



## THOUGHT LEADERS

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As last year's calendar rolled into March, Leslie Zemsky was deep into planning the annual St. Patrick's Day festivities for Larkin Square.

And Sam Savarino was anticipating that his company, Savarino Cos., would be working on two hotels in Niagara Falls.

Then the pandemic hit and those plans were scrapped along with many other projects.

"Projects that were around one year ago may be different than originally planned," said Michael Montante, CEO, Uniland Development Co. "You have to pivot."

One year into the pandemic, a panel of development and construction executives agreed the local economy will rebound but the resurgence is months, if not a year, off.

The participants were part of the Buffalo Business First Thought Leaders event, sponsored by Hodgson Russ LLP, on March 18.

Participants were: Frank Ciminelli II, president, Arc Building Partners; Terry Gilbride, partner, Hodgson Russ; Michael Montante, CEO, Uniland Development Co.; Sam Savarino, CEO, Savarino Cos.; Danielle Shainbrown, president, McGuire Development Group; Robert Stelianou, president, Trautman Associates; Brianne Szopinski, associate, Hodgson Russ; and Leslie Zemsky, senior partner, Larkin Development Group.

"This is by no means the new normal," Gilbride said. "We are starting to see some semblance of what was going on before (Covid), but we are not there yet."

More projects and developments that were put on pause last spring are beginning to be revived, though in some cases, with scaled back, new designs.

Ciminelli said a better handle on where the local development world is headed may be clearer in the next six months.

"Seeing more shovels in the ground will make people more optimistic," Ciminelli said.

Still, troublesome issues include bank financing, available workforce, Covid protocols, rising costs and supply chain concerns.

"You can't stack the trades (on a project) like you used to," Ciminelli said. "And if your supply chain includes products coming from an international source, even Canada, you have problems."

Savarino said supply chain issues

# WE ARE IN A BETTER PLACE THAN ONE YEAR AGO

*Development interests remain a bit cautious about projects moving forward. But thankfully, optimism abounds as business life picks up speed.*



*"There are still labor shortages today but they are not as bad as they were last year."*

**FRANK CIMINELLI II**, president, Arc Building Partners



*"I'm sitting in my office today. One year ago, I was not sitting in my office."*

**MICHAEL MONTANTE**, CEO, Uniland Development Co.

▶ HODGSON'S TAKE

*"I think (the Buffalo Niagara region) has landed on people's radar screens. We are starting to attract the attention of a lot of out-of-town developers."*

**TERRY GILBRIDE**, partner, Hodgson Russ LLP



WITH FRANK CIMINELLI II, MICHAEL MONTANTE, SAM SAVARINO, DANIELLE SHAINBROWN, ROBERT STELIANOU AND LESLIE ZEMSKY



*“We haven’t seen the mass exodus of office space that people predicted but, at the same time, people are thinking about how their office will operate.”*

**DANIELLE SHAINBROWN**, president and chief business officer, McGuire Development Co.

have prompted a rise in development costs. Lumber costs rose 130% during the pandemic because of workforce and supply chain issues, according to the National Association of Home Builders.

Stelianou said those issues continue to weigh heavily on developers.

“There still is a level of uncertainty in the back of everyone’s minds,” Stelianou said. “I think it will be closer to one year before we have a better handle.”

Szopinski said she has seen signs that the development community is cautiously moving out of its pause mode and mindset.

“Our clients are starting to think more proactively than reactively like they were one year ago,” Szopinski said.

Other takeaways from the panel discussion:

- Zemsky said she expects the Larkin Development Group’s \$17 million Millrace Commons mixed-use building, anchored by 70 apartments and a Paula’s Donuts should be ready this summer. Taken together, both could be major boosts for the Larkin District. Zemsky said there’s been a six-month delay to open Millrace Commons.

“Maybe in the end, it was a blessing,” Zemsky said. “Millrace and Paula’s openings will create a sense of optimism.”

- Panelists agree the Buffalo Niagara region is seeing more interest and activity from out-of-town development interests, such as Douglas Jemal.

“I love his no-hesitation approach,” Shainbrown said. “It is very exciting to see.”

- Downtown Buffalo’s future hinges on more residential developments such as the 175 apartments in The Police building, 64 apartments in the Heritage Point project and 201 apartments at the 201 Ellicott complex.

“We need a lot more people,” Zemsky said. “Not just 100 here and 100 there.”



*“We’re expecting a robust summer season and that bodes well for our residential development (Millrace Commons).”*

**LESLIE ZEMSKY**, senior partner, Larkin Development Group



*“One year ago, it was as bad as it gets. Projects were shutting down.”*

**SAM SAVARINO**, CEO, Savarino Cos.



*“Looking forward, things will be closer to normal but not in three or six months, but closer to one year.”*

**ROBERT STELIANOU**, president and director of civil/structural engineering, Trautman Associates



*“It is interesting trying to anticipate things when we are in such an unprecedented period.”*

**BRIANNA SZOPINSKI**, associate, Hodgson Russ LLP

**► CLOSER LOOK AT THOUGHT LEADERS**

Thought Leaders is an ongoing series of discussions with Western New York business leaders and attorneys at Hodgson Russ LLP.

Ten times a year, leaders in diverse industries meet for a roundtable discussion moderated by Business First journalists.

The conversations are usually held in the law firm’s Pearl Street offices in Buffalo, but have shifted to a virtual format during the Covid-19 crisis.