

Buffalo Urban Development Corporation

95 Perry Street

Suite 404

Buffalo, New York 14203

phone: 716-856-6525

fax: 716-856-6754

web: buffalourbandevelopment.com



**Buffalo Urban Development Corporation
Real Estate Committee Meeting**

**Thursday, June 20, 2024 at 12:00 p.m.
95 Perry Street, 4th Floor**

Agenda

- 1) Approval of Minutes – Meeting of May 21, 2024 (*Approval*) (*Enclosure*)
- 2) Presentation of Northland Corridor Phase 4 Schematic Design (*Informational*)
- 3) Discussion of Northland Corridor Properties Grant & Other Obligations (*Informational*)
- 4) Northland Beltline Corridor - (*All Are Information Items*)
 - a) Northland Corridor – Tenant & Property Management Updates
 - b) Northland Corridor – Phase 3 Redevelopment Update
 - c) Northland Central – Phase I Construction Additional HVAC Work Claim Update
- 5) Buffalo Lakeside Commerce Park - (*All Are Information Items*)
 - a) 193 Ship Canal Update
 - b) 80, 134, 158 and 200 Ship Canal Parkway Update
 - c) Buffalo Lakeside Commerce Park Property Owners Association
 - d) Zephyr Compliance
- 6) Executive Session
- 7) Adjournment (*Approval*)

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

**95 Perry Street
Buffalo, New York
May 21, 2024
12:30 p.m.**

Committee Members Present:

Scott Bylewski
Janique S. Curry
Elizabeth A. Holden
Brendan R. Mehaffy
Kimberley A. Minkel, Chair

Committee Members Absent:

Thomas A. Kucharski
Dennis M. Penman

Officers Present:

Rebecca Gandour, Executive Vice President
Mollie Profic, Treasurer
Kevin J. Zanner, Secretary
Atiq Abidi, Assistant Treasurer

Guests Present: Dennis Cannon, Comvest; Matthew DiFrancesco, CBRE Upstate NY; Alexis M. Florczak, Hurwitz Fine P.C.; Antonio Parker, BUDC Project Manager; Angelo Rhodes II, Northland Project Manager; Aaron Schauger, LaBella Associates; and Paul Tronolone, Empire State Development.

Roll Call: The meeting was called to order at 12:35 p.m. A quorum of the Committee was present. Ms. Curry joined the meeting during the presentation of agenda item 2.

1.0 Approval of Minutes – Meeting of April 23, 2024 – The minutes of the April 23, 2024 Real Estate Committee meeting were presented. Ms. Holden made a motion to approve the meeting minutes. The motion was seconded by Mr. Bylewski and unanimously carried (4-0-0).

2.0 Procurement of Substation Equipment for Phase 3 Northland Corridor

Redevelopment – Mr. Rhodes presented his May 21, 2024 memorandum regarding the procurement of substation equipment for Phase 3 of Northland Corridor redevelopment. A \$1.1 million deposit will be required for the equipment, which BUDC will utilize its line of credit for until it receives reimbursement from ESD and EDA. Mr. Schauger added that placing a deposit on the equipment allows BUDC to “get in the queue” due to long lead times for the equipment. While initially estimated to take 36 months to receive one of the transformers, the estimated time to receive this equipment will decrease to 22 months. The Committee then discussed the need for upgrades to the substation in order to provide electric capacity for 683, 631, and 612 Northland, 537/541 E. Delavan, and future campus expansions. Mr. Schauger noted that the community solar project will not be connected to the substation as doing so is not currently permitted by National Grid. A discussion then took place regarding BUDC’s ownership and operation of the substation and potential strategic implications to BUDC’s interests in the Northland Corridor if BUDC were

deemed to be a utility. Mr. Mehaffy commented that BUDC should be cautious with taking on obligations that could lead to BUDC having long-term or permanent ownership of the real estate projects in the Northland Corridor. Ms. Minkel expressed concern with mission creep and suggested a broader discussion would be appropriate. The Committee requested that staff and counsel review these issues and provide an additional update at the next meeting of the Committee. At the conclusion of the discussion, Mr. Mehaffy made a motion to recommend that the BUDC Board of Directors (i) authorize BUDC to enter into an agreement with Frey Electric Construction Co. for the procurement of the substation equipment for an amount not to exceed \$6,462,110; and (ii) authorize the BUDC President or Executive Vice President to execute the agreement with Frey and take such other actions as may be necessary or appropriate to implement this authorization. The motion was seconded by Ms. Curry and unanimously carried (5-0-0).

3.0 Northland Beltline Corridor

- (a) **Northland Corridor – Tenant & Property Management Updates** – Mr. Cannon and Mr. DiFrancesco presented the tenant and property management update for the Northland Corridor. Lease renewal negotiations with Manna Culinary have begun. Mr. DiFrancesco shared with the Committee a preliminary comparison of two proposals received for the “A” Building at 612 Northland, and noted he was waiting to receive additional information from a third prospective tenant. The Committee discussed the preliminary information presented with respect to the two leasing proposals. Mr. Cannon then provided a property management update. A tour of 537 E. Delavan was completed last week and the building was noted to be in poor condition. A broken window was discovered at 612 Northland and Comvest is obtaining cost estimates for the repair work. Core sampling at 631 Northland has been completed. A crane inspection at 631 Northland will take place on May 23rd. Retech is continuing its work on installing its argon tank, which will be completed in the next few months. The parking lot at 180 Dutton will be re-paved. No trespassing signage has been placed in front of the 741 and 777 Northland buildings following recent trespassing incidents. Ms. Gandour noted that BUDC has executed its agreement with LiRo for completion of an updated building conditions survey for the 741 and 777 Northland buildings. Comvest is working with the landscaping firm to improve performance of these services.
- (b) **Northland Central – Phase 3 Redevelopment Update** – Mr. Rhodes presented an update regarding the Phase 3 Northland redevelopment project. Bid documents for the general construction and construction of electric components of Phase 3 redevelopment are currently under review by EDA. Once approved by EDA, BUDC will proceed with issuing the RFPs.
- (c) **Northland Central – Phase 4 Updates** – Mr. Rhodes presented an update regarding the Phase 4 Northland redevelopment project. Subsurface investigations were completed last month for 631 Northland. BUDC received a draft report regarding the subsurface investigation, which is under review. Ms. Gandour noted that a limited number of samples were taken. Mr. Rhodes added that SHPO has approved Part 1 for the building. The next step is National Parks System review. A meeting regarding the Northland BOA was held on May 7th for stakeholder comment. Proposals for the Northland BOA RFP are due June 3rd.
- (d) **Northland Corridor – Phase I Construction Additional HVAC Work Claim Update** – Mr. Zanner reported that counsel for Watts and Popli have expressed a desire to mediate this matter.
- (e) **Northland Central – Periodic Review Report** – Ms. Gandour reported that the draft periodic review report for 683 Northland was received and indicated that no action was to be taken. A final report will be prepared and submitted.

4.0 Buffalo Lakeside Commerce Park

(a) **193 Ship Canal Parkway Update** – Ms. Gandour reported that RAS Development Company exercised its 90-day option to extend the exclusivity agreement and is working with the company to coordinate payment of the exclusivity fee.

(b) **80, 134, 158 and 200 Ship Canal Parkway** – Ms. Gandour reported that there are no new updates regarding these parcels.

(c) **Buffalo Lakeside Commerce Park Property Owners Association** – Ms. Gandour reported that Uniland has not addressed the POA's response to its alternate assessment proposal for its solar facility. Updated assessment invoices have been issued to BUDC, Zephyr and Uniland. Ms. Gandour also reported on some landscaping and maintenance challenges at BLCP.

(d) **Zephyr Compliance** – Ms. Gandour reported that there are no new updates on this matter.

5.0 Executive Session – None.

6.0 Adjournment – There being no further business to come before the Committee, upon motion made by Mr. Mehaffy, seconded by Mr. Bylewski and unanimously carried, the May 21, 2024 meeting of the Real Estate Committee was adjourned at 1:28 p.m.

Respectfully submitted,

Kevin J. Zanner
Secretary