

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

**95 Perry Street
Buffalo, New York
August 20, 2024
12:30 p.m.**

Committee Members Present:

Scott Bylewski
Janique S. Curry
Kimberley A. Minkel, Chair
Brendan R. Mehaffy
Dennis M. Penman

Committee Members Absent:

Elizabeth A. Holden
Thomas A. Kucharski

Officers Present:

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

Guests Present: Dennis Cannon, Comvest; Matthew DiFrancesco, CBRE Upstate NY; Alexis M. Florczak, Hurwitz Fine P.C.; Brian Krygier, Director of IT, ECIDA; Yolando Mullen, Project Manager; and Angelo Rhodes II, Northland Project Manager.

Roll Call: The meeting was called to order at 12:38 p.m. A quorum of the Committee was present. Ms. Curry joined the meeting during the presentation of agenda item 2(b). Ms. Gandour introduced new BUDC project manager, Yolando Mullen to the Committee. Mr. Mullen will work on the Ralph Wilson Park project and downtown initiatives.

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

2.0 Northland Beltline Corridor

(a) Northland Corridor – Phase 3 Redevelopment Update – Mr. Rhodes presented an update regarding the Phase 3 Northland redevelopment project and shared a color-coded map with the Committee identifying Phases 3 and 4 of the redevelopment work. BUDC staff has submitted mortgage and bid documents to EDA for review and approval. He noted that BUDC staff and legal counsel have engaged in discussions with the Public Service Commission (PSC) regarding the substation. Mr. Zanner then briefed the Committee on the regulatory issues

relating to the substation and noted that the discussion with PSC counsel was productive and helpful for evaluating next steps.

- (b) **Northland Corridor – Phase 4 Redevelopment Update** – Mr. Rhodes presented an update regarding the Phase 4 project. Wendel continues to work on the SHPO process for the 631 Northland building. Wendel has also solicited feedback from potential tenants regarding electrical power needs for 631 Northland. It was determined that adding an additional 2000-amp service would require the installation of a new substation for the 631 Northland building. Given the cost and long lead-time for constructing a new substation, Wendel is recommending against pursuing that option and instead suggested targeting tenants with less substantial electrical power requirements. It was noted that the 631 Northland building will not be serviced from the substation owned by BUDC.

- (c) **Northland Corridor– 741 Northland and 777 Northland Building Condition Update** – Mr. Rhodes reported that LiRo Engineers provided BUDC with cost estimates as a follow up to the consultant's updated building condition report for the buildings located at 741 and 777 Northland. BUDC is coordinating with SHPO to identify next steps regarding the memorandum of agreement (MOA) that applies to the 777 Northland property.

- (d) **Northland Corridor– Brownfield Opportunity Area (BOA) Plan** – Mr. Rhodes reported that a kickoff meeting with BUDC's consultant for this project, Colliers Engineering & Design, is scheduled for August 27th.

- (e) **Northland Corridor – Tenant & Property Management Updates** – Mr. DiFrancesco reported that CBRE is negotiating with a potential tenant for the mezzanine space at 683 Northland. The potential tenant is a minority-and veteran-owned business enterprise that would use the mezzanine for general office space. Mr. DiFrancesco then distributed updated marketing materials for the Fillmore parcels and identified an affordable housing developer as a potential purchaser. Ms. Gandour added that at this stage, BUDC would seek entering into an exclusivity agreement for a period of 12-18 months, with an exclusivity fee of \$3,000/month to be paid and applied toward the purchase amount. The Committee then discussed the approvals required for an affordable housing development and whether the Fillmore parcel sites are suitable for such development, given certain regulatory requirements. Ms. Gandour noted that next steps would be to enter into an exclusivity agreement for the purchase of the parcels, but added more discussions regarding the project were needed before an exclusivity agreement will be pursued.

Mr. Cannon then provided a property management update for the Northland Corridor. Comvest has submitted its draft budget. Construction of the Workforce Training Center's auto-tech space is in progress and is anticipated to be completed by the end of September. Core sampling in the building and parking lot adjacent to 631 Northland was completed. Comvest is preparing an RFP for snow removal services.

- (f) **Northland Corridor – Phase I Construction Additional HVAC Work Claim Update** – Mr. Zanner reported that the parties are working towards scheduling mediation sessions with the selected mediator. BUDC counsel has begun drafting a position statement for the mediation.

- (g) **Discussion of Northland Corridor Properties Grant & Other Obligations** – Ms. Gandour presented a draft spreadsheet setting forth the revenue, expenses and overhead costs for each of the BUDC-owned properties in the Northland Corridor. Copies of the spreadsheet were distributed to members of the Committee. The Committee provided feedback on the draft report and asked BUDC staff to include which properties are on the market and vacant, and the potential gross rent for such properties. Ms. Gandour added that BUDC is working with ESD regarding its reimbursement requests from the RECAP grant and matters

relating to expense reimbursement eligibility. Mr. Mehaffy thanked BUDC staff for their work and commented that this information will help inform BUDC strategy regarding sustainability moving forward.

3.0 Buffalo Lakeside Commerce Park

- (a) **193 Ship Canal Parkway Update** – Ms. Gandour reported that RAS Development did not extend its exclusivity agreement with BUDC for 193 Ship Canal Parkway. RAS Development owes BUDC approximately \$6,800 in exclusivity payments and legal expenses. BUDC staff will send a letter and invoice to the developer for the unpaid amount.

With 193 Ship Canal Parkway no longer under contract, Ms. Gandour proposed to the Committee that CBRE be appointed as the broker and marketing agent for this parcel. She noted that the Board had approved CBRE as broker for the other remaining BLCP parcels just last month. After a discussion, Mr. Mehaffy made a motion to recommend that the BUDC Board of Directors approve the retention of CBRE for brokerage services for 193 Ship Canal Parkway. The motion was seconded by Mr. Penman and unanimously carried (5-0-0).

- (b) **80, 134, 158 and 200 Ship Canal Parkway** – Ms. Gandour reported that CBRE has prepared marketing materials and signage for these parcels.

- (c) **Buffalo Lakeside Commerce Park Property Owners Association** – Ms. Gandour reported that Uniland has not yet paid an outstanding assessment invoice. The Committee suggested that staff contact Uniland again, and that if Uniland continues to be unresponsiveness, BUDC legal counsel should send a letter reminding Uniland of its obligation to make payment.

4.0 Executive Session – None.

- 5.0 Adjournment** – There being no further business to come before the Committee, upon motion made by Ms. Curry seconded by Mr. Mehaffy and unanimously carried, the August 20, 2024 meeting of the Real Estate Committee was adjourned at 1:33 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary