

DRAFT

AUGUST 19, 2019

# BROKER OPINION OF VALUE



**999 BROADWAY**

BUFFALO, NEW YORK 14212

**CBRE** | Buffalo

Part of the CBRE affiliate network

Prepared by:

Brandon Clarke  
Licensed Real Estate Salesperson

## TABLE OF CONTENTS

Introduction .....	1
Subject Property Information .....	1
Market Data .....	2
Analysis & Conclusion .....	7
Subject Aerial .....	9
Site Plan .....	10
Locator Maps .....	11
Property Photos.....	14
Addendum: Rochester City Market Info.....	16

THIS VALUATION ANALYSIS OR BROKER OPINION OF VALUE IS NOT AN APPRAISAL AND HAS NOT BEEN PERFORMED IN ACCORDANCE WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE. NEITHER YOU, NOR ANY THIRD PARTIES, MAY RELY ON THIS ANALYSIS FOR ANY TAX PURPOSES, ESTATE WORK, LITIGATION, LENDING OR ANY OTHER MATTER OTHER THAN YOUR DIRECT USE IN CONNECTION WITH A CONTEMPLATED TRANSACTION.

CBRE © 2019 All Rights Reserved. All information included in this letter/proposal pertaining to CBRE, Inc.—including but not limited to its operations, employees, technology and clients—is proprietary and confidential and supplied with the understanding that such information will be held in confidence and not disclosed to any third party without CBRE’s prior written consent. This letter/proposal is intended solely as a preliminary expression of general intentions, is for discussion purposes only, and does not create any agreement or obligation by CBRE to negotiate or continue negotiations. CBRE shall have no contractual obligation with respect to the matters referred to herein unless and until a definitive, fully-executed agreement has been delivered by the parties. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto.

# Broker Opinion of Value

999 Broadway  
Buffalo, NY 14212

## 1. INTRODUCTION

**DRAFT**

The purpose of this Broker Opinion of Value (BOV) is to present the client with an opinion of market value for a retail market located at 999 Broadway in the City of Buffalo, NY using completed lease transactions and current listings as indicators.

## 2. DESCRIPTION OF THE SUBJECT PROPERTY

The selection of comparables transaction and current listings is based on the following set of characteristics that describe the subject property:

<b>Location</b>	This property is located in the city of Buffalo, NY on Broadway near the corner of Fillmore Avenue. The area is a mix of commercial and residential properties.
<b>Visibility / Signage</b>	Excellent visibility and signage. Two building-mounted signs on each end of the building and large building signage on the front. Both signs are very visible on the heavily trafficked street.
<b>Land Area</b>	4.37 acres (per tax records)
<b>Building Description</b>	Broadway Market is 88,672 SF of commercial space that can be divided into individual tenant space. Attached is a 244,200 SF parking garage that is 3 floors.
<b>Building Area</b>	Commercial building: 88,672 SF
<b>Current Use</b>	A commercial market place where different vendors offer a range of goods and services.
<b>Property Owner</b>	City of Buffalo
<b>Parking</b>	3 story parking garage: 244,200 SF (1000 spaces)
<b>Description of Improvements</b>	In Spring of 2018 a report was conducted by Syracuse Engineers PC to determine the building condition. Repair recommendations were made to improve the building and parking structure.

# Broker Opinion of Value

999 Broadway  
Buffalo, NY 14212

**DRAFT**

## 3. MARKET DATA

A review of nearby commercial properties currently available for lease produced a small number of comparable examples to the subject property.

AVAILABLE SPACE FOR LEASE					
#	Address	Photo	Size SF	List Price/SF (gross)	Comments
1	998 Broadway Buffalo, NY 14212		89,000	\$13.00-\$15.00	89,000 SF retail space (former Kmart)
2	950 Broadway Buffalo, NY 14212		3,900	\$13.00-\$15.00	3,900 SF office/retail space (former Eckhards)
3	1255 Bailey Avenue Buffalo, NY 14206		800-2,500	\$18.00-\$22.00	Retail space in a commercial center
4	1271 Williams Street Buffalo, NY 14206		1,400	\$12.90	Retail/Restaurant space

# Broker Opinion of Value

999 Broadway  
Buffalo, NY 14212

**DRAFT**

A review of nearby leased commercial properties produced a limited number of comparable examples to the subject property.

COMPLETED LEASE TRANSACTIONS					
#	Address	Photo	Size SF	Price/SF (gross)	Comments
1	1049 Broadway Buffalo, NY		5,000	\$9.00	Retail storefront in commercial retail plaza nearby
2	523 Main Street Buffalo, NY		1,000	\$12.80	Retail storefront in a mixed-use building
3	36 Broadway Buffalo, NY		2,200	\$9.64	Commercial storefront in mixed-use building.
4	Market Arcade 617 Main Street Buffalo, NY		162-2,000	\$5.00-29.00	Retail/office space in a commercial market. Price varies based on size and location. For example Main Street access has a higher rent than tenants on the 2 <sup>nd</sup> floor
5	Towne Garden 417-459 William Street, Buffalo, NY		760-11,600	\$10.00-\$12.00	Retail/office space in a commercial center.
6	Main Place Mall 390 Main Street, Buffalo, NY		434-10,761	\$12.00-24.00	Retail/office space in commercial mall. Pricing varies based on size, use and location.

# Broker Opinion of Value

999 Broadway  
Buffalo, NY 14212

**DRAFT**

A review of current lease transactions offers a small number of farmers market properties with comparable space and site characteristics within the Buffalo area.

AVAILABLE Farmers Markets					
#	Address	Photo	Size SF	List Price (gross)	Comments
1	Downtown Country Market		12' x 10' 18' x 10' 24' x 10' 30' x 10' 48' x 10'	\$2.50-\$3.33 /SF \$1.87-\$2.50 /SF \$1.57-\$2.08 /SF \$1.38-\$1.83 /SF \$0.94-\$1.25 /SF	Seasonal May - October Only Tuesdays and Thursdays  Rates vary based on one- or two-day per week commitments.
2	Elmwood Village Farmers Market		10' stall 20' stall 30' stall 40' stall 60' stall	\$365 \$525 \$735 \$920 \$935	Seasonal March - October Saturday only.  Unknown depth of the stalls make a per front foot rate a logical estimate
3	Clinton Bailey Farmers Market		10' x 7'	Farmers: \$550/yr. Non-farmers: \$700/yr.	Open Everyday

**DRAFT**

A review of properties currently available for one- or two-day rentals produces a similarly small number of commercial market properties with comparable space and site characteristics within the Buffalo area.

## AVAILABLE SPACE FOR LEASE (One- or two-day rentals)

#	Address	Photo	Lease Price/Day (gross)	Comments
1	11111 Main Street Clarence, NY 14301		20' x 20' \$15 (Saturday) \$25 (Sunday) \$30 (1 <sup>st</sup> Sun. / 3 <sup>rd</sup> Sun.)	Antique World (marketplace) is a vendor-based property. Prices based off day of use: Saturday, Sunday, 1 <sup>st</sup> and 3 <sup>rd</sup> Sunday of month
2	2100 Park Street Syracuse, NY 13208		5' x 9': \$35, \$60, \$60 9' x 27': \$45, \$65, \$60 9.5' x 10': \$50, \$70, \$60 (Size: Rate Thurs, Sat., Sun.)	Vendor based property. Price are based off day of use: Thursday, Saturday, Sunday
3	11167 Big Tree Road East Aurora, NY 14052		12' x 24': \$15 (one day) 12' x 24': \$25 (two days)	Saturday and Sundays
4	Clinton Bailey Farmers Market		10' x 7': \$15 (weekend)	Saturday and Sunday

**DRAFT**

A review of current lease transactions offers a small number of retail commercial market properties with comparable space and site characteristics within, and outside, the Buffalo area.

## AVAILABLE SPACE FOR LEASE (Local and Out of Market)

#	Address	Photo	Lease Price/SF (gross)	Comments
1	11167 Big Tree Road East Aurora, NY 14052		Indoor 16' x 12': \$10.90 Outdoor 12' x 24': \$12.50	East Aurora Auction & Expo Center is a vendor-based property with outdoor and indoor space available.
2	11111 Main Street Clarence, NY 14301		Outdoor 20' x 20': \$8.00- \$14.67 Indoor 10'x15': \$4.50	Antique World (marketplace) is a vendor-based property. Outdoor varies by location and additional amenities (covered, outlets, near exits).
3	2100 Park Street Syracuse, NY 13208		5' x 9': \$24.24 9' x 27': \$11.49 9.5' x 10': \$4.49	Located near downtown Syracuse. Urban area with commercial and residential nearby. Vendor-based property. Leases based seasonally. Ample parking spaces
4	280 N. Union St. Rochester, NY 14605		Production 10' x 30': \$6.17 Services 10' x 30': \$9.43	Located in downtown Rochester right off the public rail line. Located near many commercial properties. Vendor-based property. Production being unprepared goods. Services being prepared or cooked goods.

**DRAFT**

## 4. ANALYSIS & CONCLUSION

The current 88,672 square foot Broadway Market was built in 1956. The market was a place where immigrants could share their food and culture. Today the market is not just a cultural hotspot, but a place where people can pick up fresh ingredients and interact with the community.

During the valuation of the market I spoke with local developers. Many were interested in the Broadway area because of recent state and local funding earmarked for the neighborhood. As reported on by the Buffalo News, the east side of Buffalo was allocated \$50 million by New York State with \$4 million allocated for the Broadway Market along with another \$4 million from the City of Buffalo to help with renovations. The fund also allocates \$6.6 million to restore Martin Luther King Jr. Park. A \$10 million capital fund for small businesses is set up to attract new businesses to the area. \$7.4 million will be distributed directly to individuals or businesses for building out commercial space in mix use buildings and restoring historic buildings. Also, another \$7 million will be used to develop the Michigan Street African American Heritage Corridor, making capital improvements to the anchor organizations. All of these changes are necessary for the east side at its current condition.

On my tour of the Broadway Market, it was apparent the current condition shows the market is in need of renovation. The exterior of the building is in fair condition but needs an update. The outside façade and signage looked dated and could be modernized. Also, the basement showed some areas of deterioration that could use some reinforcement. In 2018, the market had a property survey conducted on the building's current structure and found that the building is in need of repair. A five-year plan was suggested to restore the building structure. The report pointed out that repairs to deteriorating columns, joists, and slabs were needed. Also, the survey stated similar renovations to the garage, that were also noticeable during my tour. The 244,200 square foot, three level parking garage can hold up to 1,000 spaces but is in need of reinforcement to the deteriorating columns and foundations. In addition to any required improvements, the garage could use a refresh to revitalize the overall look. On the roof are 30 raised-bed vegetable gardens, which can be leased out. Areas of the roof could use some bolstering and reinforcing. One exciting change coming soon is the addition of the \$450,000 shared kitchen to attract new businesses such as food trucks and small restaurants.

Currently the Broadway Market leases space for \$13.00 per square foot per year for retail and \$6.00 per square foot per year for production. Due to the unique nature of the Broadway Market, a multi-faceted approach was used for the analysis to conclude an opinion of value for a suggested lease rate structure. I researched comparable commercial space to determine lease rates in the area and determined available asking rates and they ranged from \$13.00-15.00 per square foot per year. Next, I looked at complete leases transactions for similar product and they ranged from \$9.00-29.00 per square foot per year. Also, an analysis of nearby farmers markets and one- or two-day rentals were reviewed. They charge by the season with a range between \$365-\$935 total. The one- or two-day rentals range from \$10.00-70.00 based on the days of use and size.

I further researched local retail and vendor-based properties for lease. First, I looked at available vendor lease space in the local market. The total average price of the leases was \$11.93 per square foot per year.

Given the unique nature of the market, I researched similar market space outside of Buffalo and narrowed the list to comparable properties in Syracuse and Rochester. These markets had similar vision and characteristics to the Broadway market and were located in similar areas. The total average price of the leases was \$11.17 per square foot per year. Detailed information is included in the enclosed table to demonstrate the breakdown of the pricing structures at each market based on size and use type. It is important to note that the rates shown are subject to change based on tenant improvements, additional equipment, or any other various needs of the individual tenant.

# Broker Opinion of Value

999 Broadway  
Buffalo, NY 14212

**DRAFT**

As previously stated with other similar unique regional markets, there are other factors that can shift the rental rate up or down such as, but not limited to, location within the market, tenant improvements done to the tenant space, creditworthiness, and length of lease term commitment.

In conclusion, based on the comparable properties, local and non-local, the lease rates at the Broadway Market would range from \$6.00-\$17.00 per square foot per year gross depending on use and size. A fully gross lease rate would typically include taxes, common area maintenance, insurance, and utilities. Oftentimes increases in these expenses year over year are passed through to tenants.

Suggested lease rates are outlined in the table below based on user type and amount of space occupied within Broadway Market. Production space would lease on the lower end of this range and the more prominent retail users would likely be in the upper end of the range

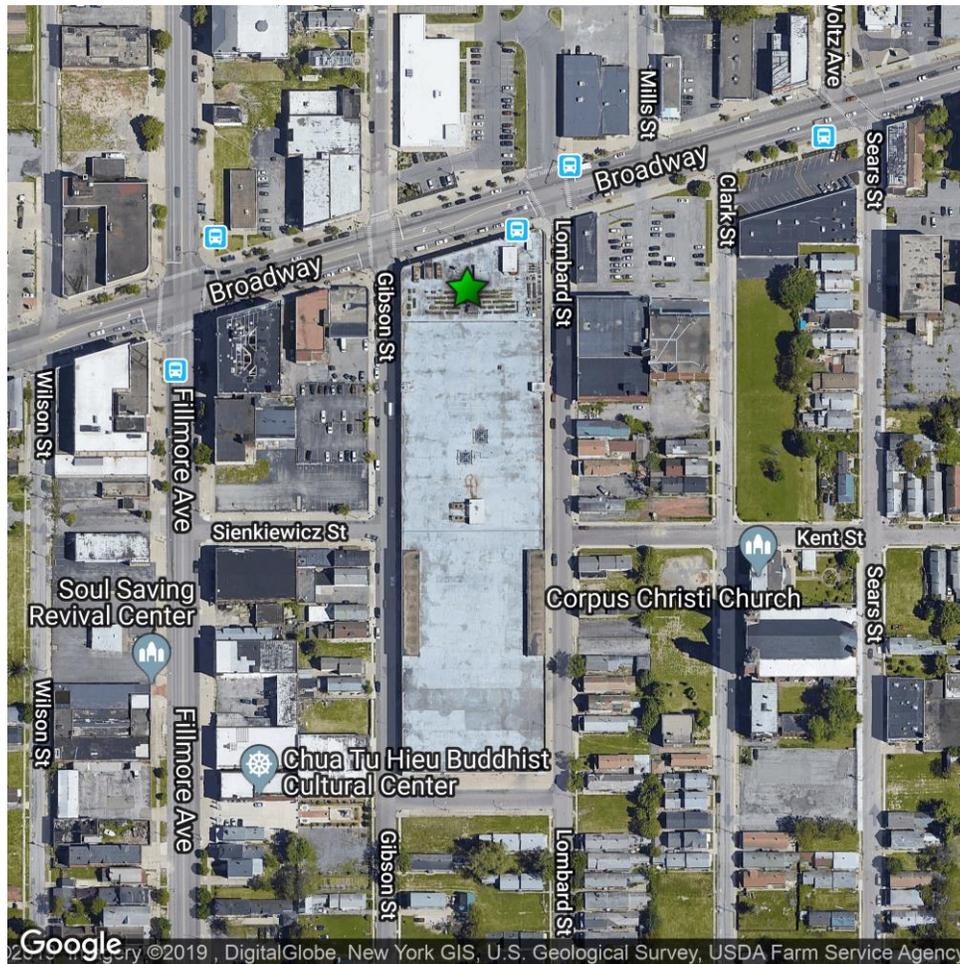
Square Footage	Services	Production	Retail
100 and under	\$9.00-11.00/SF/YR	\$6.00-8.00/SF/YR	\$15.00-17.00/SF/YR
100 - 400	\$8.00-9.50/SF/YR	\$5.00-6.00/SF/YR	\$13.00-15.00/SF/YR
Over 400	\$6.00-8.00/SF/YR	\$4.00-6.00/SF/YR	\$12.00-13.00/SF/YR

# Broker Opinion of Value

999 Broadway  
Buffalo, NY 14212

**FIGURE 1: SUBJECT AERIAL**

**DRAFT**





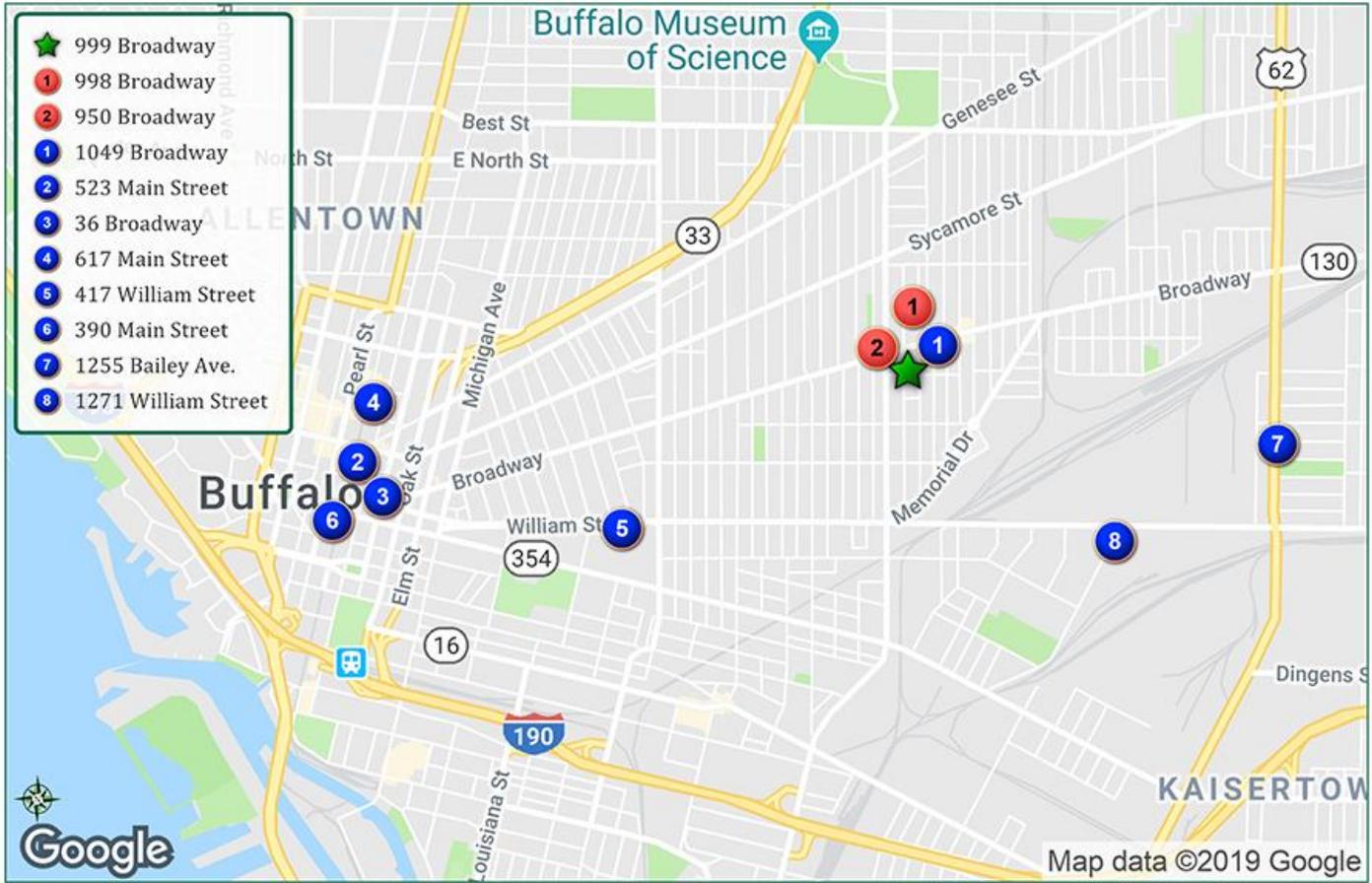
# Broker Opinion of Value

999 Broadway  
Buffalo, NY 14212

DRAFT

FIGURE 3: LOCATOR MAPS

## RETAIL LEASE COMPARABLE PROPERTIES



# Broker Opinion of Value

999 Broadway  
Buffalo, NY 14212

## FARMER'S MARKET LEASE COMPARABLE PROPERTIES

DRAFT

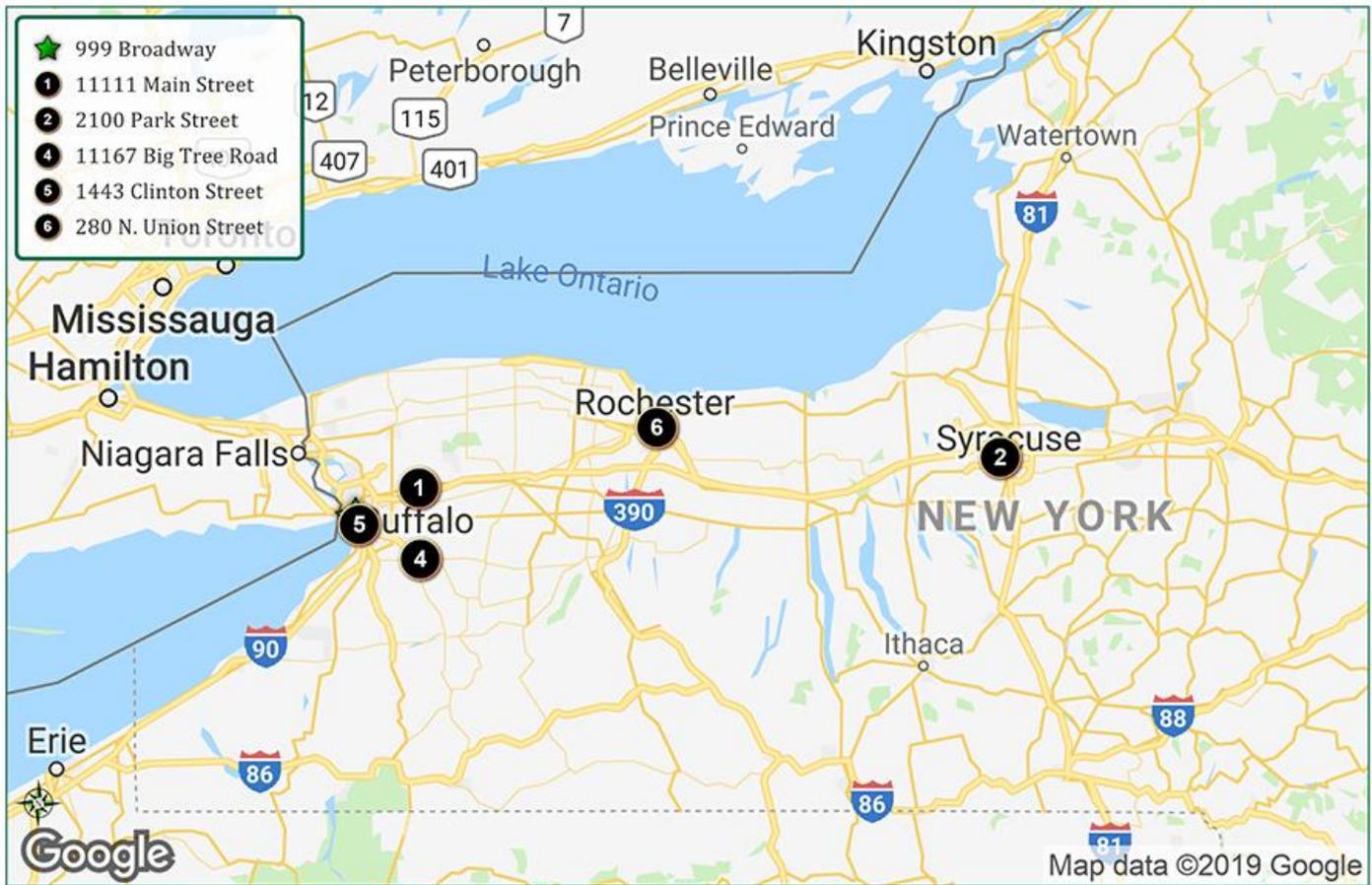


# Broker Opinion of Value

999 Broadway  
Buffalo, NY 14212

## ONE/TWO DAY RENTAL COMPARABLE PROPERTIES

DRAFT



# Broker Opinion of Value

999 Broadway  
Buffalo, NY 14212

DRAFT

## FIGURE 4: PROPERTY PHOTOS



North side of building (front of market)



West side of building (Gibson Street & Broadway)



Garage column



South side of building (Gibson Street & S. Market St.)

# Broker Opinion of Value

999 Broadway  
Buffalo, NY 14212

**DRAFT**



Interior of market roofing and piping



Interior – Parking Garage/Ramp



Interior of market during the "offseason"



Interior of market during the Easter season

THIS VALUATION ANALYSIS OR BROKER OPINION OF VALUE IS NOT AN APPRAISAL AND HAS NOT BEEN PERFORMED IN ACCORDANCE WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE. NEITHER YOU, NOR ANY THIRD PARTIES, MAY RELY ON THIS ANALYSIS FOR ANY TAX PURPOSES, ESTATE WORK, LITIGATION, LENDING OR ANY OTHER MATTER OTHER THAN YOUR DIRECT USE IN CONNECTION WITH A CONTEMPLATED TRANSACTION.



280 N. Union Street  
Rochester, NY 14609  
585.428.6907

[www.cityofrochester.gov/publicmarket](http://www.cityofrochester.gov/publicmarket)

**Open 52 Weeks a Year!**

**Tuesdays & Thursdays, 6 a.m. to 1 p.m.  
and Saturdays, 5 a.m. to 3 p.m.**

Open also for City-sponsored special events  
and concerts throughout the year, go to  
[www.cityofrochester.gov/marketevents](http://www.cityofrochester.gov/marketevents).

email: [pmarket@cityofrochester.gov](mailto:pmarket@cityofrochester.gov)  
facebook.com/cityofrochesterpublicmarket



For a **fun,  
fresh &  
unique**  
market  
**experience...**

**B**elieve.



City of Rochester, NY  
Lovely A. Warren, Mayor  
Rochester City Council

Fresh Produce

Flowers & Plants

Specialty/Ethnic Foods

Fresh Meat & Fish

Baked Goods

...walk  
through  
these  
gates



Breads & Cheeses

Spices

ROCHESTER

PUBLIC MARKET

Food Truck Rodeo

Garage Sales &  
Super Fleas

Flower City Days  
at the Market

Bands on the Bricks

Prepared Foods  
and Beverages

Holidays  
at the Market





*The City of Rochester Public Market has been a hub of commerce and community in Greater Rochester since 1905.*

*The Market is a unique place and experience that connects you closely to local producers and immerses you in the full diversity of the community.*

## **A Shopper's and "Locavore's" Paradise**

At the Market, you'll find fresh, highly affordable vegetables, fruits, meats and game, fish, eggs and other dairy products, baked goods, flowers and plants, dry goods, specialty foods, ethnic delicacies, prepared foods, art, decorative items, clothing, curiosities, and more—much of it grown and made right in Greater Rochester and western New York.

## **Two Centuries of Public Markets in the City**

Rochester has operated public markets since 1827, when the community was just a village on the Genesee River. In 1837, the new Center Market on Front Street was one of the new City's first major civic undertakings. Although this Market was considered a monumental public edifice at the time, the Rochester boomtown outgrew it in just thirty years. A loosely organized market at the site of the current Liberty Pole served the community for another few decades, until pressure grew for a better, permanent market site and facility.

## **Today's Market**

The present Public Market opened at its current North Union/Railroad Street site in 1905, and currently includes over 300 vendor stalls located in both an indoor shed and under covered outdoor sheds. In addition, the vendor sheds are surrounded by a variety of thriving businesses that are part of the wider Marketview Heights Neighborhood's Public Market District. Year round, through all four seasons, the Market offers the bounty of the region and the local flavor of the community.

## **Using SNAP Benefits at the Market**

Many Market vendors accept **Supplemental Nutrition Assistance Program (SNAP)** benefits—through the Market Token Program, wooden tokens can be used as Market currency, making it possible for customers with “food stamp” benefits to get fresh, healthy and affordable food at the Market.

SNAP benefit recipients can swipe their SNAP EBT (Electronic Benefit Transfer) cards on regular Market days year-round at the white Market Token Center behind the Market Office building (the





Albert R. Stone Negative Collection, Rochester Museum & Science Center, Rochester, NY

two-story brick house). Tokens come in \$1 and \$5 denominations; change is given in Tokens—not cash. Token Center hours are Tuesdays and Thursdays, 8 am-1 pm and Saturdays, 6:30 am-3 pm.

### **A Marvelous Marketplace for Your Wares**

The Market offers growers and merchants a central city location and a constant flow of enthusiastic, appreciative and dedicated customers. For vendor space information, guidelines, rates, and applications, visit the Market Office Tuesday-Friday mornings, call the Market Office at **(585) 428-6907**, email [pmarket@cityofrochester.gov](mailto:pmarket@cityofrochester.gov), or go to [www.cityofrochester.gov/marketvendors](http://www.cityofrochester.gov/marketvendors).

### **Free-Admission Special Events Throughout the Year**

The Market is truly a diverse destination with a variety of free-admission special events, including Community Garage Sales, Flower City Days, Food Truck Rodeos, Bands on the Bricks, Artist Row, Halloween at the Market, Holidays at the Market and more. Check the current special events schedule at [www.cityofrochester.gov/marketevents](http://www.cityofrochester.gov/marketevents).

*The Market is famous for mixing it up with music, food and special events all year long.*



### **Getting to the Market**

The City of Rochester Public Market is in the heart of the city of Rochester at 280 N. Union St. (14605 zip code for GPS), near Downtown. The Market grounds can be entered by car, on bicycles or on foot via Railroad Street (off East Main), North Union Street and Pennsylvania Avenue. City-owned free parking lots are accessible from Railroad Street, North Union and Scio Streets. Note that there is limited parking within the gates on Market grounds; the large lot accessible from Scio Street or Union Street is recommended for busy Saturdays and is best accessed from Scio Street. Take advantage of the free trolley shuttle service to city-owned parking lots which runs in the spring, summer and fall.

There is also free street parking and some paid private lots in the surrounding Market District and Marketview Heights Neighborhood. A pedestrian/bike bridge runs over North Union Street from the North Union/Scio Street City-owned parking lot; the free trolley shuttles customers over this bridge. Bicycle racks are available throughout the Market grounds; bus service is available via Rochester Regional Transit Service ([myrts.com/](http://myrts.com/)).



### **Friends of the Market**

The Friends of the Rochester Public

Market is a non-profit organization dedicated to serving, promoting, and advocating for the Market. The “Friends” serve as tour guides for Market visitors and school groups, manage the Market Token Program, the Market Welcome Center and souvenir merchandise program and much more. For more information about the Friends of the Rochester Public Market, call **(585) 325-5058** or visit [marketfriends.org](http://marketfriends.org).

