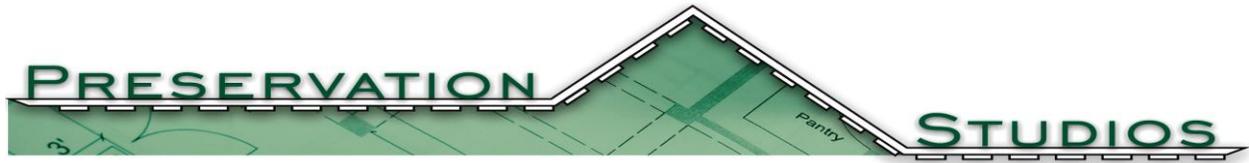


**VILLAGE OF WILLIAMSVILLE, NY
WILLIAMSVILLE WATER MILL
FINAL RE-USE REPORT
MARCH 31, 2009**



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SUMMARY OF MILL RE-USE PLANNING ACTIVITIES

On December 15, 2008, the Village of Williamsville (“Village”) retained Preservation Studios LLC (“Preservation Studios”) to study re-use options for the Williamsville Water Mill (“Mill”) located at 56 East Spring Street in the Village. Phase I of our engagement included our review and analysis of the Historic Structure Report prepared by Bero Architecture P.C. (“Bero Report”). Our written recommendations concerning the Bero Report were furnished to the Village on January 12, 2009 and are attached to this Report as Exhibit A.

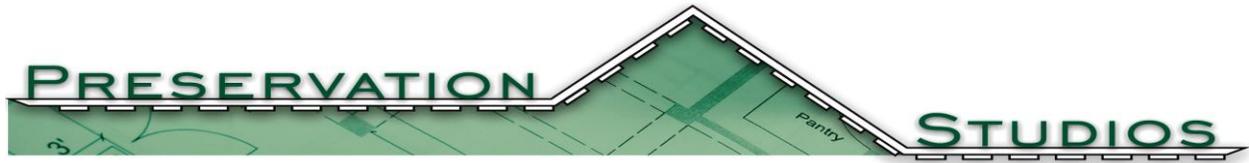
Phase I also included community outreach activities and, on January 24, 2009, we helped the Village host Mill Re-Use Workshops (the “Workshops”). During the Workshops, which were attended by about 60 people, participants were asked to develop and rank Mill re-use ideas, with a rank of “1” signifying a “very undesirable” re-use idea and a rank of “5” signifying a “very desirable” re-use idea. Preservation Studios compiled data collected at the workshops and reported its findings to the Village on February 9, 2009. A copy of those written findings is attached to this Report as Exhibit B. The following is a brief summary of some of the Workshop ideas:

Commercial, retail and housing uses: Favored re-use ideas included a grocery co-operative, a farmer’s market, a bed & breakfast/hostel, a restaurant and a bookstore.

Government and public/community uses: In this workshop, favored re-use concepts ranged from a library to an historical society to an archive facility to a heritage center.

Cultural, entertainment and recreation uses: Under this category, re-use ideas such as a museum, an event/meeting center, a concert venue, a nature center and park improvements scored well.

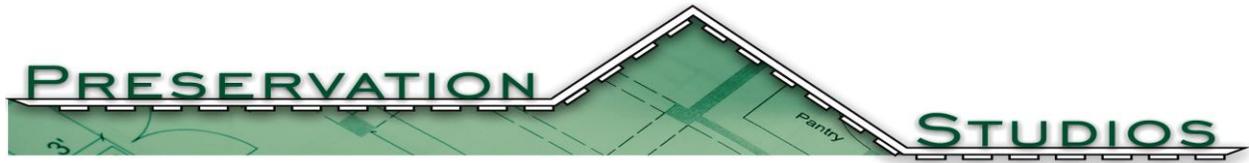
Phase II of our engagement involved researching design and re-use options for the Mill, as well as a second public meeting to present those options to the community and seek its feedback. On March 10, 2009, we helped the Village host such a community meeting, at which we presented eight re-use concepts that emerged from the Workshops and described possible capital funding sources.



The eight re-use concepts presented on March 10th were:

1. Government services
2. Library and local archives
3. Village square
4. Destination activities
5. Park
6. Events
7. Museum
8. Mixed-use commercial district

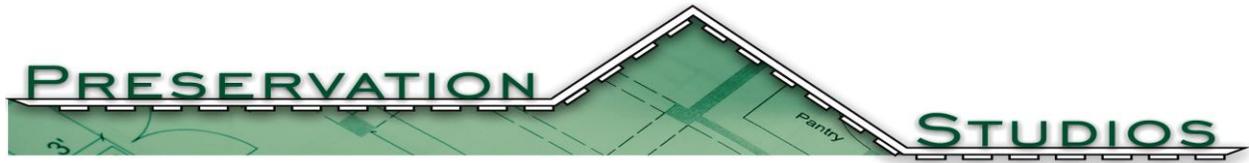
As discussed in greater detail later in this Report, there appeared to be general support from the March 10th public meeting participants for the “village square” re-use concept.



ASSUMPTIONS

We based our findings and our recommendations in this Report upon the following fundamental assumptions:

1. The Mill property will be approached as a three-building complex.
2. Some in-fill construction may necessary, appropriate and permitted.
3. Milling artifacts in the main Mill building must remain in that building.
4. The Mill re-use project will be mixed-use.
5. Private-sector involvement in the Mill re-use project may necessary, appropriate and permitted.
6. Existing historic preservation restrictive covenants will apply to all future owners of the Mill property, until those restrictions expire or are terminated.



RE-USE PROPOSAL: A VILLAGE SQUARE

Throughout its history, Williamsville has maintained a village flavor. Dating to the early 1800s, the intersection of the original Great Iroquois Trail (later Buffalo-Batavia Road and now Main Street) and the Eleven Mile (now Ellicott) Creek shows a cluster of buildings that would soon include the current Mill structures. This intersection was identified by Joseph Ellicott as the ideal location for a settlement due to the terrain and water that allowed for such Mill activity. Two centuries later, the Village community has expanded for miles beyond this intersection and the traffic associated with this expansion has turned the original trail into a highway and has removed the sense of “village center” once found in the area near the Mill.

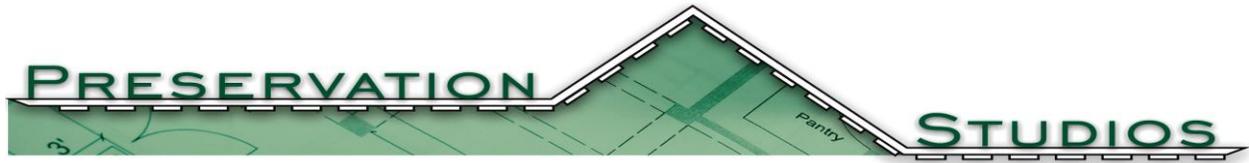
The community input received at the Workshops and March 10th public meeting articulated the need for a “village center” and the desire to have the Mill site serve in this capacity. Bolstering this community sentiment, the Village’s Community Plan of 2008 suggests that a “Mill Village” would help integrate the site into the Village as a whole. Based on these factors, among others, we believe that the Village Square concept merits more in-depth exploration.

The Landscape

There is a need to give a “Village Square” identity to the physical site containing the Mill and ancillary buildings. To reach this end, the entire site would be landscaped to include walkways, gardens and seating areas. The landscape could house a clock tower, original artwork and include a ground map of the Village highlighting important landmarks and destinations. The site would be ideal for a visitors’ kiosk providing information on Village sites and activities to tourists and local residents.

The Main Mill Building

The importance of the main Mill building as an historic site goes beyond its designation on the National Register of Historic Places. Both community sentiment and regional perceptions view this site as one of the early landmarks in Western New York development. The use of the central Mill tower (the “Mill Tower”) as a museum is proposed in the Bero Report. Additionally the New York State Historic Preservation Office (“SHPO”) and the New York State Office of Parks, Recreation and Historic Preservation (“State Parks”), who oversee the grants given to the Village for Mill acquisition, presently expect some form of historic interpretation at the site, including



retention of historic artifacts in the Mill Tower. This suggests that the Mill Tower should be retained as museum space, including at least the basement and first floor levels. Upper floors of the Mill Tower could be devoted to interactive learning spaces, temporary exhibits or even meeting space, with the third floor possibly serving as an office or a small meeting area.

The remaining north and south wings of the Mill building could serve as retail spaces, with a larger enterprise in the levels of the north wing and a small shop, perhaps associated with the museum, in the south wing. However, to provide support to the Village Square concept, an anchor tenant or sufficient smaller tenants must be involved in the reuse of the site. This could be accomplished by efficient reuse of the remainder of the site including the two additional buildings.

The Mill House and Zent House

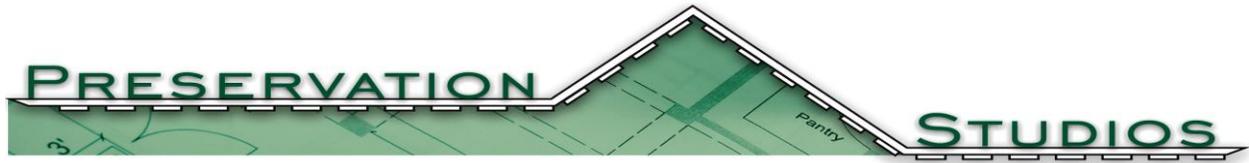
Both the Mill House and the Ely Zent House (the “Zent House”) provide interesting opportunities for re-use. Each structure offers sufficient square footage for retail and commercial uses, although we note that a restaurant, an inn and housing were not favored as primary uses. In addition, these buildings offer a unique opportunity for combined use, as outlined below.

In-fill at the Site

The total available square footage on the Mill site is around 9,000 square feet. A significant amount of this space is in the historic Mill Tower, which could be reused for museum/meeting space, leaving a less than ideal amount of space for other uses. These limitations suggest that appropriate infill should be considered to make the site function in a more sustainable and feasible manner.

1. In-fill at the historic Water Mill building.

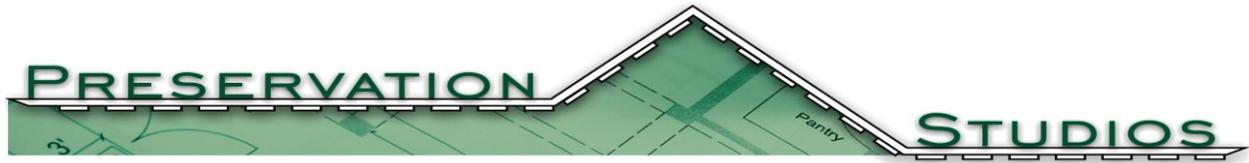
Attached to this Report as Exhibit C is a map of the Mill property (the “Mill Map”) on which we have marked possible locations for in-fill construction. In-fill around the main Mill building must be treated in a manner sensitive to the historic integrity of the building and site. That said, this infill *must* be both *transparent* and *temporal*. A minimal structure, transparent in nature, designed to be set back from the Mill Tower facade would have little negative impact on the appearance of the building or on the view through to the adjacent park. We have indicated this proposed location in red on the Mill Map. In addition to being set back, it could be limited to the existing space at grade,



allowing for no intrusion on the ravine wall and permitting rebuilding of the historic sluiceway. This in-fill could be an open, skeletal structure with the ability to be temporarily enclosed with awning or tent-like enclosures and, through the use of patio heaters, could be enjoyed from mid-Spring to mid-Fall. The square footage of this new structure would allow for small events, both public and private.

2. In-fill between the Mill House and Zent House

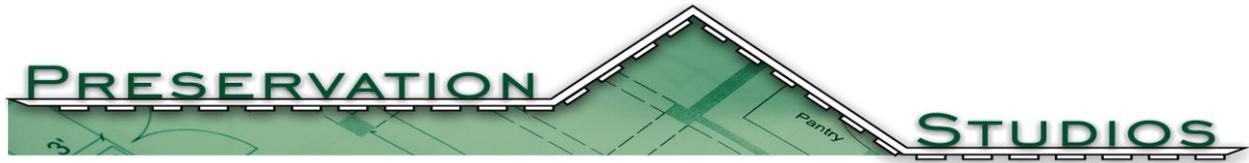
Perhaps the most appropriate placement for in-fill on the site is in the area between the Mill House and the Zent House, as indicated in blue on the Mill Map. Based on our informal estimates, this space would allow for a minimum of 3,000 square feet on two levels and, by its placement away from the historic Mill Tower, could be a more structured construction. Additionally, by using the in-fill to tie together the Mill House and Zent House, aggregate space of around 8,000 square feet could be available, providing a realistic capacity for a major anchor tenant, whether a commercial venture such as a retail or offices or a quasi-governmental use such as a library.



THRESHOLD ISSUES

The following are some threshold issues that the Village will need to address before proceeding with any Mill re-use project:

1. Public or Private? The Village needs to consider whether the Mill re-use project will be best undertaken on a public-sector basis or a private-sector basis (or, if possible, through a combination of those approaches). That determination will, among other things, impact the availability of financial resources for the project.
2. State Parks Approval: Due to the Environmental Protection Funds (“EPF”), and other public funds, that were used to acquire the Mill building, and the related Preservation Covenant now encumbering the property, the approval of State Parks, including SHPO, will be required for any Mill re-use project.
3. Historic Status of the Zent House: The Zent House was not included in the National Register of Historic Places listing for the Mill property, which could negatively impact the availability of certain financial resources for the re-use of that structure.
4. In-fill Construction: With the help of the project architect, the Village needs to make a preliminary determination regarding the amount of square footage available for in-fill construction.
5. Infrastructure, Parking and Traffic Considerations: For any Mill re-use project, the Village will need to consider the impact on municipal infrastructure, parking and traffic.



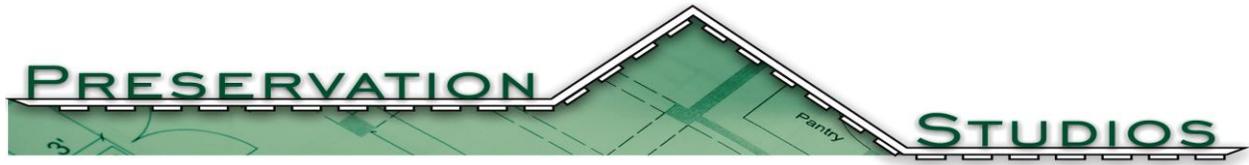
RECOMMENDED NEXT STEPS

We recommend that the Village pursue the following initial next steps in connection with the re-use of the Mill property:

1. Immediate consultation with the appropriate representatives at both State Parks and SHPO, particularly regarding any non-museum re-use proposed for the Mill property.
2. Submission of an application to State Parks/SHPO for a 2009 EPF grant to help pay the cost of a “use study and first-phase design process” to be prepared and undertaken by the project architect. According to SHPO representatives, such “use study and first-phase design process” should:
 - a. Include a review of the Bero Report by, and any supplemental recommendations of, the project architect
 - b. Address local building/fire code issues
 - c. Include physical site considerations
 - d. Present a master plan by the project architect for a Village Square, as described in this Report

It is our understanding from SHPO that its 2009 EPF grant guidelines will be available approximately June 1, 2009 with applications due within a few months afterwards.

3. Engagement of a project architect to facilitate future phases of the Mill re-use project. We recommend that such an architect be engaged through a formal request-for-proposal (“RFP”) process that requires applicants to illustrate, among other things, extensive historic preservation experience and a proven ability to work successfully with State Parks and SHPO.
4. Consider issuing a RFP to determine the viability of private-sector re-development of the Mill.



5. Consider pursuing the inclusion of the Zent House in the National Register of Historic Places listing for the Mill property.
6. Continue to follow the recommendations in the Bero Report regarding the protection and stabilization of the Mill property.

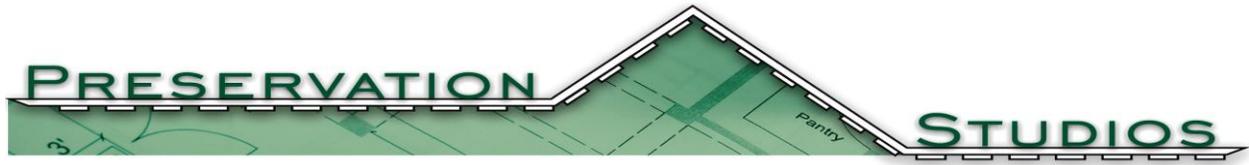


EXHIBIT A

BERO REPORT RECOMMENDATIONS

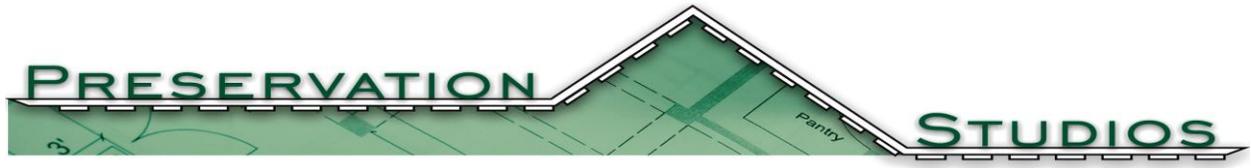


EXHIBIT B

FINDINGS FROM WORKSHOPS

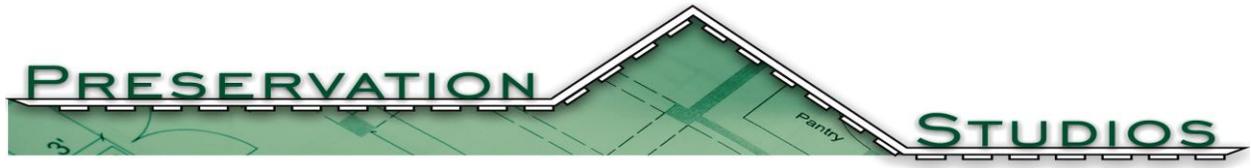


EXHIBIT C

MILL MAP