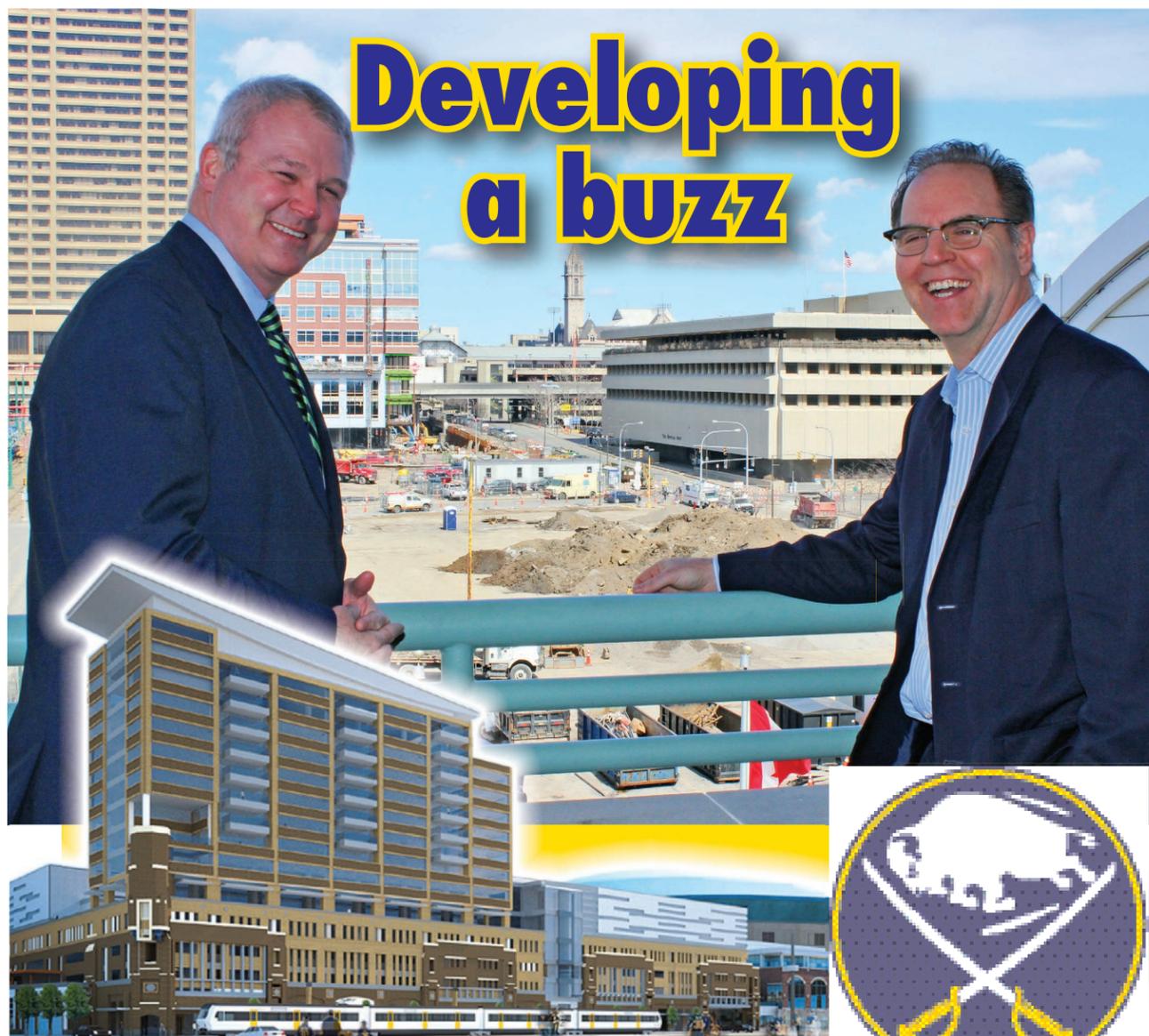


BUFFALO Law Journal

VOL. 85 _ NO. 23 _ APRIL 8, 2013 _ EST. 1929



Terrence Gilbride, left, of Hodgson Russ LLP and David Zygaj of the Buffalo Sabres are all smiles as they gaze at the development site of HarborCenter. A rendering of the project is shown above.

BY MATT CHANDLER
mchandler@bizjournals.com | 716-541-1654

Few development projects in Western New York have generated the kind of buzz that surrounds the Buffalo Sabres' plan to create a hockey/retail/entertainment complex across from First Niagara Center.

Interest is high for several reasons: First, a \$172 million price tag tends to get tongues wagging. Then there is the hockey element — HarborCenter will house two hockey rinks in addition to a 200-room hotel and sports bar. But more than that, many view it as a watershed for downtown, a project that may finally fuel development of the entire area.

Much has been made of the fast-track agenda: Initial work began last month and the Sabres plan to open the multiuse facility in September 2014. And while construction cranes and bricks and mortar will draw crowds, behind the scenes there is considerable legal wrangling to get the project from conception to reality.

Terrence Gilbride is a partner in Hodgson Russ LLP, the outside firm working with the Sabres on HarborCenter. He said that in a region known for the burden of red tape and resistance to change, he's impressed by unilateral support for the project. HarborCenter will be special, he said, and not necessarily because of the dollar amount attached to it.

"This project is unique in that it is private," Gilbride said. "In this community, you don't see a \$172 million, privately financed project. That's just not done at this scale."

John Amershadian, president of Hodgson Russ, said the firm is happy to be part of what is considered a major part of downtown's rebirth.

"It's a big project and an important project for downtown development, but it is so much more than that," he said. "It goes to the very commitment of the Sabres to Buffalo, and it speaks to how special they are to this community."

Gilbride, meanwhile, pointed to several other development deals in which he has been involved and said they

may have cost more but didn't generate as much of a buzz as HarborCenter.

"The Buffalo schools renovation project was over \$1 billion in construction work, and that was a project I was involved in," he said. "Gates Vascular is another one — that's about a \$300 million project. So the size of this project isn't unique to our firm, but the how and why this one is coming together make it unique."

On the legal side, Gilbride said the fact that HarborCenter is being privately financed doesn't necessarily cut much out of the process.

"You still have the same regulatory approvals that you would with a bank-financed project," he said. "But I will say that whenever you have a bank-financed project, there is a level of complication that this project doesn't have."

For Hodgson Russ, the legal legwork dates to the RFP process with the City of Buffalo that opened the door for land acquisition.

"This really began in a sort of bake-off with Ellicott Development in a public-bidding process for the Webster Block," Gilbride said. "That was a very competitive process. We had to come to the table with a design and everything in order and ready to go."

Once the Sabres got the green light, the legal efforts ramped up as Gilbride — working in conjunction with David Zygaj, Sabres vice president of legal affairs — assessed local, state and federal requirements. The process involved a dozen public approvals, four public hearings on the project and two sessions where feedback from the public was encouraged.

Gilbride said he still marvels at the way things came together.

"What has really been amazing is to see how many hurdles had to be cleared in a short period of time to make this happen," he said.

He and his group at Hodgson Russ navigated design approvals from Erie Canal Harbor Development Corp. and environmental approvals from the State Environmental Quality Review Act (SEQRA), as well as Empire

State Development Corp. approvals. And all that represented just the first round of what it took to get the ball rolling.

"Another unique aspect of the project is that everybody has been extraordinarily cooperative in coming together to do this," Gilbride said. "Everyone understood the enormity of the task and the significance of Mr. Pegula's investment in Buffalo. People have worked together each step of the way."

That doesn't mean there wasn't opposition to the project, however.

"We had members of the preservation community speak out against the project and we had an adjoining landowner come and speak out," he said. "So it wasn't 100 percent support, but it was pretty close."

The Webster Block is a brownfield site, meaning there was work to be done through the Brownfields Remediation Program — "a very technically complicated process," said Gilbride.

He praised city officials and the many groups and agencies that worked to advance the project.

Zygaj agreed that collaboration has been the key to success so far for HarborCenter.

"New York has such intricate and specialized laws with regard to things like the brownfield credits and environmental laws," he said. "Obviously we're a hockey team that has created a development company, and so we felt like we needed a specialized firm to come in and streamline this process for us."

Zygaj, who is more accustomed to sifting through the fine print on player contracts than construction deals, said the legal partnership "worked out great" thus far in the development process.

He also said that while he was pleased with the across-the-board collaboration that helped to fast-track the project, he wasn't surprised.

"I'm an optimistic guy and I'm a guy who grew up in Buffalo," Zygaj said. "I think the people of Buffalo want to see development. They are excited to see things happening and they see this as the cornerstone of the waterfront."

MATT CHANDLER | BUFFALO LAW JOURNAL