proforma used to analyze the Trico investment. Militello assumed that the landlord does not have an equity interest in the hotel and is only renting to the operator of the franchise. The landlord is responsible for the shell and core improvements and making the space ready for the start of construction of tenant finishes (hotel rooms and public areas).

Militello Realty concluded that the hotel in this case could support a rental rate of $13.60/rsf. This rent would be net of all utilities, taxes and maintenance of the hotel asset. The lease term would be 15 years and have annual rent escalations of 3%.

Space Standards: Hotel (120 rooms)
- Indoor pool and exercise room. Restrooms off of pool area.
- Small breakfast dining area
- Average size lobby with ceramic floor tiles and vinyl wall coverings.
- 1,000 square foot business center and meeting room
- A sundries counter in lobby and vending areas with ice machines on each floor.
- 90 parking spaces.
- Will feature standard room configurations with king (58%) and double beds (42%). The guest rooms will average approximately 400 square feet
- Rooms will have a microwave and small refrigerator, coffee maker and internet service.
- Guestroom bathrooms will be of a standard size with a shower-in-tub, commode and single sink with vanity area, Formica counter top. The floors will be tile and walls finished with vinyl wall coverings.

[6] Information on standards for loft apartments partially obtained from Update of Residential Market Potential, The Downtown Buffalo Study Area, Zimmerman/Volk Associates, Inc., December 2011

- The hotel will be served by the necessary back-of-the-house space such as in-house laundry facility, a breakfast preparation area and administrative offices.

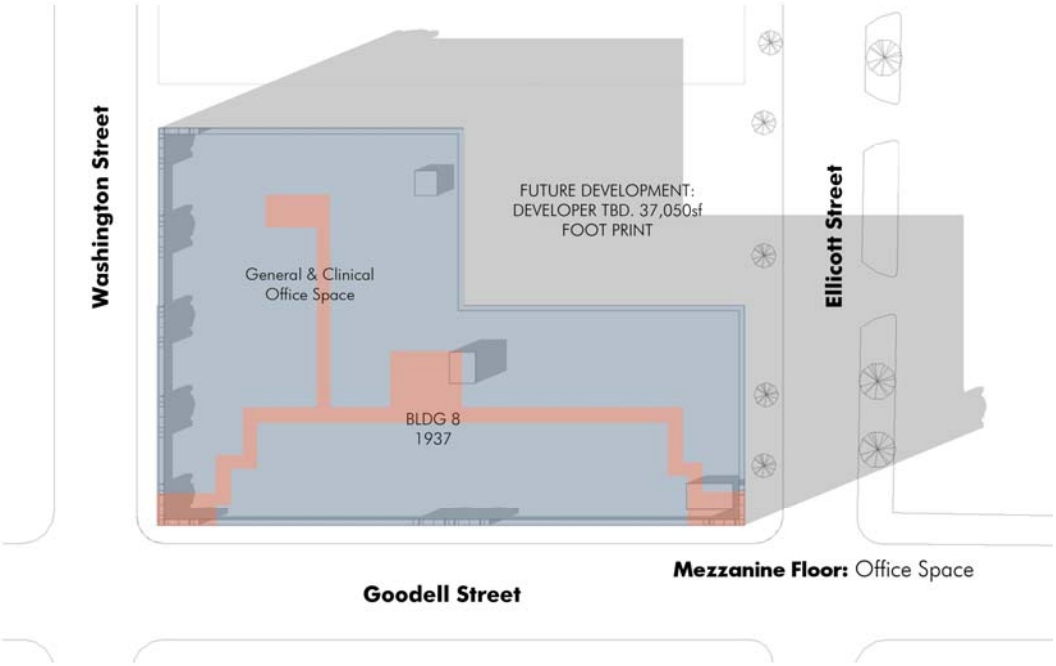
These market based assumptions would fulfill the redevelopment scheme focused on reusing Building No.8. with the following recommended reuse plan for Trico Building No.8:

Basement:	Mechanical, Budget Hotel and tenant storage
First Floor:	Retail
Mezzanine level:	Commercial & Clinical Offices
2nd & 3rd Floor:	Budget Hotel
4th & 5th Floors:	Loft Residential Apartments

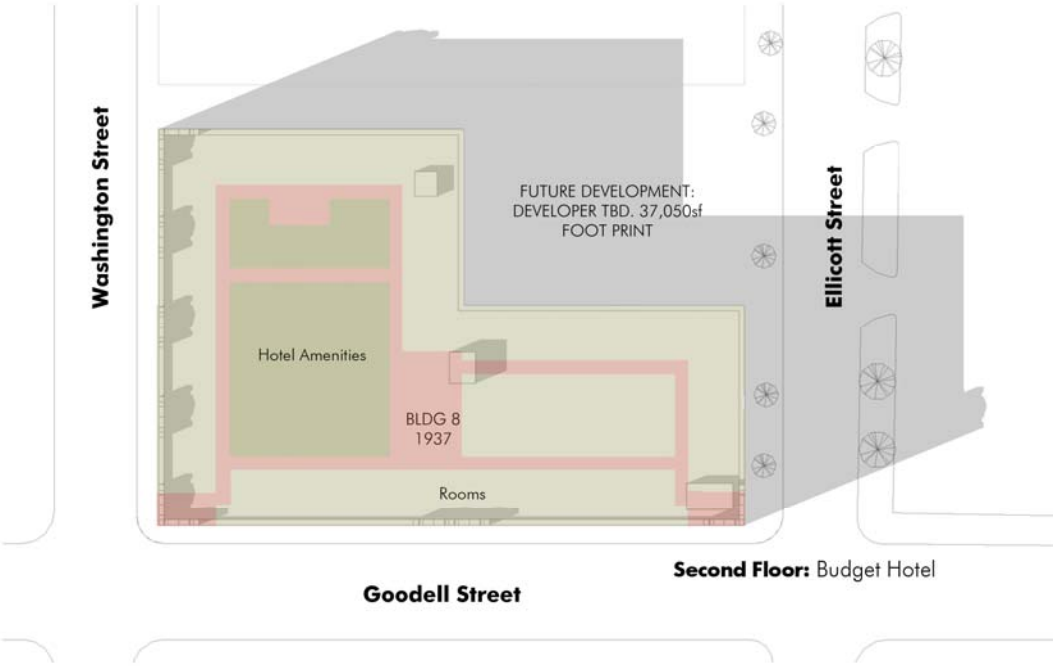
Militello has analyzed uses most likely to locate in a reconfigured, reduced Trico Complex. While this scheme is smaller in size than both the Full Complex and Courtyard Redevelopment Scheme, it is also the professional opinion of Militello Realty that the local market is best positioned to absorb a development of this scale.

With these programs in mind, Architectural Resources developed a basic schematic layout for the utilized floor levels. No plan for the basement has been provided as the space has limited options for any program that could provide an income source for the developer. In addition, parking has not been considered a viable option for the basement level due to the existing layout of the space, among other reasons. As stated, retail on the first floors includes several different categories of commercial development. It is considered appropriate for the location and market that this redevelopment scheme could accommodate up to five retail stores, a single convenience store and one full service restaurant. The commercial office space on the mezzanine level is considered appropriate for class B office space and clinical offices. The upper floors would be utilized for sixty 1 and 2 bedroom loft apartments and a 120 bed budget hotel. It is assumed that the lobby and common spaces for the hotel would help fill open square footage on the first floor and mezzanine level. Many of the back of house needs for the hotel will be accommodated in the basement. North is to the top of the page.

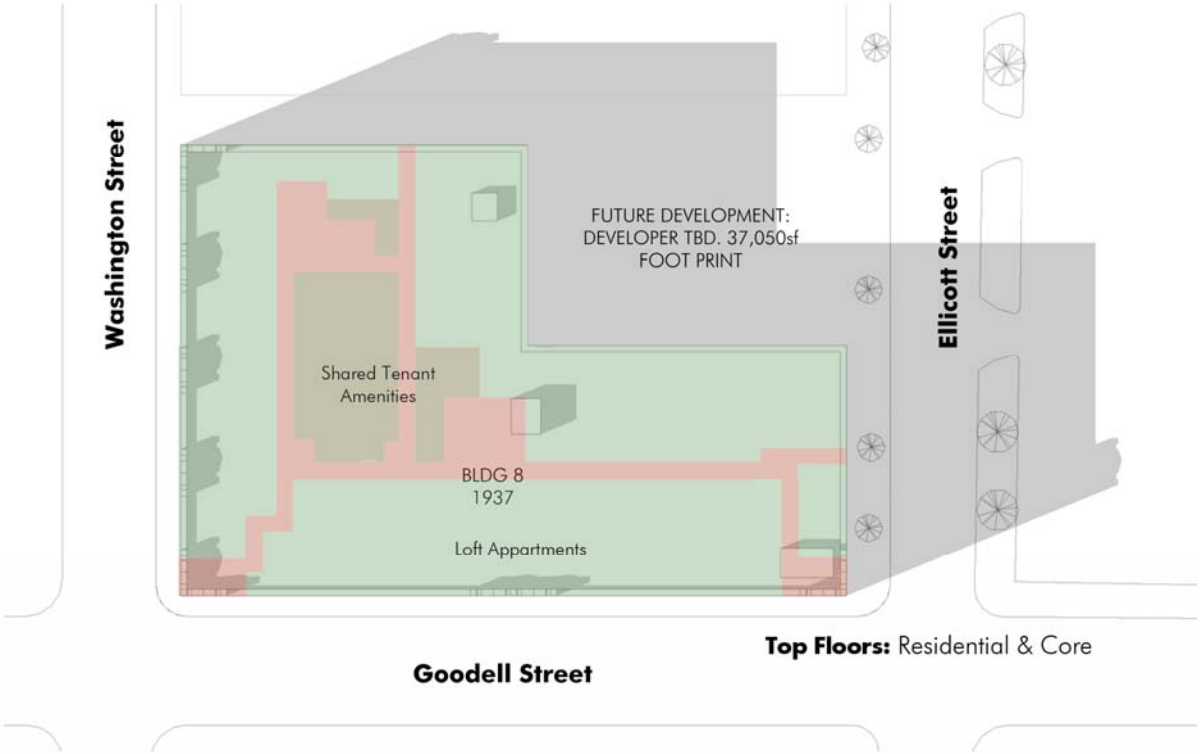
First Floor: Retail



Mezzanine Floor: General & Clinical Office Space



Second & Third Floors: Budget Hotel



Fourth & Fifth Floors: Residential

The sixty loft apartments on the upper floors would be divided up into thirty 700 sf one bedroom and thirty 900 sf 2 bedroom apartments. These apartment sizes, number of bedrooms and quantities are considered appropriate for this market. The 120 budget hotel rooms would be 400 sf each, and no suites or extended stay rooms would be provided.

As with the previous redevelopment schemes, in addition to the market driven challenges, several program related issues require further consideration before redevelopment options can be executed. Most significantly, throughout the entire complex, the first floor is elevated several feet above the sidewalk grade, which will impact access. Secondarily, the Mezzanine level has a low floor to floor height, less than 11', that would limit its utilization ratio. These issues are the same no matter the redevelopment scheme and would be the responsibility of any developer to address to ensure the successful redevelopment of either the entire or a reduced portion of the Trico Plant No. 1 Complex. As with the previous redevelopment scheme, this conceptual layout maximizes the existing floor plates and minimizes underutilized square footage such as common space. Vertical transitions are either in existing locations or where the most structural and/or environmental issues with floor slabs need to be addressed. There is no light industrial of any type proposed in this scheme.

Based on this proposed utilization, with values provided by Baer & Associates, it is estimated that the interior build-out phase of this particular redevelopment of the Trico Complex would cost approximately: $23,719,000.

The full project cost being approximately:

Cost Breakdown:	
Total Demolition and Environmental:	$1,297,100
Total Exterior and Core renovation cost:	$20,407,000
Interior Tenant Build out:	$23,719,000
Soft Costs:	$6,618,900
Estimated Total Development cost:	**$52,042,000**

This development total does not include the build-out cost for the budget hotel as most of this cost would be carried by the hotel chain that would locate in the complex. As with all redevelopment schemes, a portion of the development cost could be covered by NYS historic tax credits, estimated to be approximately $2.6 million, Federal historic tax credits could be worth an additional $9.3 million. The availability of these particular funds would require approval by various agencies including the New York State Office of Parks, Recreation and Historic Preservation.

Off-Street Parking

As with the previous schemes, parking is not considered a viable option for the existing basement level, as a result of the existing column spacing, the spatial requirements of accommodating the

elevation change from grade, and the negative impact on leasable first floor square footage due to the need for ramping. As with the previous scheme, our recommendation would be for the basement space to be better utilized as a primary mechanical floor where leasable income loss would be negligible versus having to utilize upper floors for larger utility rooms. Similar to the previous schemes, this report makes no assumptions of where future parking will be located, what form it will take (surface lot or ramp structure), or who will be providing it. Such items would have to be addressed by any future developer as a component of their redevelopment plan for Trico Building No. 8, and at that time said developer would have to determine the cost for providing required off-street parking.

Rendering of Goodell Redevelopment Scheme

The current City of Buffalo Zoning code would require a minimum 411 individual parking spaces and an additional 9 accessible parking spaces with access aisles, which would be the equivalent of 14 individual parking spaces, so for this scheme an estimated total of 425 spaces would be required. An estimate 5 loading zones will need to be provided adjacent to the complex. The City will allow some crossover between daytime and after hours parking that could reduce the number. However, based upon standard parking demands for this region as determined by Militello Realty, the following quantities are recommended as the minimum number of parking spaces required for the proposed programs as a component of the "Goodell Redevelopment Scheme":

Retail: Restaurant, Misc. Retail and Convenience	66
Medical: Clinical Space	300
General Office	200
Loft Apartments	60
Budget Hotel	90
Total	**716**

Income Derived from Development

The following assessment of income potential for the redevelopment of Trico Building No. 8 is derived from meetings with and review by Jim Militello of J. R. Militello Realty, Inc. The leasable rates are considered appropriate for this market and this location. Many assumptions on the financial returns for a development of the Complex have been made, all with guidance from professionals familiar with this market.

Based on the current market the lease-up duration for this scheme is anticipated to be the following:

Retail (Restaurant)	12 Months
Retail (5 Stores)	18 Months
Retail (Convenience)	12 Months
Office (Class B)	48 Months
Medical (Clinical)	36 Months
Residential (Loft Apts)	12 Months
Budget Hotel	18 Months

Assumed Rental Rates

With all assumptions having been met and full lease up accomplished, gross rental incomes per year for the Courtyard/Light-well redevelopment scheme are anticipated to be the following:

	Area (gsf)	Rent/gsf	Income
Retail	6,750	$25.00	$168,750
Convenience	3,400	$25.00	$85,000
Restaurant	4,000	$18.00	$72,000
Medical office	50,000	$30.00	$1,500,000
General office	40,000	$18.00	$720,000
Residential (1*60)	21,000	$1.29	$325,080
Residential (2*60)	27,000	$1.33	$430,920
Hotel (120 rooms)	60,000	$13.60	$816,000
Total	**212,150**		**$4,117,750**

Building core, circulation and common spaces are not included in these numbers although some of this square footage would in all likelihood be income producing. Typically these spaces are shared between all the tenants based on individual lease agreements.

Operating costs per year for the Goodell redevelopment scheme are estimated to be approximately $2,075,360. This amount would escalate roughly 3% per year.

Unlike the previous two schemes, Militello Realty believes the Goodell Redevelopment Scheme is the most viable scheme from the commercial market perspective, and is the scheme most likely to achieve absorption.

Conclusion by Doug Swift Development

The Goodell scheme takes a very different approach than the first two options. More than 50% of the total square footage of the Complex is removed. This significantly reduces the project's square footage. It removes much of the areas of concern of the Complex while preserving the view looking north and what many feel is the iconic view-shed of the structure's southern façade. The size and cost of this project approaches a scale that would be attractive to a larger pool of potential developers. The square footage created would be more readily absorbed. Assuming that the building would still be eligible for historic tax credits, the value of the NYS credits would remain the same but with a greater impact per square foot. The NOI of the Goodell Scheme relative to the equity investment is the highest of the three options, allowing for the highest conventional financing limit of the three options. While the financing gap is still substantial, it is much less than either of the other options and offers an opportunity for a developer to explore additional value engineering to reduce costs, as well as to pursue other creative financing solutions to close the gap.

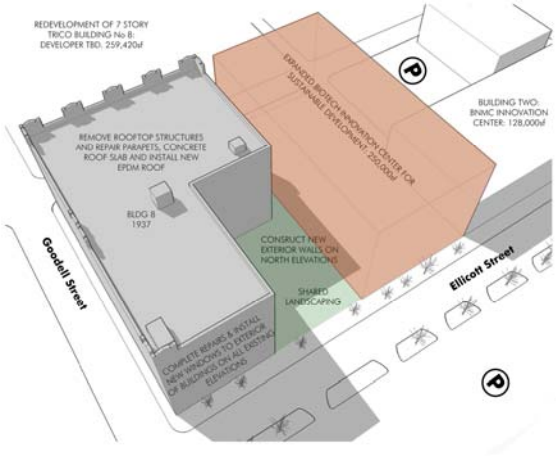
The cost per square foot increases with this scheme. One of the primary contributors to this increase is the structural floor slab repair called for by Foit Albert's structural analysis. We recognize that the structural investigation provided a conservative recommendation regarding the quantity of floor slabs called for removal and replacement in the structural engineer's report. Further investigation is highly recommended to determine a more precise quantity of floor slabs to be replaced. Considering that any future reuse would not include heavy industry, the required structural capacity of the floor loads would be significantly less than what the building was originally designed to bear. A more detailed investigation may be required to determine specific quantities. Another reason for the higher cost per square foot is due to economy of scale. Generally, the larger the project, the lower cost per square foot of construction.

The Goodell Scheme also provides a large enough footprint for the BNMC to construct the 250,000 sf expansion of the Innovation Center that they are planning. While BNMC is currently looking at alternative sites for their new construction, locating it contiguously to their current facility makes better sense from a planning and cost effectiveness standpoint. The exposed basement area that is created in this project provides an opportunity to include underground parking for the new building without the added expense of excavation.

As mentioned in an earlier section of this report, there are many other variable development plans that could be explored. It would be very difficult to conduct a detailed analysis of all of them. One such option we considered was the preservation of more of the Washington Street façade. If the first bay in from Washington Street were retained and the remaining structure was removed, the space that is left and the façade potentially could be incorporated into a new building behind. This option would preserve more of the historic fabric while removing the areas of the Complex that are most compromised structurally and environmentally. A simple extrapolation of some of

the square footage costs and returns would provide a potential developer adequate information to determine its feasibility. However, it can be complicated to sever a structure surgically. Slicing the structure at internal column lines could prove complicated and expensive. Further analysis is required to determine the feasibility this approach. One of the benefits of the Goodell Redevelopment Scheme is that it retains the entire structure of a single phase of the Complex. This building is free standing and is not tied into the structures adjacent to it.

Summary Sheet for Goodell Redevelopment Scheme



Available redevelopment square footage (including Basement):	259,420sf
Proposed Market driven redevelopment Square footage:	212,150sf
Basement Square footage:	37,060sf
Square footage beyond Market assumptions:	10,210sf

Potential reuse options:

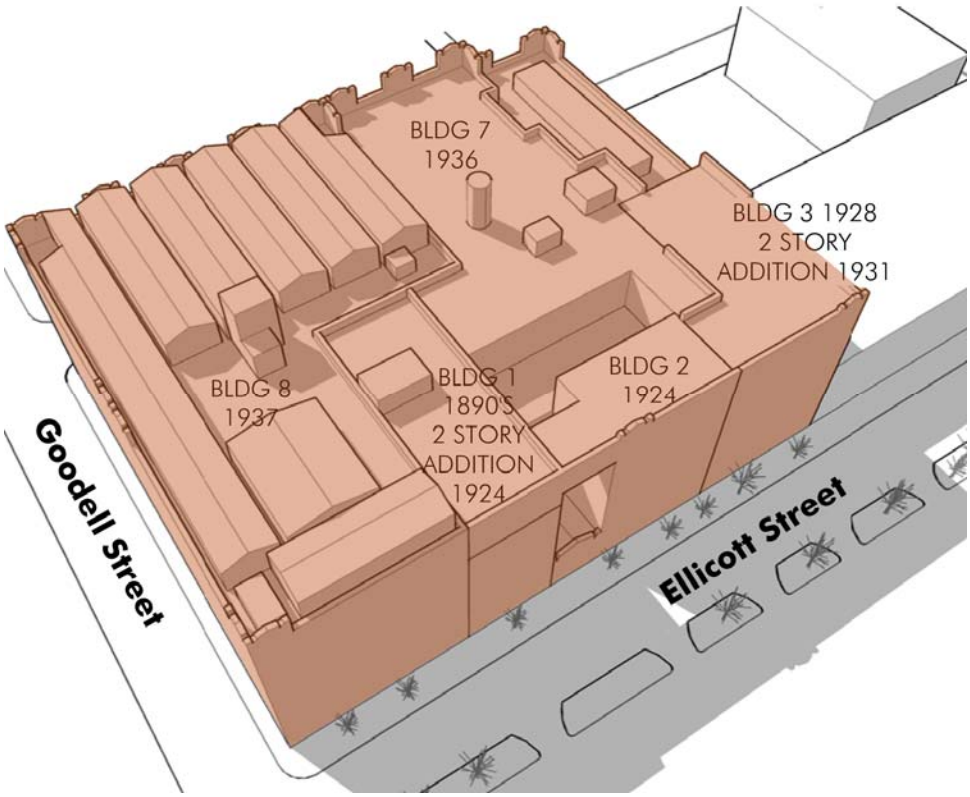
Basement:	Mechanical, Budget Hotel and tenant storage
First Floor:	Retail
Mezzanine level:	Commercial & Clinical Offices
2nd & 3rd Floor:	Budget Hotel
4th & 5th Floors:	Loft Residential Apartments

Lease up:	12-48 months depending on program
Est. Min. Parking Spaces:	716

Est. Development Cost:	$52,042,000
Est. Non-Private Funding:	$12,07,559
Est. Annual Costs:	$2,075,360
Est. Annual Return:	$4,117,750

Mothball Complex for Future Developer

Efforts to mothball the Complex for future development would ensure the existing structure is viable for eventual redevelopment. Considering the size of the structure, the scope of mothballing is extensive. Many of the structural issues need immediate attention due to their seriousness and to minimize current and future risks to the public. As it is beyond the scope of this study to determine the timetable for viable redevelopment proposals, it is recommended that short-term or temporary fixes not be undertaken as would be typical in a normal mothballing process.



Trico Plant No. 1 Complex

Cost of Mothballing

The building envelope should be a priority in any mothball strategy. While typically any repair work to the envelope would be undertaken by a developer, most of the issues related to the complex's current state of regress are related in some form directly to the condition of the envelope, most critically the partial removal of the roof system and flashing by the previous developer, which needs to be addressed sooner rather than later. There is considerable selective demolition required, primarily on the roof but also the upper levels of the exterior walls. The existing roof top parapets have failed, and the exterior wall parapets are failing due to mortar issues. Both roof top and perimeter parapets should be removed in a manner that will allow for their reconstruction once a developer becomes involved. Existing materials can be stored within

the existing structure for determination on their potential reuse by future parties. All roof top structures should be removed, and the minimum level of environmental remediation should be undertaken in order for the roof top work to be completed. The resulting complex would remain 591,591 sf.

Per the structural section of the report, 40% of the existing concrete roof deck that is failing due to exposure and freeze/thaw damage should be repaired and a new EPDM roof system installed. The exterior walls above the 3rd floor should be secured in a manner that will ensure loose bricks do not fall on the sidewalk below. Much like the parapets, the masonry is in a precarious position due to mortar failure. The area of the most need is adjacent to the entry of the BNMC Innovation Center, and this section of the existing structure should be repaired as part of the mothballing process. Protective netting could also be erected around the perimeter of the Complex to ensure passerby safety.

It is highly likely that in order for the new EPDM roof to be installed per manufacturer's warranty requirements, the exterior wall masonry repairs will need to be completed to at least the roof level so that the new roof can be terminated appropriately.

Several of the interior structural issues should be addressed to ensure the longevity of the complex. Temporary structural supports should be erected at the lower levels of Building No. 1 to relieve the existing overloaded masonry walls. A more thorough review of the steel at locations of failed concrete encasement should be undertaken. It is assumed that at each location, temporary structural support will be needed. Not included as a component of the mothball scheme is the removal and replacement of the failing concrete deck slab within the structure: 30% of sixth floor, 25% of fifth and fourth floors, 10-20% of remaining floors.

Part of the environmental cost associated with mothballing is the removal of approximately 144,000 gallons of water from the subbasement. A pump should be installed in the basement level to remove this water and any future buildup, and a passive air movement strategy should be implemented to allow the building to "air out". This is needed to allow the current elevated humidity level within the structure to drop and be controlled for the foreseeable future. Other than those environmental items required to be remediated for the completion of mothballing related scope, it is assumed that all environmental rehabilitation work will be undertaken as part of any potential future development.

It is also assumed that there will be additional funds required for the ongoing operation and maintenance of the complex until a developer becomes involved. The current agreement between the BNMC and Buffalo Brownfield Restoration Corporation (BBRC) calls for $75,000 annually. It is estimated that the ongoing maintenance of a mothballed Trico Complex could be greater, and a source for this funding would need to be identified. This amount would escalate roughly 3% per year.

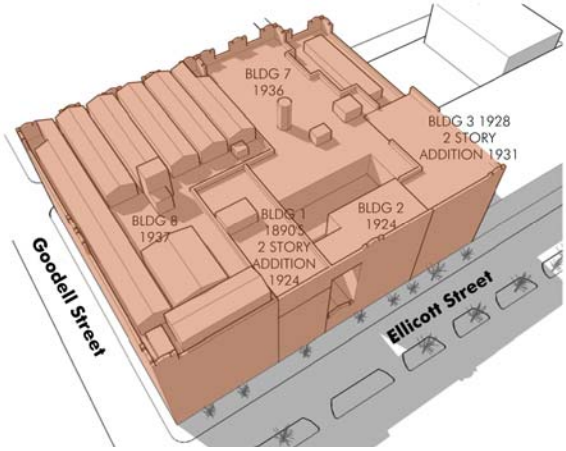
<u>Cost Breakdown:</u>

Basic environmental remediation:	$150,000
Building Demolition:	$179,040

Exterior Envelope Repair and Stabilization:	$4,746,000
Interior Structural Stabilization:	$389,000
Soft Costs:	$359,450
Estimated Total Development cost:	$5,823,490

There is no income stream associated with this scheme.

Summary Sheet for Complex Mothballing



Square foot Mothballed:	591,591sf
Potential reuse options:	None/TBD
Est. Development Cost:	$5,823,490
Est. Non-Private Funding:	$0
Est. Annual Costs:	$75,000
Est. Annual Return:	$0

Conclusions/Recommendations by Doug Swift Development

The development schemes in this report represent the highest likelihood of redevelopment for the Trico Complex. Other development entities may determine there are other, more viable redevelopment options to consider. However, if none of these options are viable for redeveloping all or part of the Trico Plant No.1 Complex, it is likely that the structure will be demolished. BNMC previously contracted Ontario Specialties to selectively demolish most of the site for future development. BNMC had planned to preserve the original Weyand Brewery Icehouse. As a result of this study, it was discovered that this is the one structure that appears to be impossible to restore at any price without total reconstruction. The demolition project was suspended pending the outcome of this report with the acknowledgment by BNMC that there is value in saving the Trico Complex. The value of the demolition agreement is approximately $3,750,000, a figure that has been used as a basis of several of the calculations in this report.

There are no recommendations made as to which option is the preferred scheme. The intention of this study is to analyze various development scenarios that could be reviewed by any potential developer. It is anticipated that BNMC will make a decision based on the facts and opinions set forth in this study. As mentioned there are many other scenarios that could preserve different building footprints. The construction costs and market potential of each can be extrapolated through the information presented.

Regardless of what development scenario is chosen, the consultants believe that it is imperative that the history of the structure, its function as a major manufacturing center and the life and contributions of John R Oishei should be respected and celebrated. It is recommended that some form of on-site, professionally developed, permanent, interpretive exhibit be incorporated into any development that occurs.

Should BNMC choose not to pursue any development strategy of the Complex, it is likely that the responsibility for the disposition of the structure will revert to BBRC, the owner of record. In that event, the consultants recommend that a Request for Proposals (RFP) be issued and advertised nationally to attempt to attract a developer willing to assume an approved development project. This study could then be used as a marketing tool to help inform and guide any developer of the potential for the Complex.

In the event that no feasible redevelopment project emerges and complete demolition becomes the only option, we recommend the owner place deed restrictions on the entire Trico Complex property to ensure a minimum level of density, number of floor levels and street frontage so that any new development on the site will appropriately reflect the history of the site. While the loss of the structure would be tragic, a deed restriction with design guidelines would ensure that the site's historic streetscape and building presence as iconic as the Trico Complex would be preserved.

This study is the result of BNMC's and many members of Buffalo's preservation community to explore the creation of a collaborative process that examines the issues that often arise relative to preservation and development conflicts. These are not simple issues to investigate or to settle. A building like the Trico Complex has many facets that need to be understood before any

redevelopment can occur. Projects of this magnitude have many challenges in any marketplace. They become increasingly difficult in markets such as Buffalo where demand is slow and a developer's return on investment is less than what is found in areas with greater growth.

Buffalo has seen many significant projects that have recently been developed and announced. The Medical Campus itself has had several high quality new developments in recent years and will see much more in the coming years. Two new private sector projects in the City, The Webster Block and the Millard Fillmore/Gates Circle Hospital redevelopments, offer some additional large-scale projects that are very exciting. These two projects were advertised nationally and many out of town developers expressed interest initially. However, at the end of the day, the two respondents that each project received were local developers. In the past several years local developers have completed nearly all of the notable private sector development projects. Many other developments have been public sector projects leveraging significant public dollars. Getting a major development project constructed in Buffalo is difficult and expensive. After researching the marketplace, most out of town developers look elsewhere to invest their limited dollars, finding locations where they can achieve a quicker return on their investment. The local developers know and understand the local market so navigating the development process takes less time. More significantly, local developers have a personal interest in building Buffalo's economy. This is their hometown and it's often simply a matter of caring more about the place that moves them to take a higher risk for a smaller return.

Personally this has been the case in my experience. The Larkin at Exchange project has often been used as a comparison project to demonstrate Trico's potential. There are many similarities, but no two projects are alike and these two also have some significant differences. While the Larkin project has been very successful and I am very pleased to be a partner, it still has returned little to its investors. It is self-sufficient and continues to feed additional developments in the neighborhood. However, it will be some time before it starts to perform financially the way an out of town developer would expect. This is a simple fact of life of doing business in Buffalo. Most local private sector projects, whether it is new construction or preservation, have significant cash equity that is provided by very patient investors.

There are many ways to analyze a project like the Trico Complex Redevelopment. I chose to present the information in this study from the perspective of what an out of town developer would expect to see. Some of the numbers may be considered to be below what a purely profit driven developer wants to see, but it could lead some to dig deeper and explore more definitive details to help close the financing gap.

It is heartening to see that the process of conducting this study has sparked some new interest in the Trico Complex by the local development community. I know of several companies that are taking a fresh look at the Complex to determine what it would take to take on a rehab project. My goal is to do whatever is possible to find a solution that can ultimately satisfy all interests. The information laid out in this report in not meant to answer all of the questions. It does, however provide a roadmap that a developer can use to consider a project's feasibility. More importantly it is my hope that it provides a roadmap to a process that this community can look to when the next preservation issue arises.

Appendix Reference Information

List of Appendices

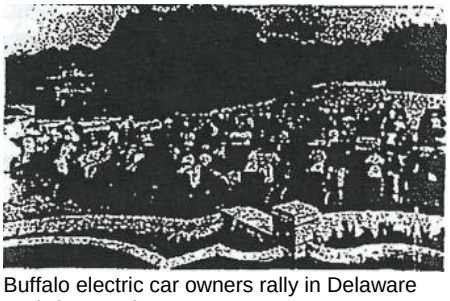
i. History of Trico
ii. Development cost assumptions By Militello Reality
iii. Cost Estimates by Baer and Associates
iv. Project Development Spreadsheets
v. Trico Sampling and Analysis Plan By Foit Albert
vi. Round table sign-in sheet and minutes By Architectural Resources

The History of Trico

The six story manufacturing building complex located at 817 Ellicott Street was constructed in 1924/5 according to the designs made by the Buffalo architectural firm of Plummer and Mann Engineers and Architects, whose offices were at nearby 700 Main Street. The building stands today as a virtually unchanged example of the ideally utilitarian "daylight factory" that began to dot the American industrial landscape after the turn of the twentieth century. It served as the home factory for the Buffalo-based Trico Products Corporation, manufacturers of the first windshield wiper device for automobiles, from its construction until the company vacated the complex in 1998. It is owned by the Buffalo Niagara Medical Campus, having bought the complex of structures as part of an auction lot.

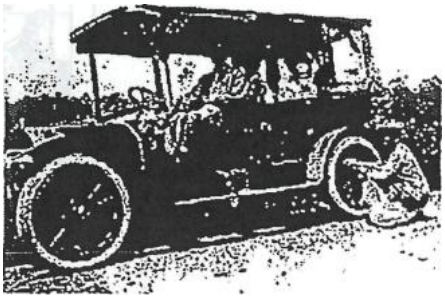
Trico Products Corporation, the Business

Turn-of-the-Century Buffalo was an important city in the development of the auto industry in America. In 1905, Henry Ford named Buffalo one of four national branch offices for the Detroit-based Ford Motor Company. The other locations were Boston, Chicago and Kansas City. Other local automotive manufacturers in Western-New York at the time of Trico's founding were Chevrolet (motors and axles), Harrison Radiator (General Motors), Pierce Arrow and the Thomas Flyer. These last two autos were among the most prestigious of the first driving machines.



Buffalo electric car owners rally in Delaware Park (*BECHS*)

Buffalo's residents were proud of their cars, with many international race winners driving high priced automobiles. These proud car owners formed one of America's first automotive social clubs, with a membership of over 500. The social nature of this new invention illustrates the novelty of the automobile. Cars were not capable of being the everyday necessity that they are today. Many did not have roofs or windshields. They were not equipped for every day use for commuting or product transportation. As the practicality of the automobile became more apparent, roofs were added. Day trips and evening motoring became popular, but inclement weather made the use of a car impractical because visibility was severely limited.



Buffalo resident in a Pierce Arrow sedan on a day trip. (*BECHS*)

During a violent rainstorm, John Roffo Oishei, a long-time Buffalo resident and theater manager, had an automotive accident, hitting a bicyclist. Though no one was seriously injured, Oishei was shaken. He recalled, "It was a harrowing experience which imprinted on my mind the definite need for maintaining vision while driving in the rain." Always one to see a business opportunity, Oishei found an unfilled niche in the growing automobile industry. Finding John Jepson, a retired electrical engineer for Gould Coupler Works operating out of a bam on Peach Street in Buffalo's Fruit Belt, Oishei learned of his as yet unmarketed invention to squeegee water from the auto windshield. The product

consisted of a manually operated rubber blade that was inserted in the horizontal space between the two front windshield panels of an automobile to wipe away water.

Early Advertisement for the "Rain Rubber," ca 1918 (source unknown)

Dubbed the "Rain Rubber" this small invention revolutionized the new automotive industry, making cars no longer a moving novelty, but a transportation mainstay. Cars could be used in all weather, opening the industry for shipping and hauling, public transportation and commuting. Without this simple product, cars could not be used efficiently.

Tri-Continental Products (later Trico after its telegraph abbreviation) was founded in 1917 by John Oishei to fill this manufacturing void. Prior to founding Trico, Oishei managed the Teck Theater at 764 Main Street, a location diagonally across the street from the site, which would become the world-headquarters of the dominating Trico world-empire. With the help of partners John Cornell (an influential Buffalo theater patron) and William P. Haines (an insurance broker), Oishei opened the first Trico office at the Sidway Building, directly across from the Teck Theater. Known throughout its history as a family company, Trico's first employees, Sarah and Nettie Nathan and James Jepson, stayed with the company until their retirement. Ownership of Jepson's designs was transferred to Trico, and the vast wealth that was amassed through their production made "Mr. O," as he was known to his employees, a very prosperous man. The success of the windshield wiper was quickly measured. By 1919, the manually operated "Rain Rubber" was standard equipment on locally made Pierce Arrow luxury cars, and by 1921 an automatic version called the "Crescent Cleaner" was standard issue on Cadillacs. This was the first use of an automatic wiper.


John R. Oishei (*Buffalo Times*, 1931)

Trico's production was not limited to the production of wiper blades. During World War I, production of civilian automobiles was suspended in favor of wartime efforts. Thus, production of wiper blades was also suspended. Fulfilling his patriotic duty, and keeping his factory operating, Oishei switched to the manufacture of locks and hinges for ammo boxes. Upon the Armistice, Oishei utilized scrap steel to make replacement timers for Ford.

John Oishei's loyalty to Buffalo was stronger than his business desires, which won Oishei the respect of his business peers. In 1929 Henry Ford told Oishei that in order to keep the Ford account, Trico would have to move to Detroit. Oishei said "Buffalo is where we operate and Buffalo is where we stay."

By the time John Oishei retired, Trico held over 1000 patents and was manufacturing standard equipment and parts for auto manufacturers both in the United States and abroad, including wiper systems, vacuum and air pressure gauges, hydraulic wiper arms, blades and refills, linkage mechanisms, headlight activators and controls, rear wipers, reserve vacuum tanks, washer solvent, glass cleaner, miscellaneous fittings, controls and rubber and plastic tubing. Oishei announced his retirement in January of 1968 and passed away six months later at the age of 80. His funeral was held at St. Louis Church, across

from the Sidway Building and Teck Theater. It is fitting that where this illustrious career began, it also ended.

The helm of Trico was taken over by R. John Oishei, John Oishei's son, upon his death. Trico was hard hit during the 1970's and 80's. Union disputes, patent rights cases and the gas crunch took its toll of the successful company. $27 million in losses between 1980 and 1984 caused the company, now under new leadership, to look at relocating to Brownsville, Texas and Matamoros, Mexico.

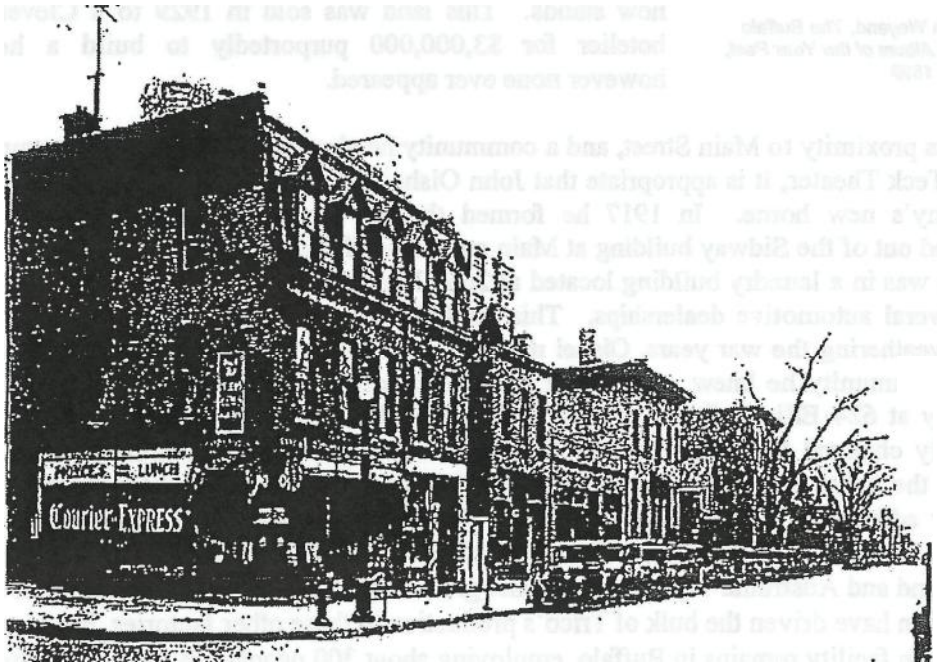
The Oishei Foundation

Oishei did not flaunt his wealth. Rather, he was a generous, quiet man who preferred to stay out of the limelight. In 1940, two years after the death of his wife Estelle, Oishei founded the Julia R. (Roffo Oishei, his mother) and Estelle L. (Low) Foundation. This foundation quietly funded community interests in education, medicine and the arts. Upon Oishei's death in 1968, he left a total of $15 million to the foundation making it one of the largest personal endowments in history. In 1997, the foundation was renamed the John R. Oishei Foundation, it currently stands at $230 million after some major changes in portfolio and operations. The Oishei Foundation, and before it the Julia R. and Estelle L. Foundation, is a mainstay in Buffalo philanthropy, whose name is always at the center of discussion when important community projects are beings discussed. Recent gifts from the Oishei Foundation include gifts to:

- The Erie County Bar Association to fund a volunteer lawyer project providing legal services to the poor;
- The Buffalo & Erie County Public Library to improve access to the Rare and Unique Book Collection through CD ROM, NPR Radio broadcasts and short film;
- Oishei Scholarships to local colleges and universities;
- Canisius College for teaching professorships to promote imaginative teaching initiatives; Computers for Catholic elementary schools; and Albright Knox Art Gallery to digitize the entire collection.

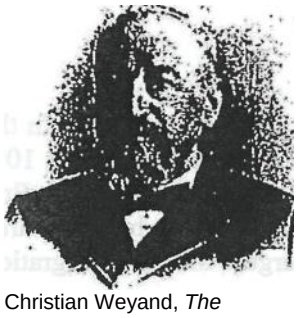
817 Ellicott Street, the Site and the City

Buffalo has always been a melting pot with strong allegiances along ethnic lines. In the early 19th century, 90% of Buffalo's citizens were of Anglo/Yankee descent. Only 10% of the community was comprised of Irish and Germans. With the completion of the Erie Canal in 1825, with the sweat and muscle of the Irish laborers (and with beer tankards filled by the Germans brewers), Buffalo swiftly became the largest inland immigration port in the growing United States. Population and industrial development grew at unprecedented rates. In just 75 years, the population of the new City of Buffalo (enc. 1837) grew from 9,200 to over 352,000. By the early 1860s, Germans had increased to over 40% of the population of the city. The majority of the working German citizens settled in an area known as the Fruit Belt (for the names of the streets) immediately to the east of the 817 Washington Street site. German banks supported the formation of German businesses, which in turn employed ever-increasing numbers of new German-American citizens. (In the late 19th century, German language was even taught as part of the regular curriculum to Buffalo elementary school students until World War 1.) These hardworking people staffed many of Buffalo's German breweries, a number of which were located in the Fruit Belt. These included the German-American Brewery, Zeigele, Phoenix



Goodell Street at Washington Street, looking east (ca. 1920). Note the Trico water tower on the upper left. (*BECHS*)

Brewery, Weyand and Scheu Breweries and Empire Brewing (owned by Gerber & Busch). The immediate neighborhood was also home to Reinheimer & Ruehl Storeyards, Ziegele & Co. Livery, Straub's Storeyard, Mesmer Livery, Granacher Furniture, Wendt's Forge (later Buffalo Forge) and St. Marcus and St Louis Churches, German Protestant and Catholic denominations. Christian Weyand, a native of Lorraine, France, started the Weyand Brewery in 1873, accepting his sons into partnership in 1890 and building a brewery at .624 Ellicott Street shortly thereafter. The 624 Ellicott Street building was built between 1888 and 1899. The brewing complex also included a brewery and beer garden on the corner of Main and Goodell, where the Catholic diocese now stands. This land was sold in 1929 to a Cleveland hotelier for $3,000,000 purportedly to build a hotel, however none ever appeared.



Christian Weyand, *The Buffalo Express Album of the Year,* January 1899

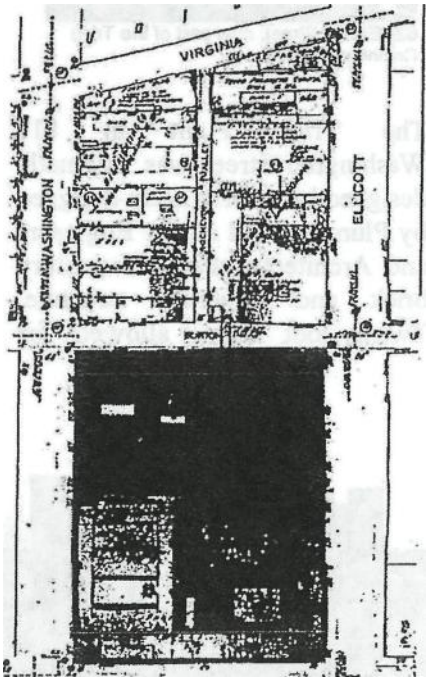
With its proximity to Main Street, and a community he already knew through his employ at the Teck Theater, it is appropriate that John Oishei would make this neighborhood his company's new home. In 1917 he formed the Tri-Continental Corporation which operated out of the Sidway building at Main and Goodell Streets. Trico's first production facility was in a laundry building located at 2665 Main Street, near Ford's Buffalo plant and several automotive dealerships. This facility employed approximately 25 people. After weathering the war years, Oishei moved his company back to the Fruit Belt/Main Street community he knew, purchasing the former icehouse and stable of the Weyand Brewery at 624 Ellicott Street. It was at this time that the name of the company was officially changed to Trico Products Corp. The small factory was greatly expanded around the entire block, engulfing the small icehouse, and by 1924 had switched its primary address to the adjoining lot at 817 Washington Street. Trico remained at this location in addition

to opening production facilities in Texas, Mexico in 1985, and later in England and Australia. By 1951 personnel grew to 4,000 in Buffalo. Costs of labor and production have driven the bulk of Trico's production to these other factories, but a small production facility remains in Buffalo, employing about 300 people. In 1998 the reduced production facilities were relocated to an industrial park further out of downtown on Bailey and Dingens Avenues. The plant is now owned by the Signature Group and is finding a new lease on life in the computer and other white collar industries. Trico still maintains one wiper extrusion line on the fourth floor of the plant, but will be relocating that line in July, 2000 to the Bailey/Dingens facility.

Trico, the Building

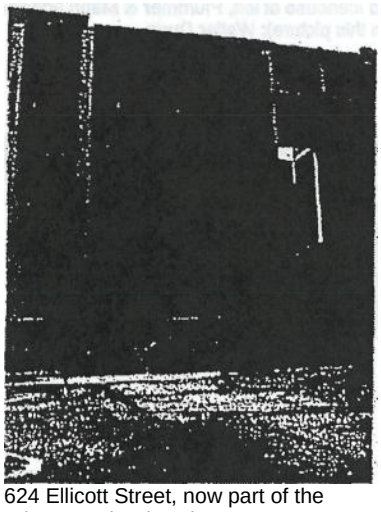
Trico Plant, ca 1929. Weyand icehouse at left. Plummer & Mann addition at right. (Partial floor 6 is not in this picture.); *Walter Dunn*

The evolution of the Trico plant is complex. Starting from the Weyand Brewery Icehouse and Stable at 624 Ellicott Street (of steel, stone and brick construction of the late 19th century) and wrapping fully around the block in cast-in-place concrete construction, the Trico Plant at 817 Washington is an outstanding example of what Reyner Banham dubbed the Daylight Factory. Utilizing reinforced concrete construction, with large mushroom columns and a two-way slab, large uninterrupted spans of interior floor space and facade space could be achieved. In the late 19th century, prior to this technical advancement, industrial buildings were built as all others, with wood or masonry exterior walls and interior floors and supports of wood. Spans were relatively small and loads on the floors had to be limited. The introduction of steel into the construction equation allowed for greater spans and loads, but the inherent ductile nature of the steel when exposed to high temperatures caused catastrophic building failures in the event of fire. (Earlier timber framing did have the benefit of developing a char coat, insulating the timber for a time from the devastating effects of fire.)



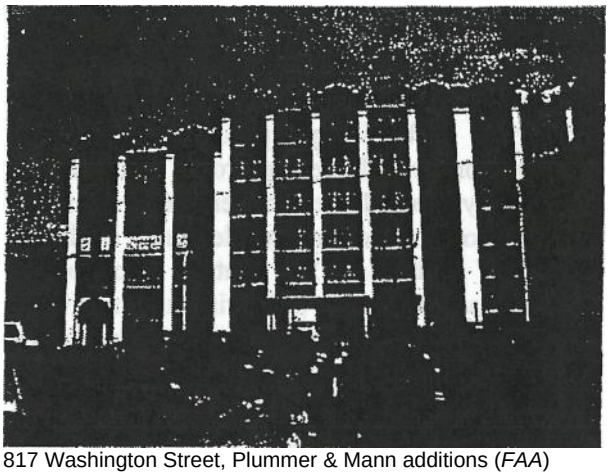
The Trico Complex in 1983 (does not show Burton Street closed off) (Sanborn Map)

Use of a reinforced concrete skeleton allowed builders to span greater distances. Exterior walls were freed from the confines of masonry bearing wall construction, allowing for larger expanses of window wall. Unit masonry construction could be limited to the wall areas necessary for the placement of radiators or equipment. As in the case of 817 Washington Street, the window wall spanned from brick pier to brick pier. Social reformers of the time may have argued that the introduction of natural light was a benefit to the workers, a result of zoning regulations and a positive reaction to the often-abhorrent working conditions that had occurred in industry previously. While these social goals were laudable, the benefits were equally that of increased natural light, decreased utility costs and increased productivity.



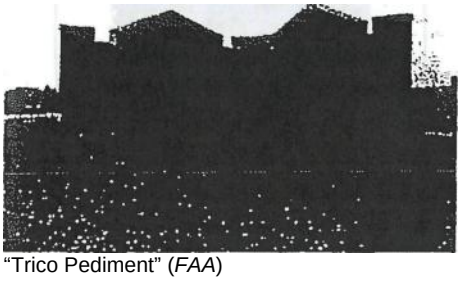
624 Ellicott Street, now part of the Trico complex (*FAA*)

The original icehouse was of sandstone, brick and steel construction, with vaulted brick floors topped with concrete. After outgrowing the 624 Ellicott Street facility, two additional floors were added. These floors are of brick and steel frame construction, with column lines directly over the original. Within a few years, it became evident that expansion was necessary and a new facility was planned at an adjoining lot at 817 Washington Street.



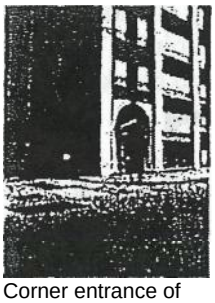
817 Washington Street, Plummer & Mann additions (*FAA*)

The Trico Plant at 817 Washington Street was originally designed by as originally designed by Plummer and Mann Engineers and Architects, was a four-story brick and concrete structure. Twenty-foot bays allowed for easy flow of rubber extrusion processes, as well as the flexibility to change equipment as lines would evolve over time. This 1924/5 addition to the steel-framed brewery was built as a four-story building with a unique crenellated parapet that echoes the Trico logo that appeared at the same time. (It is a chicken and egg scenario as to which came first, thoughts of the logo or the building, but they evolved concurrently.)

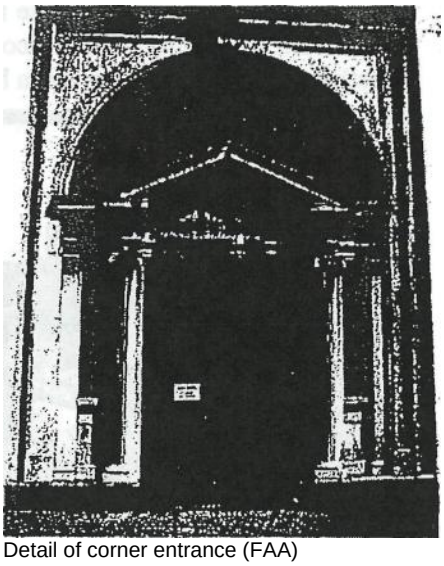


"Trico Pediment" (*FAA*)

A new formal entrance at the corner of Washington at Burton Place was developed during this expansion. Its high arched fanlight and fluted columns seems incongruous with the sleek technology-based factory building. The entrances are nonetheless beautiful, with walnut interior trim, highly polished brass and marble and heavily articulated

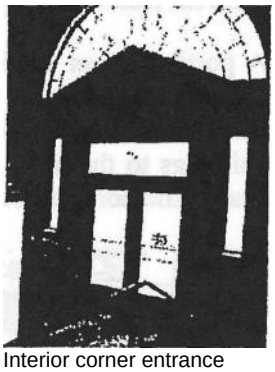


Corner entrance of 817 Washington Street, at Burton Street (now Incorporated by Trico) *(FAA)*



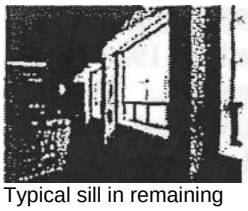
Detail of corner entrance (FAA)

plaster moldings. The first and second floors of this facility were used for office and administrative spaces. The window sills and freight elevator doors are all that remain to differentiate this portion of the building from the more utilitarian factory spaces. Where the doors are metal clad panels throughout the building, the freight elevator doors in the office floor were carved wood panel. Window stools throughout the building are of sloped concrete, reaching their peaks with the bottom rail of the windows precariously perched atop them. The stools in the office area have been leveled off, with a traditional routed wood treatment. The remainder of the office space resembles the factory with the 2'6" mushroom columns in a regular grid. In 1929 a fifth and partial sixth floor were added for foundry use utilizing a smaller diameter mushroom column. The full fifth floor has a raised clerestory to vent heat from the foundry, and the sixth floor occupies only one half of the building footprint. To accommodate this expansion, the coping was removed from the parapets and additional stories were built to the original crenellated and peaked profiles. The original stone coping was replaced.



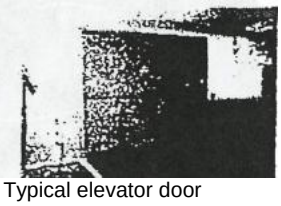
Interior corner entrance (*FAA*)

Typical sill in original office (*FAA*)



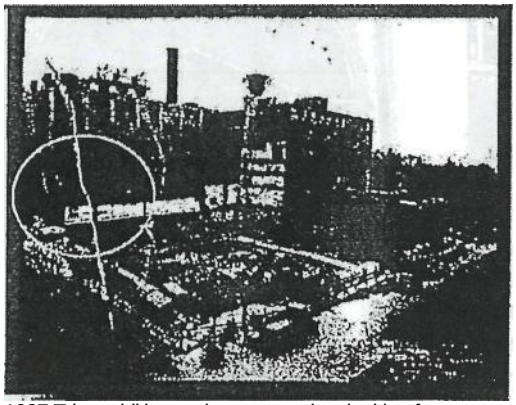
Typical sill in remaining factory floors (*FAA*)

Elevator doors on office level of Plummer & Mann addition *(FAA)*

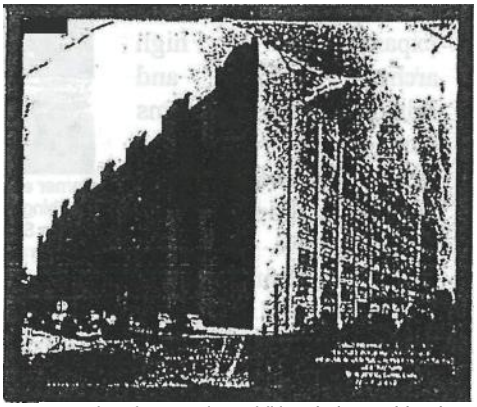


Typical elevator door on remaining factory floors *(FAA)*

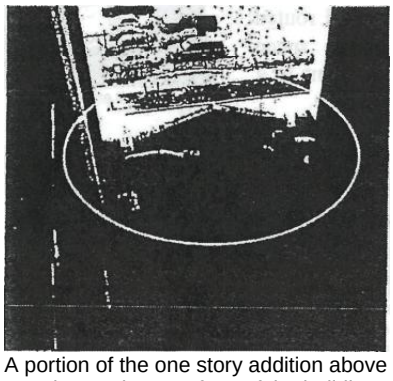
In 1937 a major expansion of the factory occurred, completing the turn around the block. Aside from the addition of a second adjoining stair tower bay on the Washington Street (west) face, the building ran from block to block in an uninterrupted bay configuration.



1937 Trico addition under construction, looking from Washington and Goodell Streets. Previous building on site utilized the Trico Pediments *(Trico archives)*



Completed 1937Trico addition *(Trico archives)*

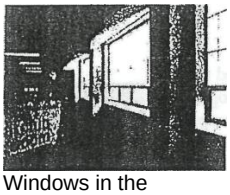


A portion of the one story addition above remains on the east face of the building. (*FAA*)

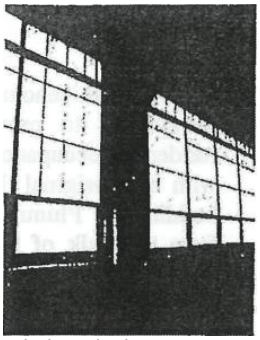
A portion of an earlier two-story building was demolished for this addition, but this earlier structure also sported the signature “Trico pediment.” This final expansion completed Trico's growth on the Burton/Goodell block. In 1954, Trico bought two buildings to the north on Ellicott Street. In 1988, Trico built a four-story addition this land to the north of Burton Street; previously occupied by the existing buildings they had purchased for storage and auxiliary production space. This was connected by an elevated, enclosed walkway from the south.

In 1996, Trico's swallowing of the block was complete with the closure and incorporation of Burton Street in the Trico Complex. The 1980's additions are much simpler than the earlier 1920's and 30's portion of the complex. While regular stuccoed pilasters punctuated the facade on the Burton/Goodell block, the Burton/Virginia block's facade is unadorned. The facade does not have the “Trico pediment.”

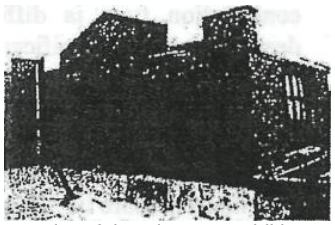
Windows were originally divided metal sash with ventilating casements in the center of each panel. These have since been completely replaced with KalWall panels with ventilating openings in the bottom third of the sash. Doors and garage openings remain in their original locations, with the remainder of the building undergoing very little change from the original construction.



Windows in the previously renovated 1988 addition. (*FAA*)

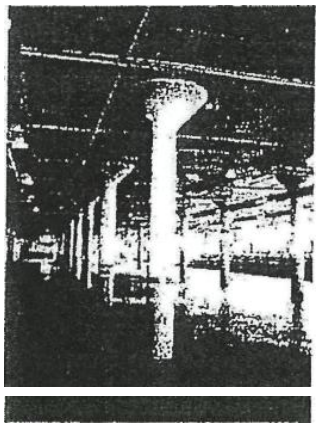


Windows in the 1924 Plummer addition (*FAA*)



Exterior of the Plummer addition, from the roof of the 1937 addition. (*FAA*)

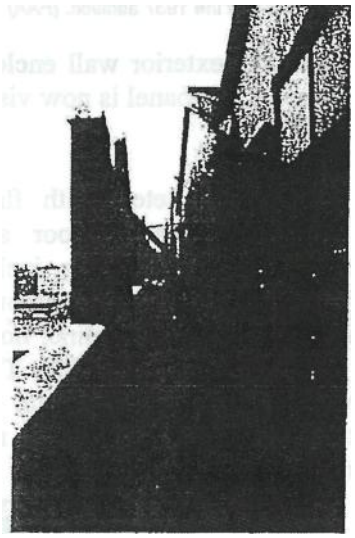
Ornament on the facades was limited, save the comer entrance and the “Trico pediment.” As with similar industrial structures, the real beauty was in the marching of the large metal-framed windows down the broad expanses of facade. Along the facades, slender piers separated window walls with brick spandrels, emphasizing the height of the massive structure. The caps of these piers extended to just below the straight cornice, further punctuating the rhythm. In the center of each pediment, a herringbone brick panel was centered. An exterior wall enclosed during the 1937 expansion shows this herringbone brick panel. This panel is now visible from the roof.

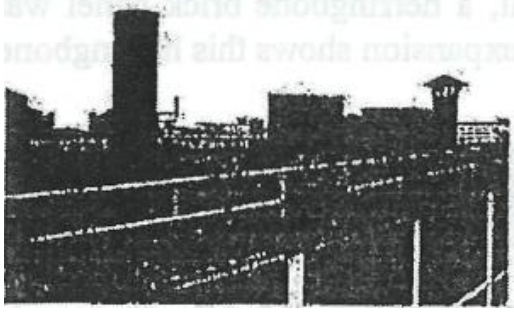


Above: Cast-in-place concrete column and slab – Plummer addition. Right: Operational original fire horn, water gong, typical original handrail. (*FAA*)

Round columns were 2'6" in diameter, with flared capitals supporting a slightly thickened floor slab. Remaining original features in the building include freight elevator doors, sliding fire doors, roof penthouses and elements of the buildings industrial skyline, horns, bells, whistles and iron handrails in all stairs. The Trico watertower was removed at an unknown date, but portions of the supports remain visible under the roof surface and set into the masonry walls.

Corrugated metal "huts" installed on the roof after World War II for additional storage of raw materials and finished products could be easily demolished. This would leave the roof visually more like it appeared in the early part of the century.





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Use	Parking /1000sf	Unit SF size	Total SF	LL allow/rsf	Rental rate/sf	Lease conditions	Min Lease Term	Lease up period months
Medical: Clinical space	300	5,000	50,000	$50	$30.00	net elec & jan; base yr exp. 3% annual escallation	5	36
General Office: B+ environment	200	6,000	40,000	$25	$18.00	net elec & jan; base yr exp. 3% annual escallation	5	48
Retail: Full svc Restaurant	66	4,000	4,000	$15	$18.00	NNN (CAM); 3% annual escal	10	12
Retail misc (5 units)		1,350	6,750	$15	$25.00		5	18
Convience		3,400	1,100	$15	$25.00		5	12
Loft apts 30 - 1bdrm	30	700	50,000	turnkey	$15.50	net elec & jan	1	12
Loft apts 30 - 2 bdrm	30	900			$16.00			
Hotel: 120 room	90	400	60,000	$0	$13.60	NNN; 3% annual escalatior	15	18
Total	716		211,850					

Lease Up Forcast 220,000sf asset

Use	Parking	Unit SF size	Total SF	SF on AR Plan	Location	LL allow/rsf	Rental rate/sf	Lease conditions	Min Lease Term	Lease up period months
A) Trico Bldg #* 259,420 sf										
Medical: Clinical space	300	5,000	50,000	14,700	1st Flr	$50	$30.00	net elec & jan; base yr exp. 3% annual escallation	5	36
General Office: B+ environment	200	6,000	40,000	37,060	Mezzanine	$25	$18.00	net elec & jan; base yr exp. 3% annual escallation	5	48
Retail: Full svc Restaurant	66	4,000	4,000	4,000	1st Flr	$15	$18.00	NNN (CAM); 3% annual escal	10	12
Retail misc (5 units)		1,350	6,750	6,750	1st Flr	$15	$25.00		5	18
Convience		3,400	1,100	1,100	1st Flr	$15	$25.00		5	12
Loft apts 30 - 1bdrm	30	700	50,000	74,120	4th and 5th	turnkey	$15.50	net elec & jan	1	12
Loft apts 30 - 2 bdrm	30	900					$16.00			
Hotel: 120 room	90	400	60,000	74,120	2nd & 3rd	$0	$13.60	NNN; 3% annual escalation	15	18
Total	716		211,850	211,850						
B) Trico Lightwell 501,034sf										
Medical: Clinical space	300	5,000	70,000		Mezzanine	$50	$30.00	net elec & jan; base yr exp. 3% annual escallation	5	60
General Office: B+ environment	200	6,000	50,000		3rd Flr	$25	$18.00	net elec & jan; base yr exp. 3% annual escallation	5	60
Retail: Full svc Restaurant	66	4,000	4,000		1st Flr	$15	$18.00	NNN (CAM); 3% annual escal	10	12
Retail misc (5 units)		1,350	6,750		1st Flr	$15	$25.00		5	18
Convience		3,400	1,100		1st Flr	$15	$25.00		5	12
Loft apts 60 - 1bdrm	60	700	100,000		3rd & 4th	turnkey	$15.50	net elec & jan	1	36
Loft apts 60 - 2 bdrm	60	900					$16.00			
Hotel: 120 room	90	400	60,000		5th Flr	$0	$13.60	NNN; 3% annual escalation	15	18
Traditional light mfg	225		75,000		2nd Flr	turnkey	$5.00	gross plus metered gas & elec.	3	60
Medical Campus light mfg	150		50,000		1st Flr	$30	$7.00	gross plus metered gas & elec.	3	60
Total	1151		416,850							

Smallest Building Footprint - Discrepancies between Militello and AR space plans			
Building Floor	**SQ. from AR**	**Use per AR**	**Militello**
Basement	37,060	Non rentable (back of house for hotel)	
First Floor	37,060	Hotel lobby and commercial	Too much hotel space allocated by AR v. Militello. Would need to fill up 1st floor with some medical/office uses in addition to retail
Mezzanine	37,060	Offices	AR says 37,060 for offices/Militello says 40,000 - similar
Second Floor	37,060	Hotel	Militello calls for 60,000 sf hotel, AR allocation would be 74,120 or must include other uses on Hotel floors
Third Floor	37,060	Hotel	
Fourth Floor	37,060	Apts.	Militello calls for only 50,000 of apts., so other uses would have to be located on these floors
Firfth Floor	37,060	Apts.	
	222,360		
	AR total SF by Use	**Militello total SF by Use**	**Difference (AR - Militello)**
Hotel	74,120	60,000	14,120
Apts.	74,120	50,000	24,120
Offices General	37,060	40,000	-2,940
Medical Offices	0	50,000	-50,000
Retail and hotel lobby	37,060	11,850	25,210
	222,360	211,850	

Lease Up Forcast 220,000sf asset

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Retail: Full svc Restaurant	66	4,000	4,000	4,000	1st Flr	$15	$18.00	NNN (CAM); 3% annual escal	10	12
Retail misc (5 units)		1,350	6,750	6,750	1st Flr	$15	$25.00		5	18
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Loft apts 30 - 2 bdrm	30	900					$16.00			
Hotel: 120 room	90	400	60,000	74,120	2nd & 3rd	$0	$13.60	NNN; 3% annual escalation	15	18
Total	716		211,850	211,850						
B) Trico Lightwell 501,034sf										
Medical: Clinical space	300	5,000	70,000		Mezzanine	$50	$30.00	net elec & jan; base yr exp. 3% annual escallation	5	60
General Office: B+ environment	200	6,000	50,000		3rd Flr	$25	$18.00	net elec & jan; base yr exp. 3% annual escallation	5	60
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Traditional light mfg	225		75,000		2nd Flr	turnkey	$5.00	gross plus metered gas & elec.	3	60
Medical Campus light mfg	150		50,000		1st Flr	$30	$7.00	gross plus metered gas & elec.	3	60
Total	1151		416,850							

Smallest Building Footprint - Discrepancies between Militello and AR space plans			
Building Floor	**SQ. from AR**	**Use per AR**	**Militello**
Basement	37,060	Non rentable (back of house for hotel)	
First Floor	37,060	Hotel lobby and commercial	Too much hotel space allocated by AR v. Militello. Would need to fill up 1st floor with some medical/office uses in addition to retail
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Retail and hotel lobby	37,060	11,850	25,210
	222,360	211,850	

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **FULL COMPLEX RE-DEVELOPMENT SCHEME** 9/19/2012

PROJECT SUMMARY				TOTAL COST
ASBESTOS AND HAZARDOUS MATERIALS ABATEMENT	(ALLOWANCE)			**$1,875,000**
BUILDING ENVELOPE RESTORATION				**$15,518,000**
INTERIOR SHELL AND CORE RENOVATION				**$19,567,000**
INTERIOR FIT-OUT				
- BASEMENT (MECH & STORAGE)	87,722 SF x	$40 / SF	$3,509,000	
- FIRST FLOOR (RETAIL, RESTAURANT AND SHARED TENANT AMENITIES)	87,722 SF x	$125 / SF	$10,965,000	
- MEZZANINE (COMMERCIAL OFFICE AND SHARED TENANT AMENITIES)	84,810 SF x	$75 / SF	$6,361,000	
- 2ND THRU 5TH FLOORS (LOFT APARTMENTS)	331,337 SF x	$115 / SF	$38,104,000	
- ROOF STRUCTURES (DEMOLISHED UNDER BUILDING ENVELOPE)			N/A	
TOTAL - INTERIOR FIT-OUT				**$58,939,000**
SITE DEVELOPMENT	(ALLOWANCE)			**$500,000**
TOTAL - CONSTRUCTION				
TOTAL - CONSTRUCTION FULL COMPLEX RE-DEVELOPMENT SCHEME				**$96,399,000**
STOREFRONT GLAZING IN LIEU OF STEEL WINDOWS (HISTORICAL MATCH)			**DEDUCT**	**($3,360,000)**

ESTIMATE NOTES / ASSUMPTIONS

1. COSTS BASED ON SPRING 2013 CONSTRUCTION START. ESCALATION SHOULD BE ADDED AT 3.5% PER YEAR TO MID-POINT OF CONSTRUCTION.

2. COMBINATION OF OPEN SHOP AND PREVAILING WAGE LABOR RATES.

3. DEFINED QUANTITIES OF ASBESTOS AND HAZARDOUS MATERIALS REQUIRING ABATEMENT NOT AVAILABLE AT TIME OF ESTIMATE. SQUARE FOOT COSTS PROVIDED BY DOUG SWIFT DEVELOPMENT.

4. DEFINED QUANTITIES OF EXTERIOR BRICK REQUIRING REPLACEMENT AND RE-POINTING NOT AVAILABLE AT TIME OF ESTIMATE. ASSUMPTIONS IDENTIFIED IN ESTIMATE.

5. ESTIMATE BASED ON THE FOLLOWING DESIGN DOCUMENTS:
   - DRAFT FEASIBILITY REPORT RECEIVED ON AUGUST 20, 2012.
   - SIRACUSE ENGINEERS EXTERIOR WALL REPAIR DRAWINGS DATED MARCH 2008.
   - PHONE CONVERSATIONS AND EMAILS WITH ARCHITECTURAL RESOURCES AND DOUG SWIFT DEVELOPMENT.

6. NORMAL WORKING HOURS AND CONDITIONS; EXCLUDES PREMIUM FOR CONDENSED CONSTRUCTION SCHEDULE (IF REQUIRED).

7. COMPETITIVE BIDDING PROCESS.

8. ESTIMATE EXCLUDES:
   - PROJECT SOFT COSTS (DESIGN FEES, OWNER FINANCING, ETC.)
   - FF&E
   - CONSTRUCTION CONTINGENCY (OWNER CHANGE ORDER RESERVE)

9. INTERIOR SHELL AND CORE ESTIMATE INCLUDES THE FOLLOWING MEP COSTS:
   - COMPLETE SPRINKLER SYSTEM THROUGHOUT BUILDING INCLUDING NEW SERVICE, BACKFLOW PREVENTER, FIRE PUMP AND STAND PIPES.
   - PLUMBING HEAD-END TO SERVE ENTIRE BUILDING AND RISERS TO FLOORS
   - MODULAR WATER SOURCE HEAT PUMP SYSTEM TO SERVE TWO FLOORS (EXPANDABLE IN FUTURE AS OCCUPANCY DICTATES) WITH MINIMAL DISTRIBUTION AT UPPER FLOORS.
   - ELECTRICAL HEAD-END, RISERS, FIRE ALARM, MINIMAL LIGHTING AND DISTRIBUTION.

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **FULL COMPLEX RE-DEVELOPMENT SCHEME** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
BUILDING ENVELOPE						
RESTORATION						
Scaffold building exterior	111,200 SF	$0.70	$77,840	$1.30	$144,560	$222,400
ROOF						
Remove metal sheds at roof and dispose	26,036 SF	0.50	13,018	1.75	45,563	58,581
Remove remaining roofing and dispose	1 ALLOW	30,000.00	30,000	50,000.00	50,000	80,000
Saw cut and remove and replace 5" reinforced concrete roof deck and framing encasement (framing to remain), shore opening and dispose of debris						
- 100% of green area on sketch	26,320 SF	17.00	447,440	20.00	526,400	973,840
- 20% of blue area on sketch	7,260 SF	18.00	130,680	22.00	159,720	290,400
Miscellaneous minor repairs to deck under existing roof	25,114 SF	0.50	12,557	0.50	12,557	25,114
Remove masonry parapets to roof line and salvage brick	10,000 SF	1.35	13,500	4.50	45,000	58,500
Clean salvaged brick (assume 50% re-use)	35,000 EA	0.00	0	5.00	175,000	175,000
Re-build parapets with salvaged brick and new CMU backup	5,000 SF	4.75	23,750	32.59	162,950	186,700
Re-build parapets with new brick and CMU backup	5,000 SF	9.75	48,750	32.59	162,950	211,700
Galvanized steel angle framing / bracing at high parapets	4,600 SF	7.50	34,500	2.48	11,408	45,908
Tapered rigid insulation and adhered EPDM roofing including flashings	87,722 SF	6.25	548,263	6.00	526,332	1,074,595
EPDM membrane at parapets	6,910 SF	2.25	15,548	2.50	17,275	32,823
Treated wood blocking and aluminum coping	1,972 LF	16.00	31,552	11.52	22,717	54,269
Restore / re-build / infill masonry roof top structures as required at stair and elevator penthouses and chimney (not quantifiable)	1 ALLOW	100,000.00	100,000	150,000.00	150,000	250,000
New roof drains and leaders to Basement	87,722 SF	1.25	109,653	2.75	241,236	350,889

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **FULL COMPLEX RE-DEVELOPMENT SCHEME** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
EXTERIOR WALLS						
Remove multi-wythe brick bearing walls at Building 1 and salvage brick	22,932 SF	1.75	40,131	6.00	137,592	177,723
Shore existing structure	1,500 LF	50.00	75,000	124.00	186,000	261,000
Temporary protection	22,932 SF	2.00	45,864	2.81	64,439	110,303
Clean salvaged brick (assume 25% re-use)	40,100 EA	0.00	0	5.00	200,500	200,500
Re-build east side courtyard wall - CMU horizontally reinforced	22,932 SF	3.75	85,995	14.00	321,048	407,043
- Spray applied vapor barrier at exterior wall	11,466 SF	2.60	29,812	1.63	18,690	48,502
- 2" rigid insulation	11,466 SF	0.94	10,778	0.75	8,600	19,378
- Salvaged brick	5,700 SF	1.25	7,125	19.84	113,088	120,213
- New brick	40,164 SF	6.25	251,025	19.84	796,854	1,047,879
Remove and re-build sections of damaged brick masonry (assume 10% of masonry area)	5,700 SF	8.25	47,025	46.50	265,050	312,075
Re-point open and deteriorated mortar joints (assume 50% of wall)	25,500 SF	3.75	95,625	31.00	790,500	886,125
Chip loose and deteriorated concrete from exposed exterior columns and patch (assume 30%)	6,500 SF	3.25	21,125	12.00	78,000	99,125
Remove and replace deteriorated steel lintels including temporary shoring (assume 25%)	1,020 LF	25.00	25,500	62.00	63,240	88,740
Scrape, prep and paint existing steel lintels	3,055 LF	3.25	9,929	12.00	36,660	46,589
Remove and replace deteriorated precast sills (assume 25%)	1,020 LF	20.00	20,400	25.00	25,500	45,900
Restore stone facade and decorative arch top windows at NW corner	1 ALLOW	20,000.00	20,000	30,000.00	30,000	50,000
Clean exterior masonry and concrete	56,700 SF	0.35	19,845	1.50	85,050	104,895
Remove windows, metal panels and glass block and dispose	31,500 SF	0.50	15,750	3.50	110,250	126,000
Temporary protection	31,500 SF	2.00	63,000	2.81	88,515	151,515
Insulated steel frame windows (historical match)	31,500 SF	110.00	3,465,000	15.00	472,500	3,937,500

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **FULL COMPLEX RE-DEVELOPMENT SCHEME** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
Miscellaneous man doors and roll-up doors	1 ALLOW	20,000.00	20,000	5,000.00	5,000	25,000
SUB-TOTAL			$6,005,980		$6,350,744	$12,356,724
GENERAL CONDITIONS	5%					$617,836
SUB-TOTAL						$12,974,560
OVERHEAD AND PROFIT	4%					$518,982
SUB-TOTAL						$13,493,542
DESIGN CONTINGENCY	15%					$2,024,031
TOTAL - BUILDING ENVELOPE RESTORATION						**$15,517,573**
TOTAL - BUILDING ENVELOPE RESTORATION SAY						**$15,518,000**
					591,591 SF /	**$26.23**

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **FULL COMPLEX RE-DEVELOPMENT SCHEME** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
INTERIOR SHELL AND CORE RENOVATION						
Gut interior of building and dispose of debris	591,591 SF	$0.50	$295,796	$1.25	$739,489	$1,035,285
Saw cut, remove and replace 5" thick reinforced concrete floor deck and framing encasement (framing to remain), shore opening and dispose of debris - 30% of Building 8 (Floors Mezz - 5th)	56,070 SF	18.00	1,009,260	22.00	1,233,540	2,242,800
Repair existing structural framing and concrete encasement as required (5% of framing)	1 ALLOW	125,000.00	125,000	125,000.00	125,000	250,000
Reconstruct column at NE corner - Floors 3, 4 and 5	1 EA	12,000.00	12,000	18,000.00	18,000	30,000
Miscellaneous structural repairs - transfer beams, bearing walls, loose parging, etc.	1 ALLOW	50,000.00	50,000	50,000.00	50,000	100,000
Infill structural slab and framing at removed stairs and elevators	4,200 SF	20.00	84,000	22.50	94,500	178,500
Break out existing slab for new elevator and stair shafts, re-framing and patch (assume 1,000 sf per floor plus roof)	7,000 SF	8.00	56,000	12.00	84,000	140,000
New elevator pits	5 EA	4,500.00	22,500	9,000.00	45,000	67,500
New traction elevators - 7 stops	5 EA	125,000.00	625,000	85,000.00	425,000	1,050,000
Restore existing stair towers (scope not defined) - Basement - 5th	5 EA	25,000.00	125,000	25,000.00	125,000	250,000
New stair towers Basement - 5th	2 EA	75,000.00	150,000	15,000.00	30,000	180,000
Shell and core partitions, doors, finishes and specialties	591,591 SF	3.00	1,774,773	2.00	1,183,182	2,957,955
New sprinkler system including service, fire pump and stand pipe	591,591 SF	0.75	443,693	1.00	591,591	1,035,284
Head-end plumbing equipment and risers to floors	591,591 SF	1.00	591,591	0.75	443,693	1,035,284
HVAC head-end and minimal distribution at floors	591,591 SF	3.00	1,774,773	2.00	1,183,182	2,957,955

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **FULL COMPLEX RE-DEVELOPMENT SCHEME** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
Electrical head-end and Code Compliant distribution and lighting	591,591 SF	2.25	1,331,080	1.25	739,489	2,070,569
SUB-TOTAL			$8,470,466		$7,110,666	$15,581,132
GENERAL CONDITIONS	5%					$779,057
SUB-TOTAL						$16,360,189
OVERHEAD AND PROFIT	4%					$654,408
SUB-TOTAL						$17,014,597
DESIGN CONTINGENCY	15%					$2,552,190
TOTAL - INTERIOR SHELL AND CORE RENOVATION						**$19,566,787**
TOTAL - INTERIOR SHELL AND CORE RENOVATION SAY						**$19,567,000**
					591,591 SF /	**$33.08**

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& ASSOCIATES LLC

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **COURTYARD / LIGHTWELL RE-DEVELOPMENT SCHEME** 9/19/2012

P R O J E C T S U M M A R Y					TOTAL COST
ASBESTOS AND HAZARDOUS MATERIALS ABATEMENT	(ALLOWANCE)				**$1,875,000**
BUILDING ENVELOPE RESTORATION					**$15,734,000**
BUILDING DEMOLITION (BLDG 1, BLDG 2 PARTIAL, BLDG 7 PARTIAL)					
	90,557 SF x	$4 / SF			**$362,000**
INTERIOR SHELL AND CORE RENOVATION					**$17,403,000**
INTERIOR FIT-OUT					
- BASEMENT (MECH, BUDGET HOTEL STORAGE AND SHARED TENANT AMENITIES)	72,727 SF x	$40 / SF	$2,909,000		
- FIRST FLOOR (RETAIL AND SHARED TENANT AMENITIES)	72,727 SF x	$115 / SF	$8,364,000		
- MEZZANINE (OFFICES AND SHARED TENANT AMENITIES)	72,727 SF x	$75 / SF	$5,455,000		
- 2ND FLOOR (CLINICAL OFFICE)	72,727 SF x	$100 / SF	$7,273,000		
- 3RD FLOOR (BUDGET HOTEL)	72,727 SF x	$90 / SF	$6,545,000		
- 4TH & 5TH FLOORS (LOFT APARTMENTS)	137,399 SF x	$115 / SF	$15,801,000		
TOTAL - INTERIOR FIT-OUT					**$46,347,000**
SITE DEVELOPMENT	(ALLOWANCE)				**$650,000**
TOTAL - CONSTRUCTION					
TOTAL - CONSTRUCTION COURTYARD / LIGHTWELL RE-DEVELOPMENT SCHEME					**$82,371,000**
STOREFRONT GLAZING IN LIEU OF STEEL WINDOWS (HISTORICAL MATCH)				**DEDUCT**	**($3,360,000)**

ESTIMATE NOTES / ASSUMPTIONS

1. COSTS BASED ON SPRING 2013 CONSTRUCTION START. ESCALATION SHOULD BE ADDED AT 3.5% PER YEAR TO MID-POINT OF CONSTRUCTION.

2. COMBINATION OF OPEN SHOP AND PREVAILING WAGE LABOR RATES.

3. DEFINED QUANTITIES OF ASBESTOS AND HAZARDOUS MATERIALS REQUIRING ABATEMENT NOT AVAILABLE AT TIME OF ESTIMATE. SQUARE FOOT COSTS PROVIDED BY DOUG SWIFT DEVELOPMENT.

4. DEFINED QUANTITIES OF EXTERIOR BRICK REQUIRING REPLACEMENT AND RE-POINTING NOT AVAILABLE AT TIME OF ESTIMATE. ASSUMPTIONS IDENTIFIED IN ESTIMATE.

5. ESTIMATE BASED ON THE FOLLOWING DESIGN DOCUMENTS:
   - DRAFT FEASIBILITY REPORT RECEIVED ON AUGUST 20, 2012.
   - SIRACUSE ENGINEERS EXTERIOR WALL REPAIR DRAWINGS DATED MARCH 2008.
   - PHONE CONVERSATIONS AND EMAILS WITH ARCHITECTURAL RESOURCES AND DOUG SWIFT DEVELOPMENT.

6. NORMAL WORKING HOURS AND CONDITIONS; EXCLUDES PREMIUM FOR CONDENSED CONSTRUCTION SCHEDULE (IF REQUIRED).

7. COMPETITIVE BIDDING PROCESS.

8. ESTIMATE EXCLUDES:
   - PROJECT SOFT COSTS (DESIGN FEES, OWNER FINANCING, ETC.)
   - FF&E
   - CONSTRUCTION CONTINGENCY (OWNER CHANGE ORDER RESERVE)

9. INTERIOR SHELL AND CORE ESTIMATE INCLUDES THE FOLLOWING MEP COSTS:
   - COMPLETE SPRINKLER SYSTEM THROUGHOUT BUILDING INCLUDING NEW SERVICE, BACKFLOW PREVENTER, FIRE PUMP AND STAND PIPES.
   - PLUMBING HEAD-END TO SERVE ENTIRE BUILDING AND RISERS TO FLOORS
   - MODULAR WATER SOURCE HEAT PUMP SYSTEM TO SERVE TWO FLOORS (EXPANDABLE IN FUTURE AS OCCUPANCY DICTATES) WITH MINIMAL DISTRIBUTION AT UPPER FLOORS.
   - ELECTRICAL HEAD-END, RISERS, FIRE ALARM, MINIMAL LIGHTING AND DISTRIBUTION.

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **COURTYARD / LIGHTWELL RE-DEVELOPMENT SCHEME** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
BUILDING ENVELOPE						
RESTORATION						
Scaffold building exterior	90,640 SF	$0.70	$63,448	$1.30	$117,832	$181,280
ROOF						
Remove metal sheds at roof and dispose	26,036 SF	0.50	13,018	1.75	45,563	58,581
Remove remaining roofing and dispose	1 ALLOW	30,000.00	30,000	50,000.00	50,000	80,000
Saw cut and remove and replace 5" reinforced concrete roof deck and framing encasement (framing to remain), shore opening and dispose of debris						
- 100% of green area on sketch	19,720 SF	17.00	335,240	20.00	394,400	729,640
- 20% of blue area on sketch	7,260 SF	18.00	130,680	22.00	159,720	290,400
Miscellaneous minor repairs to deck under existing roof	25,114 SF	0.50	12,557	0.50	12,557	25,114
Remove masonry parapets to roof line and salvage brick	8,744 SF	1.35	11,804	4.50	39,348	51,152
Clean salvaged brick (assume 50% re-use)	30,600 EA	0.00	0	5.00	153,000	153,000
Re-build parapets with salvaged brick and new CMU backup	4,372 SF	4.75	20,767	32.59	142,483	163,250
Re-build parapets with new brick and CMU backup	4,372 SF	9.75	42,627	32.59	142,483	185,110
Galvanized steel angle framing / bracing at high parapets	4,105 SF	7.50	30,788	2.48	10,180	40,968
Tapered rigid insulation and adhered EPDM roofing	72,727 SF	6.00	436,362	5.75	418,180	854,542
EPDM membrane at parapets	6,265 SF	2.25	14,096	2.50	15,663	29,759
Treated wood blocking and aluminum coping	1,658 LF	16.00	26,528	11.52	19,100	45,628
Restore / re-build / infill masonry roof top structures as required at stair and elevator penthouses and chimney (not quantifiable)	1 ALLOW	100,000.00	100,000	150,000.00	150,000	250,000
New roof drains and leaders to Basement	72,727 SF	1.25	90,909	2.75	199,999	290,908

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **COURTYARD / LIGHTWELL RE-DEVELOPMENT SCHEME** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
EXTERIOR WALLS						
New Courtyard						
- Cast-in-place Basement walls	448 LF	200.00	89,600	400.00	179,200	268,800
- Cast-in-place structural slab, framing, waterproofing and topping	17,424 SF	23.50	409,464	30.00	522,720	932,184
- Curtainwall system	35,640 SF	45.00	1,603,800	20.00	712,800	2,316,600
Remove and re-build sections of damaged brick masonry (assume 10% of masonry area)	5,300 SF	8.25	43,725	46.50	246,450	290,175
Re-point open and deteriorated mortar joints (assume 50% of wall)	24,200 SF	3.75	90,750	31.00	750,200	840,950
Chip loose and deteriorated concrete from exposed exterior columns and patch (assume 30%)	6,000 SF	3.25	19,500	12.00	72,000	91,500
Remove and replace deteriorated steel lintels including temporary shoring (assume 25%)	950 LF	25.00	23,750	62.00	58,900	82,650
Scrape, prep and paint existing steel lintels	3,000 LF	3.25	9,750	12.00	36,000	45,750
Remove and replace deteriorated precast sills (assume 25%)	950 LF	20.00	19,000	25.00	23,750	42,750
Restore stone facade and decorative arch top windows at NW corner	1 ALLOW	20,000.00	20,000	30,000.00	30,000	50,000
Clean exterior masonry and concrete	53,700 SF	0.35	18,795	1.50	80,550	99,345
Remove windows, metal panels and glass block and dispose	30,000 SF	0.50	15,000	3.50	105,000	120,000
Temporary protection	30,000 SF	2.00	60,000	2.81	84,300	144,300
Insulated steel frame windows (historical match)	30,000 SF	110.00	3,300,000	15.00	450,000	3,750,000
Miscellaneous man doors and roll-up doors	1 ALLOW	20,000.00	20,000	5,000.00	5,000	25,000
SUB-TOTAL			$7,101,958		$5,427,378	$12,529,336
GENERAL CONDITIONS	5%					$626,467
SUB-TOTAL						$13,155,803
OVERHEAD AND PROFIT	4%					$526,232
SUB-TOTAL						$13,682,035
DESIGN CONTINGENCY	15%					$2,052,305
TOTAL - BUILDING ENVELOPE RESTORATION						**$15,734,340**
TOTAL - BUILDING ENVELOPE RESTORATION SAY						**$15,734,000**
					501,034 SF /	**$31.40**

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **COURTYARD / LIGHTWELL RE-DEVELOPMENT SCHEME** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
INTERIOR SHELL AND CORE RENOVATION						
Gut interior of building and dispose of debris	501,034 SF	$0.50	$250,517	$1.25	$626,293	$876,810
Saw cut, remove and replace 5" thick reinforced concrete floor deck and framing encasement (framing to remain), shore opening and dispose of debris - 30% of Building 8 (Floors Mezz - 5th)	56,070 SF	18.00	1,009,260	22.00	1,233,540	2,242,800
Repair existing structural framing and concrete encasement as required (5% of framing)	1 ALLOW	110,000.00	110,000	115,000.00	115,000	225,000
Reconstruct column at NE corner - Floors 3, 4 and 5	1 EA	12,000.00	12,000	18,000.00	18,000	30,000
Miscellaneous structural repairs - transfer beams, bearing walls, loose parging, etc.	1 ALLOW	50,000.00	50,000	50,000.00	50,000	100,000
Infill structural slab and framing at removed stairs and elevators	4,200 SF	20.00	84,000	22.50	94,500	178,500
Break out existing slab for new elevator and stair shafts, re-framing and patch (assume 1,000 sf per floor plus roof)	7,000 SF	8.00	56,000	12.00	84,000	140,000
New elevator pits	5 EA	4,500.00	22,500	9,000.00	45,000	67,500
New traction elevators - 7 stops	5 EA	125,000.00	625,000	85,000.00	425,000	1,050,000
Restore existing stair towers (scope not defined) - Basement - 5th	5 EA	25,000.00	125,000	25,000.00	125,000	250,000
New stair towers Basement - 5th	2 EA	75,000.00	150,000	15,000.00	30,000	180,000
Shell and core partitions, doors, finishes and specialties	501,034 SF	3.00	1,503,102	2.00	1,002,068	2,505,170
New sprinkler system including service, fire pump and stand pipe	501,034 SF	0.75	375,776	1.00	501,034	876,810
Head-end plumbing equipment and risers to floors	501,034 SF	1.00	501,034	0.75	375,776	876,810
HVAC head-end and minimal distribution at floors	501,034 SF	3.00	1,503,102	2.00	1,002,068	2,505,170

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **COURTYARD / LIGHTWELL RE-DEVELOPMENT SCHEME** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
Electrical head-end and Code Compliant distribution and lighting	501,034 SF	2.25	1,127,327	1.25	626,293	1,753,620
SUB-TOTAL			$7,504,618		$6,353,572	$13,858,190
GENERAL CONDITIONS	5%					$692,910
SUB-TOTAL						$14,551,100
OVERHEAD AND PROFIT	4%					$582,044
SUB-TOTAL						$15,133,144
DESIGN CONTINGENCY	15%					$2,269,972
TOTAL - INTERIOR SHELL AND CORE RENOVATION						**$17,403,116**
TOTAL - INTERIOR SHELL AND CORE RENOVATION SAY						**$17,403,000**
					501,034 SF	**$34.73**

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **GOODELL SCHEME / NORTH PARCEL DEVELOPMENT SITE** 9/19/2012

P R O J E C T S U M M A R Y					TOTAL COST
ASBESTOS AND HAZARDOUS MATERIALS ABATEMENT	(ALLOWANCE)				**$1,875,000**
BUILDING ENVELOPE RESTORATION					**$8,952,000**
BUILDING DEMOLITION (BLDGS 1, 2, 3 AND 7)	332,171 SF x	$3.50 / SF			**$1,163,000**
INTERIOR SHELL AND CORE RENOVATION					**$10,455,000**
INTERIOR FIT-OUT					
- BASEMENT (MECH, BUDGET HOTEL STORAGE AND SHARED TENANT AMENITIES)	37,060 SF x	$40 / SF	$1,482,000		
- FIRST FLOOR (RETAIL AND SHARED TENANT AMENITIES)	37,060 SF x	$115 / SF	$4,262,000		
- MEZZANINE (OFFICES AND SHARED TENANT AMENITIES)	37,060 SF x	$75 / SF	$2,780,000		
- 2ND & 3RD FLOORS (BUDGET HOTEL)	74,120 SF x	$90 / SF	$6,671,000		
- 4TH & 5TH FLOORS (LOFT APARTMENTS)	74,120 SF x	$115 / SF	$8,524,000		
TOTAL - INTERIOR FIT-OUT					**$23,719,000**
SITE DEVELOPMENT	(ALLOWANCE)				**$1,000,000**
TOTAL - CONSTRUCTION					
TOTAL - CONSTRUCTION GOODELL SCHEME / NORTH PARCEL DEVELOPMENT SITE					**$47,164,000**
STOREFRONT GLAZING IN LIEU OF STEEL WINDOWS (HISTORICAL MATCH)				**DEDUCT**	**($1,826,000)**
BIOTECH INNOVATION CENTER FOR SUSTAINABLE DEVELOPMENT	250,000 SF x	$375 / SF			**$93,750,000**

ESTIMATE NOTES / ASSUMPTIONS

1. COSTS BASED ON SPRING 2013 CONSTRUCTION START. ESCALATION SHOULD BE ADDED AT 3.5% PER YEAR TO MID-POINT OF CONSTRUCTION.

2. COMBINATION OF OPEN SHOP AND PREVAILING WAGE LABOR RATES.

3. DEFINED QUANTITIES OF ASBESTOS AND HAZARDOUS MATERIALS REQUIRING ABATEMENT NOT AVAILABLE AT TIME OF ESTIMATE. SQUARE FOOT COSTS PROVIDED BY DOUG SWIFT DEVELOPMENT.

4. DEFINED QUANTITIES OF EXTERIOR BRICK REQUIRING REPLACEMENT AND RE-POINTING NOT AVAILABLE AT TIME OF ESTIMATE. ASSUMPTIONS IDENTIFIED IN ESTIMATE.

5. ESTIMATE BASED ON THE FOLLOWING DESIGN DOCUMENTS:
   - DRAFT FEASIBILITY REPORT RECEIVED ON AUGUST 20, 2012.
   - SIRACUSE ENGINEERS EXTERIOR WALL REPAIR DRAWINGS DATED MARCH 2008.
   - PHONE CONVERSATIONS AND EMAILS WITH ARCHITECTURAL RESOURCES AND DOUG SWIFT DEVELOPMENT.

6. NORMAL WORKING HOURS AND CONDITIONS; EXCLUDES PREMIUM FOR CONDENSED CONSTRUCTION SCHEDULE (IF REQUIRED).

7. COMPETITIVE BIDDING PROCESS.

8. ESTIMATE EXCLUDES:
   - PROJECT SOFT COSTS (DESIGN FEES, OWNER FINANCING, ETC.)
   - FF&E
   - CONSTRUCTION CONTINGENCY (OWNER CHANGE ORDER RESERVE)

9. INTERIOR SHELL AND CORE ESTIMATE INCLUDES THE FOLLOWING MEP COSTS:
   - COMPLETE SPRINKLER SYSTEM THROUGHOUT BUILDING INCLUDING NEW SERVICE, BACKFLOW PREVENTER, FIRE PUMP AND STAND PIPES.
   - PLUMBING HEAD-END TO SERVE ENTIRE BUILDING AND RISERS TO FLOORS
   - MODULAR WATER SOURCE HEAT PUMP SYSTEM TO SERVE TWO FLOORS (EXPANDABLE IN FUTURE AS OCCUPANCY DICTATES) WITH MINIMAL DISTRIBUTION AT UPPER FLOORS.
   - ELECTRICAL HEAD-END, RISERS, FIRE ALARM, MINIMAL LIGHTING AND DISTRIBUTION.

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **GOODELL SCHEME / NORTH PARCEL DEVELOPMENT SITE** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
BUILDING ENVELOPE						
RESTORATION						
Scaffold building exterior	49,700 SF	$0.70	$34,790	$1.30	$64,610	$99,400
ROOF						
Remove metal sheds at roof and dispose	26,036 SF	0.50	13,018	1.75	45,563	58,581
Saw cut and remove and replace 5" reinforced concrete roof deck and framing encasement (framing to remain), shore opening and dispose of debris						
- 100% of green area on sketch	7,080 SF	17.00	120,360	20.00	141,600	261,960
- 20% of blue area on sketch	5,800 SF	18.00	104,400	22.00	127,600	232,000
Remove masonry parapets to roof line and salvage brick	3,371 SF	1.35	4,551	4.50	15,170	19,721
Clean salvaged brick (assume 50% re-use)	11,800 EA	0.00	0	5.00	59,000	59,000
Re-build parapets with salvaged brick and new CMU backup	1,686 SF	4.75	8,009	32.59	54,947	62,956
Re-build parapets with new brick and CMU backup	1,685 SF	9.75	16,429	32.59	54,914	71,343
Galvanized steel angle framing / bracing at high parapets	2,387 SF	7.50	17,903	2.48	5,920	23,823
Tapered rigid insulation and adhered EPDM roofing	37,060 SF	6.00	222,360	5.75	213,095	435,455
EPDM membrane at parapets	3,371 SF	2.25	7,585	2.50	8,428	16,013
Treated wood blocking and aluminum coping	890 LF	16.00	14,240	11.52	10,253	24,493
Restore / re-build / infill masonry roof top structures as required at stair and elevator penthouses and chimney (not quantifiable)	1 ALLOW	50,000.00	50,000	75,000.00	75,000	125,000
New roof drains and leaders to Basement	37,060 SF	1.25	46,325	2.75	101,915	148,240
EXTERIOR WALLS						
New Courtyard						
- Cast-in-place Basement walls	345 LF	200.00	69,000	400.00	138,000	207,000
- Curtainwall system	31,050 SF	45.00	1,397,250	20.00	621,000	2,018,250

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **GOODELL SCHEME / NORTH PARCEL DEVELOPMENT SITE** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
Remove and re-build sections of damaged brick masonry (assume 10% of masonry area)	3,260 SF	8.25	26,895	46.50	151,590	178,485
Re-point open and deteriorated mortar joints (assume 50% of wall)	16,300 SF	3.75	61,125	31.00	505,300	566,425
Chip loose and deteriorated concrete from exposed exterior columns and patch (assume 30%)	3,500 SF	3.25	11,375	12.00	42,000	53,375
Remove and replace deteriorated steel lintels including temporary shoring (assume 25%)	575 LF	25.00	14,375	62.00	35,650	50,025
Scrape, prep and paint existing steel lintels	1,800 LF	3.25	5,850	12.00	21,600	27,450
Remove and replace deteriorated precast sills (assume 25%)	575 LF	20.00	11,500	25.00	14,375	25,875
Clean exterior masonry and concrete	32,600 SF	0.35	11,410	1.50	48,900	60,310
Remove windows, metal panels and glass block and dispose	17,100 SF	0.50	8,550	3.50	59,850	68,400
Temporary protection	17,100 SF	2.00	34,200	2.81	48,051	82,251
Insulated steel frame windows (historical match)	17,100 SF	110.00	1,881,000	15.00	256,500	2,137,500
Miscellaneous man doors and roll-up doors	1 ALLOW	12,000.00	12,000	3,000.00	3,000	15,000
SUB-TOTAL			$4,204,500		$2,923,831	$7,128,331
GENERAL CONDITIONS	5%					$356,417
SUB-TOTAL						$7,484,748
OVERHEAD AND PROFIT	4%					$299,390
SUB-TOTAL						$7,784,138
DESIGN CONTINGENCY	15%					$1,167,621
TOTAL - BUILDING ENVELOPE RESTORATION						**$8,951,759**
TOTAL - BUILDING ENVELOPE RESTORATION SAY						**$8,952,000**
					259,420 SF	**$34.51**

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **GOODELL SCHEME / NORTH PARCEL DEVELOPMENT SITE** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
INTERIOR SHELL AND CORE RENOVATION						
Gut interior of building and dispose of debris	259,420 SF	$0.50	$129,710	$1.25	$324,275	$453,985
Saw cut, remove and replace 5" thick reinforced concrete floor deck and framing encasement (framing to remain), shore opening and dispose of debris - 30% of Building 8 (Floors Mezz - 5th)	56,070 SF	18.00	1,009,260	22.00	1,233,540	2,242,800
Repair existing structural framing and concrete encasement as required (5% of framing)	1 ALLOW	50,000.00	50,000	55,000.00	55,000	105,000
Miscellaneous structural repairs - transfer beams, bearing walls, loose parging, etc.	1 ALLOW	25,000.00	25,000	25,000.00	25,000	50,000
Infill structural slab at removed stairs and elevators	2,800 SF	20.00	56,000	22.50	63,000	119,000
Break out existing slab for new elevator and stair shafts, re-framing and patch (assume 600 sf per floor plus roof)	4,200 SF	8.00	33,600	12.00	50,400	84,000
New elevator pits	3 EA	4,500.00	13,500	9,000.00	27,000	40,500
New traction elevators - 7 stops	3 EA	125,000.00	375,000	85,000.00	255,000	630,000
Restore existing stair towers (scope not defined) - Basement - 5th	2 EA	25,000.00	50,000	25,000.00	50,000	100,000
New stair tower Basement - 5th	1 EA	75,000.00	75,000	15,000.00	15,000	90,000
Shell and core partitions, doors, finishes and specialties	259,420 SF	3.00	778,260	2.00	518,840	1,297,100
New sprinkler system including service, fire pump and stand pipe	259,420 SF	0.75	194,565	1.00	259,420	453,985
Head-end plumbing equipment and risers to floors	259,420 SF	1.00	259,420	0.75	194,565	453,985
HVAC head-end and minimal distribution at floors	259,420 SF	3.00	778,260	2.00	518,840	1,297,100
Electrical head-end and Code Compliant distribution and lighting	259,420 SF	2.25	583,695	1.25	324,275	907,970
SUB-TOTAL			$4,411,270		$3,914,155	$8,325,425
GENERAL CONDITIONS	5%					$416,271
SUB-TOTAL						$8,741,696
OVERHEAD AND PROFIT	4%					$349,668
SUB-TOTAL						$9,091,364
DESIGN CONTINGENCY	15%					$1,363,705
TOTAL - INTERIOR SHELL AND CORE RENOVATION						**$10,455,069**
TOTAL - INTERIOR SHELL AND CORE RENOVATION SAY						**$10,455,000**
					259,420 SF	**$40.30**

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **MOTHBALL COMPLEX FOR FUTURE DEVELOPER** 9/19/2012

P R O J E C T S U M M A R Y		TOTAL COST
ASBESTOS AND HAZARDOUS MATERIALS ABATEMENT	(ALLOWANCE)	**$150,000**
BUILDING ENVELOPE RESTORATION		**$4,746,000**
INTERIOR STRUCTURAL REPAIRS		**$389,000**
TOTAL - MOTHBALL COMPLEX FOR FUTURE DEVELOPER		**$5,285,000**

ESTIMATE NOTES / ASSUMPTIONS

1. COSTS BASED ON SPRING 2013 CONSTRUCTION START. ESCALATION SHOULD BE ADDED AT 3.5% PER YEAR TO MID-POINT OF CONSTRUCTION.

2. COMBINATION OF OPEN SHOP AND PREVAILING WAGE LABOR RATES.

3. DEFINED QUANTITIES OF ASBESTOS AND HAZARDOUS MATERIALS REQUIRING ABATEMENT NOT AVAILABLE AT TIME OF ESTIMATE, ALLOWANCE INCLUDED TO DRAIN WATER IN BASEMENT.

4. DEFINED QUANTITIES OF EXTERIOR BRICK REQUIRING REPLACEMENT AND RE-POINTING NOT AVAILABLE AT TIME OF ESTIMATE. ALLOWANCES FOR MINIMAL WORK INCLUDED.

5. ESTIMATE BASED ON THE FOLLOWING DESIGN DOCUMENTS:
   - DRAFT FEASIBILITY REPORT RECEIVED ON AUGUST 20, 2012.
   - SIRACUSE ENGINEERS EXTERIOR WALL REPAIR DRAWINGS DATED MARCH 2008.
   - PHONE CONVERSATIONS AND EMAILS WITH ARCHITECTURAL RESOURCES AND DOUG SWIFT DEVELOPMENT.

6. NORMAL WORKING HOURS AND CONDITIONS; EXCLUDES PREMIUM FOR CONDENSED CONSTRUCTION SCHEDULE (IF REQUIRED).

7. COMPETITIVE BIDDING PROCESS.

8. ESTIMATE EXCLUDES:
   - PROJECT SOFT COSTS (DESIGN FEES, OWNER FINANCING, ETC.)
   - FF&E
   - CONSTRUCTION CONTINGENCY (OWNER CHANGE ORDER RESERVE)

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **MOTHBALL COMPLEX FOR FUTURE DEVELOPER** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
BUILDING ENVELOPE						
RESTORATION						
Lift / scaffold	1 ALLOW	$20,000.00	$20,000	$10,000.00	$10,000	$30,000
ROOF						
Remove metal sheds at roof and dispose	26,036 SF	0.50	13,018	1.75	45,563	58,581
Remove remaining roofing and dispose	1 ALLOW	30,000.00	30,000	50,000.00	50,000	80,000
Saw cut and remove and replace 5" reinforced concrete roof deck and framing encasement (framing to remain), shore opening and dispose of debris						
- 100% of green area on sketch	26,320 SF	17.00	447,440	20.00	526,400	973,840
- 20% of blue area on sketch	7,260 SF	18.00	130,680	22.00	159,720	290,400
Miscellaneous minor repairs to deck under existing roof	25,114 SF	0.50	12,557	0.50	12,557	25,114
Remove masonry parapets to roof line and salvage brick (re-built by future owner)	10,000 SF	1.35	13,500	4.50	45,000	58,500
Tapered rigid insulation and adhered EPDM roofing including flashings	87,722 SF	6.25	548,263	6.00	526,332	1,074,595
Treated wood blocking and aluminum coping including patch at removed parapets	1,972 LF	16.00	31,552	11.52	22,717	54,269
Restore / re-build / infill masonry roof top structures as required at stair and elevator penthouses and chimney (not quantifiable)	1 ALLOW	100,000.00	100,000	150,000.00	150,000	250,000
New roof drains and leaders to Basement	87,722 SF	1.25	109,653	2.75	241,236	350,889
EXTERIOR WALLS						
Shore existing structure and walls at Building 1	1 ALLOW	75,000.00	75,000	175,000.00	175,000	250,000
Remove and re-build sections of damaged brick masonry (minimal as required)	1 ALLOW	10,000.00	10,000	55,000.00	55,000	65,000
Re-point open and deteriorated mortar joints (minimal as required)	1 ALLOW	20,000.00	20,000	160,000.00	160,000	180,000
Chip loose and deteriorated concrete from exposed exterior columns and patch (minimal as required)	1 ALLOW	5,000.00	5,000	15,000.00	15,000	20,000

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **MOTHBALL COMPLEX FOR FUTURE DEVELOPER** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
Remove and replace deteriorated steel lintels including temporary shoring (minimal as required)	1 ALLOW	5,000.00	5,000	13,000.00	13,000	18,000
SUB-TOTAL			$1,571,663		$2,207,525	$3,779,188
GENERAL CONDITIONS	5%					$188,959
SUB-TOTAL						$3,968,147
OVERHEAD AND PROFIT	4%					$158,726
SUB-TOTAL						$4,126,873
DESIGN CONTINGENCY	15%					$619,031
TOTAL - BUILDING ENVELOPE RESTORATION						**$4,745,904**
TOTAL - BUILDING ENVELOPE RESTORATION SAY						**$4,746,000**
					591,591 SF /	**$8.02**

TRICO COMPLEX RE-DEVELOPMENT FEASIBILITY STUDY 12-88

BUFFALO, NEW YORK

ARCHITECTURAL RESOURCES

FEASIBILITY STUDY **MOTHBALL COMPLEX FOR FUTURE DEVELOPER** 9/19/2012

DESCRIPTION	QUANTITY	MATERIAL UNIT PRICE	MATERIAL TOTAL	LABOR UNIT PRICE	LABOR TOTAL	TOTAL
INTERIOR SHELL AND CORE RENOVATION						
Reconstruct column at NE corner - Floors 3, 4 and 5	1 EA	$12,000.00	$12,000	$18,000.00	$18,000	$30,000
Miscellaneous structural shoring at deteriorated beams, decks, walls, etc.	1 ALLOW	50,000.00	50,000	50,000.00	50,000	100,000
Minimal HVAC ventilation / heat	1 ALLOW	75,000.00	75,000	75,000.00	75,000	150,000
Electrical to accommodte HVAC	1 ALLOW	15,000.00	15,000	15,000.00	15,000	30,000
SUB-TOTAL			$152,000		$158,000	$310,000
GENERAL CONDITIONS	5%					$15,500
SUB-TOTAL						$325,500
OVERHEAD AND PROFIT	4%					$13,020
SUB-TOTAL						$338,520
DESIGN CONTINGENCY	15%					$50,778
TOTAL - INTERIOR SHELL AND CORE RENOVATION						**$389,298**
TOTAL - INTERIOR SHELL AND CORE RENOVATION SAY						**$389,000**
					591,591 SF /	**$0.66**

Trico Complex One Full Development Scheme:

Development Size

Basement	87,722	SF	
First Floor	87,722	SF	
Mezzanine Floor	84,810	SF	
Second Floor	84,810	SF	
Third Floor	84,794	SF	
Fourth Floor	84,794	SF	
Fifth Floor	76,939	SF	
Roof*	87,722	SF	*not included in total reused
Roof Top Structures*	26,036	SF	
TOTAL COMPLEX REUSED	591,591	SF	
Percentage of original reused	95.78%		

Development Phase

Demolition/Construction

Demolition		$ 179,040	Remove roof top structures in entirety.	
Basic Remediation		$ 1,875,000	Entire Complex.	
Additional Full Environmental	$ 5	$ 2,957,955	Additional testing & remediation for whole Complex	
TOTAL DEMOLITION		**$ 5,011,995**		
Exterior Shell & Building Core		$ 35,585,000		
Interior Build Out		$ 58,939,000		
Soft Costs:	15%	$ 14,178,600	Developer & Design Fees	
TOTAL DEVELOPMENT COST		**$ 113,714,595**	assume 90% QRC	$102,343,136

$20,468,627	20%	$20,468,626	0.96
$20,468,627	20%	$5,000,000	0.53 State maxes at $5MM

Sources of Funds

Owners Equity (10%)	$ 11,371,460		
Federal Historic Tax Credit	$ 20,468,626		
NYS Historic Tax Credit	$ 2,650,000		
TOTAL EQUITY SOURCES	**$ 34,490,086**	30.33%	Percent equity
Conventional Financing	$ 5,000,000		
GAP FINANCING REQUIRED	**$ 74,224,510**		

Development Returns

Income Assumptions

	Area (gsf)	Rent/gsf	Annual Income
Retail	6,750	$25.00	$168,750
Convenience	3,400	$25.00	$85,000
Restaurant	4,000	$18.00	$72,000
Medical office	70,000	$30.00	$2,100,000
General office	50,000	$18.00	$900,000
Residential (1*60)	42,000	$1.29	$650,160
Residential (2*60)	54,000	$1.33	$861,840
Hotel (120 rms)	60,000	$13.60	$816,000
Light Manufacturing	125,000	$5.00	$625,000
TOTAL RENTAL INCOME	415,150 sf		$6,278,750

Operating Costs

Taxes/Mech/Utilities	$8 /sf		$4,732,728
		Total	$4,732,728
TOTAL PROJECTED NOI			**$1,546,022**

Less	per month	Annual
Annual Debt Service	$35,822	$429,864
Costs Assoc with HTC		$25,000
Net Cash Flow		$1,091,158
Target Annual Cash on Cash		$1,137,146

Trico Complex One Courtyard Development Scheme:

Development Size

Basement	72,727	SF	
First Floor	72,727	SF	
Mezzanine Floor	72,727	SF	
Second Floor	72,727	SF	
Third Floor	72,727	SF	
Fourth Floor	72,076	SF	
Fifth Floor	65,323	SF	
Roof*	72,727	SF	*not included in total reused
Roof Top Structures*	26,036	SF	
TOTAL COMPLEX REUSED	501,034	SF	
Percentage of original reused	81.12%		

Development Phase

Demolition/Construction

Demolition		$	362,000	Remove roof top structures & Building 1 in entirety and portions of Buildings 2 & 3.
Basic Remediation		$	1,875,000	Entire Complex
Additional Full Environmental	$ 5	$	2,505,170	Additional testing & remediation for remaining Complex
TOTAL DEMOLITION		**$**	**4,742,170**	
Exterior Shell & Building Core		$	33,787,000	
Interior Build Out		$	46,347,000	
Soft Costs:	15%	$	12,020,100	Developer & Design Fees
TOTAL DEVELOPMENT COST		**$**	**96,896,270**	assume 90% QRC $96,896,269 $19,379,254 20% $19,379,253 0.96
				$19,379,254 20% $5,000,000 0.53 State maxes at $5MM

Sources of Funds

Owners Equity (10%)	$	9,689,627	
Federal Historic Tax Credit	$	19,379,253	
NYS Historic Tax Credit	$	2,650,000	
TOTAL EQUITY SOURCES	**$**	**31,718,880**	32.73% Percent equity
Conventional Financing	$	15,000,000	
GAP FINANCING REQUIRED	**$**	**50,177,390**	

Development Returns

Income Assumptions

	Area (gsf)	Rent/gsf	Annual Income
Retail	6,750	$25.00	$168,750
Convenience	3,400	$25.00	$85,000
Restaurant	4,000	$18.00	$72,000
Medical office	70,000	$30.00	$2,100,000
General office	50,000	$18.00	$900,000
Residential (1*60)	42,000	$1.29	$650,160
Residential (2*60)	54,000	$1.33	$861,840
Hotel (120 rms)	60,000	$13.60	$816,000
Light Manufacturing	125,000	$5.00	$625,000
TOTAL RENTAL INCOME	415,150 sf		$6,278,750

Operating Costs

Taxes/Mech/Utilities	$8	/sf	$4,008,272
		Total	$4,008,272
TOTAL PROJECTED NOI			**$2,270,478**

Less	per month	Annual
Annual Debt Service	$107,465	$1,289,580
Costs Assoc with HTC		$25,000
Net Cash Flow		$955,898
Target Annual Cash on Cash		$968,963

Trico Complex One Goodell Development Scheme:

Development Size

Basement	37,060	SF	
First Floor	37,060	SF	
Mezzanine Floor	37,060	SF	
Second Floor	37,060	SF	
Third Floor	37,060	SF	
Fourth Floor	37,060	SF	
Fifth Floor	37,060	SF	
Roof*	37,060	SF	*not included in total reused
Roof Top Structures*	26,036	SF	

TOTAL COMPLEX REUSED	259,420	SF
Percentage of original reused	42.00%	

Development Phase

Demolition/Construction

Demolition			$ -	$ 1,163,000	Paid by BNMC				
Basic Remediation			$ -	$ 1,875,000.00	Paid by BNMC				
Additional Full Environmental	$	5	$ 1,297,100	Additional testing & remediation for remaining Complex					
TOTAL DEMOLITION			**$ 1,297,100**						
Exterior Shell & Building Core			$ 20,407,000						
Interior Build Out			$ 23,719,000						
Soft Costs:		15%	$ 6,618,900						
TOTAL DEVELOPMENT COST			**$ 52,042,000**	assume 90% QRC	$46,837,800	$9,367,560	20%	$9,367,559	0.96
						$9,367,560	20%	$5,000,000	0.53 State maxes at $5MM

Sources of Funds

Owners Equity (10%)	$ 5,204,200			
Federal Historic Tax Credit	$ 9,367,559			
NYS Historic Tax Credit	$ 2,650,000			
TOTAL EQUITY SOURCES	**$ 17,221,759**	33.09%	Percent equity	
Conventional Financing	$ 17,500,000			
GAP FINANCING REQUIRED	**$ 17,320,241**			

Development Returns

Income Assumptions

	Area (gsf)		Rent/gsf	Annual Income
Retail	6,750		$25.00	$168,750
Convenience	3,400		$25.00	$85,000
Restaurant	4,000		$18.00	$72,000
Medical office	50,000		$30.00	$1,500,000
General office	40,000		$18.00	$720,000
Residential (1*30)	21,000		$1.29	$325,080
Residential (2*30)	27,000		$1.33	$430,920
Hotel (120 rms)	60,000		$13.60	$816,000
TOTAL RENTAL INCOME	212,150	sf		$4,117,750
Operating Costs				
Taxes/Mech/Utilities	$8	/SF		$2,075,360
			Total	$2,075,360
TOTAL PROJECTED NOI				**$2,042,390**

Less	per month	Annual
Annual Debt Service	$125,375	$1,504,500
Costs Assoc with HTC		$25,000
Net Cash Flow		$512,890
Target Annual Cash on Cash		$520,420

Trico Complex One Full Mothball for Future Development:

Development Size

Basement	87,722	SF	
First Floor	87,722	SF	
Mezz Floor	84,810	SF	
Second Floor	84,810	SF	
Third Floor	84,794	SF	
Fourth Floor	84,794	SF	
Fifth Floor	76,939	SF	
Roof*	87,722	SF	*not included in total reused
Roof Top Structures*	26,036	SF	

TOTAL COMPLEX REUSED	591,591	SF
Percentage of original reused	95.78%	

Development Phase

Demolition/Construction

Demolition		$	179,040	Remove roof top structures in entirety and remove parapets and store masonry on site.
Basic Remediation		$	150,000	Allowance to accomidate mothball scope
Additional Full Environmental		$	-	
TOTAL DEMOLITION		**$**	**329,040**	
Exterior Envolope Repair & Stabilization		$	4,746,000	
Interior Structural Stabilization		$	389,000	
Soft Costs:	7%	$	359,450	Design Fees
TOTAL DEVELOPMENT COST		**$**	**5,823,490**	

Sources of Funds

Owners Equity (10%)	None Available
Federal Historic Tax Credit	None Available
NYS Historic Tax Credit	None Available

Income Return

No income is associated with this scheme.

Trico Building Proposed Sampling and Analysis Plan

Basement

Matrix	Locations	Direction/Area of Building	Cost of Analysis
Concrete	Oil Storage Area	north	$819.50
Concrete	Oil Storage Area	norh	$819.50
Concrete	Truck Repair	east	$819.50
Concrete	Plastics and Molding	southeast	$819.50
Concrete	Machine Shop	southwest	$819.50
Water	Sub basement	na	$946.00
Water	Tool and Dye Storage floor	northeast	$946.00
Debris	tbd	tbd	$819.50

Floor 1

Matrix	Locations	Direction/Area of Building	Cost of Analysis
Concrete	zinc dye casting	southwest	$819.50
Concrete	zinc dye casting	southwest	$819.50
water	small pad room	northwest	$946.00
Debris	tbd	tbd	$819.50

Floor 2

Matrix	Locations	Direction/Area of Building	Cost of Analysis
water	ice house	east	$946.00
Debris	tbd	tbd	$819.50
concrete	tbd	tbd	$819.50

Floor 3

Matrix	Locations	Direction/Area of Building	Cost of Analysis
concrete	motor assembly	southwest	$819.50
water	plating area	southeast	$946.00
Debris	tbd	tbd	$819.50

Floor 4

Matrix	Locations	Direction/Area of Building	Cost of Analysis
concrete	rubber lab	east/former ice house	$819.50
concrete	rubber extrusion area	southeast	$819.50
water	product assembly	northeast	$946.00
water	rubber extrusion area	southeast	$946.00
Debris	tbd	tbd	$819.50

Floor 5

Matrix	Locations	Direction/Area of Building	Cost of Analysis
concrete	barrel plating machines	northeast	$819.50
concrete	machining operations	southeast	$819.50
concrete	product assembly	southwest	$819.50
water	plating area	northwest	$946.00
water	product assembly	west	$946.00
Debris	tbd	tbd	$819.50

Floor 6

	Matrix	Locations	Direction/Area of Building	Cost of Analysis
	concrete	product assembly	southwest	$819.50
	concrete	plating area	northeast	$819.50
	Debris	tbd	tbd	$819.50
Post Remediation/Clean Area Concrete Samples				
		basement	tbd	$819.50
		4th floor	tbd	$819.50
		5th floor	tbd	$819.50
TOTAL LAB COSTS				**$29,821.00**

CONCRETE/DEBRIS

TCL Volatiles.	$121.00
TCL Semi Volatiles.	$275.00
PCBs.	$77.00
Cyanide.	$44.00
RCRA Metals.	$110.00
TCLP Metals.	$192.50
TOTAL Cost	**$819.50**

WATER

Priority pollutant volatiles	$121.00
priority pollutant base neutral/acid extractables (semi-vol)	$275.00
Priority pollutant pesticides	$137.50
PCBs – total	$77.00
RCRA Metals	$110.00
BOD	$44.00
pH	$16.50
SGT Total petr hydrocarbons	$71.50
total phosphorous	$27.50
total recoverable phenolics	$44.00
total suspended solids	$22.00
TOTAL Cost	**$946.00**

Review Documents and Sample Collection

Personnel	**Rate**	**Hours**	**Total**
Nugent	$105.00	30	$3,150.00
Swacha	$85.00	30	$2,550.00
Concrete Core	$1,000.00	3	$3,000.00
			$8,700.00
Report			
Nugent	$105.00	40	$4,200.00
Swacha	$85.00	10	$850.00
			$5,050.00
Expenses			
Mileage	550	0.51	$280.50
Lab supplies, ice			$500.00
postage/copies			$200.00
Hotel	$120.00	2	$240.00
Miscellaneous			$100.00
			$1,320.50
TOTAL LABOR AND EXPENSES			**$15,070.50**

Preservation Round table
Trico Complex
Redevelopment Feasibility Study

June 27, 2012

Monica Pellegrino Faix — Richardson Center Corporation
Tom Yots — Preservation Buffalo Niagara, Exec. Director
Jason Wilson — Preservation Buffalo Niagara
Jason Rothschild — Signature Development
Paul Lang — CWM/CTRC
Josh Wilson — Allentown Assn
Tony James — Buffalo Olmsted Parks Conservancy
Tania Werbizky — Preservation League of New York State
Peter Flynn — Preservation Buffalo Niagara
Jeff Carballada — Cinwood Pres. District
Peter Cammarata — BUDC — pcammarata@ccidany.com
Mark McGowan — BNMC
Rocco Termini — Signature
Gwen Howard — Foit-Albert Associates
Georgie Nugent — Foit-Albert Associates
Kirk Wilson — Foit-Albert Associates
Doug Swift — Doug Swift Dev
Kevin Murrett — A/r
Jill Schmidle — A/r
Mike Anderson — Architectural Resources.
Elizabeth Martin — NYS OPRHP — via phone

Trico Complex
Redevelopment Feasibility Study

Comments and Questions

Preservation Roundtable Presentation
June 27, 2012

The following comments and questions were received as part of the Trico Complex Redevelopment Feasibility Study Preservation Roundtable Presentation on June 27, 2012:

- Rocco Termini expressed concern about the environmental issues in the building and the potential for PCBs to escape the site via groundwater due to the sub-basement flooding. He asked if the PCB levels in the basement water are at standard acceptable levels. Georgie Nugent stated 0 is the standard. Rocco asked what the plan is to remove the PCBs.

- Josh Wilson asked about the extent of roof removal. Kirk Wilson estimated that 1/3 of the roof is missing. The remaining 2/3 has a membrane in place. Those areas not protected by the metal rooftop structures are showing signs of the membrane failing. In areas where the roof membrane has been removed, the concrete roof slab has been pulverized and is now the consistency of rubble. Rocco noted the Webb Building had no roof prior to renovation, and the AM&A's warehouse also had significant issues with its roof. Doug Swift clarified that there are serious issues with the building and emphasized that today's presentation is not to determine whether the building can or cannot be saved. Rather the intent is to highlight the areas of concern and the areas that need attention for any type of redevelopment.

- Rocco inquired whether the building could be declared a brownfield in order to utilize Brownfield Tax Credits. Gwen Howard stated it was not possible for a vertical structure to be declared a brownfield site. Alan Oberst noted the law is changing but it may be possible because of the water originating from the building. Gwen explained it could be difficult to prove due to the high level of contamination throughout the neighborhood as a result of the previous manufacturing activities that were prevalent in the area. Doug will follow-up with Marty Doster from the DEC on the potential for the building to be declared a brownfield.

- Josh Wilson stated the report should include brownfield testing to ensure the opportunity to utilize brownfield tax credit financial benefits. Doug clarified that actual testing will not be included as part of this report but the recommendation to undertake specific testing will be. General assumptions will be made related to what tax credits and financial resources will be available for redevelopment of the Trico Complex.

- Alan inquired if there is a groundwater monitoring well on the site. There is not one on site, but there is one in an adjacent parking lot that may be utilized for additional testing.

- Tom Yots inquired whether the Part 2, Preservation Certification Application from 2001 is still applicable. Gwen responded that because the condition of the structure has changed significantly since then, the 2001 report is no longer applicable.

- Tom inquired who is responsible for the worsening condition of the building since 2001. Gwen responded that all issues related to water infiltration date back to the removal of the roof and the flashing by former owner Steve McGarvey. Environmental issues are a result of Trico's industrial use within the building.

Trico Complex
Redevelopment Feasibility Study

Comments and Questions

Preservation Roundtable Presentation
June 27, 2012

- Tania Werbizky inquired what uses were proposed in the 2001 Part 2 report. Gwen responded a mix of retail and residential.

- Tania asked what mechanism exists for identifying reuse options to the development community. Doug stated the goal of the project is to define what would be needed to redevelop the building, not to identify a specific developer, but noted this study already has generated interest in the development community. Rocco reiterated his desire to buy the Complex for $1. Doug further explained the report will make the same assumptions on opportunities and cost for redevelopment that would be made by any developer before purchasing the Complex or investing in its development. Peter Cammarata emphasized there currently is a designated developer, BNMC.

- Lorraine Pierro inquired about the size of the building and whether consultants have studied other buildings with similar contamination issues and reuse projects. Doug explained it has been difficult to locate examples due to the size of the Complex (580,000 sf) and asked members of the Roundtable to send him any comparable examples of contaminated factory buildings that have been successfully rehabbed and marketed. Rocco noted the AM&A's complex is 400,000 sf and is fully leased.

- Peter Flynn described the agreement between BNMC and BUDC which expires in 2013. He asked what BNMC's plan is for the building. Mark McGovern stated that BNMC needs 250,000 sf of medical research space, ideally utilizing amenities and shared resources with the adjacent Innovation Center. Beyond that, BNMC has no definitive plans. BNMC would have difficulty locating a research tenant in the existing Trico building due to the environmental history of the building.

- Jeff Carballada inquired about next steps. The next Roundtable meeting will focus on potential reuse options and alternatives and is scheduled for July 31 at 4 pm, location TBD. Josh suggested there be an additional meeting to review the Draft Final Report.

- Additional issues or questions that arose:

    - Is there any immediate Environmental Remediation that can occur?
    - Can BNMC transfer its Designated Developer status if there is no plan for the building?
    - Monica will follow up with Rocco regarding other redevelopment/adaptive reuse projects and questions.

7/31

Trio Complex Redevelopment Feasibility Study

Name	Organization	E-mail
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Trico Complex
Redevelopment Feasibility Study

Meeting Minutes

Preservation Roundtable Presentation
July 31, 2012

Welcome and Introductions: Monica Pellegrino Faix provided a welcome and began introduction of all attendees.

Project Update: Doug Swift provided an overview of the consultant work since the June 27th Roundtable meeting.

Overview of Building Analysis - Environmental and Structural: Gwen Howard provided an Environmental and Structural Analysis update. Foit-Albert continues to map the existing conditions. Gwen outlined specific areas of concern within the Complex from an environmental and/or structural perspective, including Building 1 Addition, Building 2, Building 3 (Environmental issues on the 5th and 6th floors; Structural issues at the northeast corner) and Building 8, where structural issues are not as pervasive but the light wells are a concern. Gwen also recommended roof replacement for all buildings.

Doug noted the environmental information appears to show that most contamination has been isolated. The soil does not appear to be contaminated.

Overview of Trico Complex Architecture: Mike Anderson discussed the proposed conceptual Development Options.

- Full Complex Redevelopment: This scheme provides the greatest amount of historic preservation of the Trico Complex, including the roof-top metal structures. Mike noted the non-linear floor plans are a challenge to redevelopment, specifically regarding the lack of natural light. Redevelopment in this scheme would consist of retail and commercial on the lower levels, and residential and hospitality uses on the upper floors.

- Courtyard/Light Well Scheme: Mike described the existing building conditions which led to the courtyard/light well configuration.

- Goodell Redevelopment Scheme: Mike reviewed the key components of the Goodell redevelopment scheme, noting that Jim Militello from Militello Realty believes this scheme is the most viable redevelopment size for the Buffalo market.

- Mothball: Mike explained the areas of the Complex that require attention in order to prevent further water infiltration or other deterioration. Addressing these immediate areas of concern would allow the Complex to be mothballed for future development while a developer is identified.

  Parking: Mike explained that for all redevelopment schemes, parking solutions have not been identified. Parking needs and parking requirements have been identified based upon a market analysis for each proposed use, but the physical location of the parking would be the responsibility of a developer. Rocco Termini inquired about the feasibility for parking in the

basement and/or the first floor. Mike and Kevin Murrett described the challenges in doing so, as a result of the elevation changes and column spacing.

Questions: The following questions were posed by meeting attendees:

- Tax credits: Rocco asked Elizabeth Martin (NYSHPO, attending via telephone) if a developer could remove a portion of a building and still receive tax credits. Elizabeth stated that it would be up to the developer to present compelling evidence, and NYSHPO would consider the request.

- Steel superstructure: Rocco inquired whether the addition of an interior steel superstructure would hold up the exterior wall, allowing for complete gut rehab of the interior and allowing the preservation of the exterior facade. Doug replied such a scenario was not part of the scope of this study and was not investigated, but it may be possible to do. Elizabeth will confer with NYSHPO representatives as to whether this type of redevelopment would be eligible for historic tax credits.

- New construction: a question was posed regarding the estimated proposed cost for a new 250,000 sf Innovation Center. Mark McGovern from BNMC offered to provide an approximate figure based upon recent developments or new buildings constructed on the BNMC campus.

- Wrap up and Next Steps: Doug outlined the next steps for the project, including providing remediation and renovation cost estimates, financial feasibility (marketplace, costs, tax credits, income sources), case studies, and meetings and coordination with NYSPRHPO.

DOUG SWIFT DEVELOPMENT

ARCHITECTURAL RESPOURCES
BUFFALO / NEW YORK CITY