

**Minutes of the Meeting
of the
Real Estate Committee
of
Buffalo Urban Development Corporation**

**95 Perry Street
Buffalo, New York
August 20, 2019
12:00 p.m.**

Committee Members Present:

Janique S. Curry
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
Dennis M. Penman

Committee Members Absent:

Craig A. Slater, Chair
Maria R. Whyte

Other Board Members Present:

Dennis Elsenbeck
Amanda Mays

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Brandye Merriweather, Vice President
Kevin J. Zanner, Secretary

Guests Present: Dawn Boudreau, ECIDA; Evan Y. Bussiere, Hurwitz & Fine, P.C.; Marie Carone, Watts Architecture & Engineering; David Dittmar, 34 Group, Inc.; Garrett Gruendike, Gilbane Building Company; Arthur Hall, BUDC; Thomas Mancuso, Mancuso Business Development Group; and Royce Woods, Beverly Gray Business Exchange Center.

Roll Call: The meeting was called to order at 12:10 p.m. A quorum of the Committee was not present. Agenda item 2(a) was presented first. Ms. Curry and Ms. Minkel joined the meeting during the presentation of item 2(a), at which time a quorum of the Committee was present. Mr. Penman joined the meeting following the vote on agenda item 2(a). Agenda items were then presented in order with a quorum present.

1.0 Approval of Minutes – Meeting of August 20, 2019 – The minutes of the July 23, 2019 Real Estate Committee meeting were presented. Mr. Kucharski made a motion to approve the meeting minutes. The motion was seconded by Ms. Minkel and unanimously carried.

2.0 Northland Beltline Corridor Projects

(a) Northland Strategic Energy Concept Presentation – Mr. Elsenbeck gave a presentation regarding an approach to increase energy capacity and energy sustainability

within the Northland Corridor. He circulated and reviewed with the Committee the draft Northland Corridor Strategic Energy Concept. BUDC owns the electrical substation located at 644 Northland Avenue and may set prices for electricity to secondary users without regulatory oversight. Mr. Elsenbeck noted that although this is an advantage, the substation is currently maxed out at 1000kW. He suggested that BUDC consider issuing a request for proposals for energy companies or firms to increase the capacity of the substation to a level of 5mW which would allow the Northland Corridor to attract and retain tenants with substantial energy needs. Mr. Cammarata noted that the next step to achieve this goal is to issue the RFP. Mr. Kucharski made a motion to endorse the Strategic Energy Concept and to authorize the release of the RFP. The motion was seconded by Ms. Minkel and unanimously carried. Mr. Mehaffy left the meeting following the vote.

- (b) **683 Northland Phase 2 – Area 8 Restrooms - Gilbane Change Order** – Mr. Stebbins presented a proposed change order in the amount of \$175,198.42 for the addition of four toilet rooms and a janitor's closet for Area 8. These new additions will help market the space and make it tenant-ready by the end of the year. Mr. Stebbins noted that the cost for this work will be paid for through the Phase 2 contingency. Mr. Kucharski made a motion to recommend that the Board of Directors approve the change order in the amount of \$175,198.42. The motion was seconded by Ms. Curry and unanimously carried.
- (c) **683 Northland Phase 2 – Shed Buildings Commissioning – Watts Service Order Amendment** – Mr. Stebbins presented a proposal from Watts Architecture & Engineering regarding the commissioning work for the red and grey shed buildings. The initial Watts service order did not include the commissioning work for the two sheds as those buildings were not initially contemplated to be restored at that time. The proposed cost for the additional commissioning work is \$12,522. Mr. Stebbins noted that Watts will not charge any overhead for these services, which will be performed by Watts' sub-consultant, C.J. Brown Energy & Engineering. Mr. Stebbins noted that Watts retained C.J. Brown for the initial commissioning work through a competitive solicitation process. Ms. Minkel made a motion to recommend that the Board of Directors approve the service order in an amount not to exceed \$12,522. The motion was seconded by Ms. Curry and unanimously carried.
- (d) **683 Northland Phase 2 – Construction Update** – Presentation of this item was deferred.
- (e) **683 Northland Phase 2.1 – NWTC Expansion Equipment Update** – Presentation of this item was deferred.
- (f) **683 Northland Phase 2.2 – Northland Central 3rd Floor Office Concept** – Presentation of this item was deferred.
- (g) **683 Northland Phase 1 – HVAC Modifications Update** – Presentation of this item was deferred.
- (h) **Northland Central – Food Service Update** – Mr. Stebbins reported on the progress for selecting a new food operator for 683 Northland. He circulated a copy of the proposal presented by Manna@Northland Eatery and discussed the extensive review process that was conducted in order to reduce the field of potential candidates to the two finalists. At the conclusion of the review process, Manna stood out as the unanimous choice for the new operator due to their professionalism, quality of food, presentation and business experience. One concern with the applicant was the initial lack of operating capital. However, Manna has provided evidence of working capital in the amount of \$60,000 (with an additional \$40,000 pending) which was satisfactory to the selection committee. Mr. Stebbins then introduced Royce Woods, the

Executive Director of the Beverly Gray Business Exchange Center. Mr. Woods explained that he had conducted a financial vetting of the company and including the sufficiency of the company's working capital. In addition, the Committee reviewed the proposed rent schedule and draft financial projections for the operations. Mr. Stebbins noted that the lease for the restaurant will be a triple-net lease and will provide for gradual rent increases to allow for Manna to maximize its working capital to commence operations. The Committee discussed the proposal to award the food service operator lease to Manna@Northland. At the conclusion of the discussion, Ms. Curry made a motion to recommend that the Board of Directors approve a lease with Manna@Northland Eatery for the restaurant space at 683 Northland. The motion was seconded by Mr. Kucharski and unanimously carried.

- (i) **612 Northland – Construction, Contracting & C.O. Update** – Presentation of this item was deferred.
- (j) **537 East Delavan – Parking Proposals** – Presentation of this item was deferred.
- (k) **Northland Corridor – Miscellaneous** – Presentation of this item was deferred.
- (l) **NorDel II BUDC/COB/BURA Land Swap Update** – Presentation of this item was deferred.
- (m) **Plesh Gate & Land Swap Update** – Presentation of this item was deferred.

3.0 **Buffalo Lakeside Commerce Park**

- (a) **BLCP – Project Chardonnay Update** – Mr. Kucharski made a motion for the Committee to enter into executive session to discuss the proposed Project Chardonnay real estate sale transaction on the basis that public discussion of the transaction could substantially affect the value of the property. The motion was seconded by Ms. Minkel and unanimously carried. At the conclusion of executive session, Ms. Minkel made a motion to exit executive session. The motion was seconded by Ms. Curry and unanimously carried. No votes were taken during executive session.
- (b) **BLCP – Project Flora Update** – Mr. Cammarata presented a brief update regarding this project, and reported that Project Flora is seeking an additional extension of the due diligence period.
- (c) **BLCP – 255 Ship Canal Parkway Land Sale Update** – Presentation of this item was deferred.
- (d) **BLCP – Parcel 4 Easement Update** – Presentation of this item was deferred.

4.0 **308 Crowley Update** – Presentation of this item was deferred.

5.0 **Other COB Brownfield Opportunities** – Presentation of this item was deferred.

6.0 Adjournment – There being no further business to come before the Committee, upon motion made by Ms. Curry, seconded by Mr. Kucharski and unanimously carried, the August 20, 2019 meeting of the Real Estate Committee was adjourned at 1:40 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary