

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Real Estate Committee Meeting

Thursday, March 21, 2024 at 12:00 p.m.
95 Perry Street, 4th Floor

Agenda

- 1) Approval of Minutes – Meeting of February 13, 2024 (*Approval*) (*Enclosure*)
- 2) Northland Beltline - Community Outreach - Marketing Services Agreement (*Approval*) (*Enclosure*)
- 3) Northland Beltline - 612 Northland Start-Up NY Affiliation Agreement (*Recommendation*) (*Enclosure*)
- 4) Northland Corridor – Northland Corridor Phase 3 Redevelopment Update (*Information*)
- 5) Northland Beltline Corridor - (*All Are Information Items*)
 - a) Northland Corridor – Tenant & Property Management Updates
 - b) Northland Corridor – Phase 4 Updates
 - c) Northland Corridor – BUDC-ESD NWTC 2016 Lease Memorandum of Understanding
 - d) Northland Central – Phase I Construction Additional HVAC Work Claim Update
- 6) 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
- 7) Executive Session
- 8) Adjournment (*Approval*)

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

**95 Perry Street
Buffalo, New York
February 13, 2024
12:00 p.m.**

Committee Members Present:

Scott Bylewski
Janique S. Curry
Elizabeth A. Holden
Brendan R. Mehaffy

Committee Members Absent:

Thomas A. Kucharski
Kimberley A. Minkel, Chair
Dennis M. Penman

Officers Present:

Brandy Merriweather, President
Rebecca Gandour, Executive Vice President

Guests Present: Alexis M. Florczak, Hurwitz Fine P.C.; Thomas Mancuso, Mancuso Business Development Group (via Zoom); Angelo Rhodes II, Northland Project Manager; and Paul Tronolone, Empire State Development.

Roll Call: The meeting was called to order at 12:09 p.m. by Mr. Bylewski, who served as chair of the meeting. A quorum of the Committee was not present. Items 2 (a)–(d) and 3(a)–(d) were presented first for informational purposes only. Ms. Curry joined the meeting during the presentation of agenda item 2(c). Mr. Mehaffy joined the meeting following the presentation of agenda item 3(d), at which time a quorum was present. Agenda items 1 and 4(a) were then presented to the Committee.

1.0 Approval of Minutes – Meeting of January 22, 2024 – The minutes of the January 22, 2024 Real Estate Committee meeting were presented. Ms. Holden made a motion to approve the meeting minutes. The motion was seconded by Mr. Mehaffy and unanimously carried (4-0-0).

2.0 Northland Beltline Corridor

(a) Northland Corridor – Tenant & Property Management Updates – Mr. Mancuso presented the tenant and property management updates for the Northland Corridor. The Workforce Training Center has begun design work for the former SparkCharge space at 683 Northland to be used for automotive training. Three foreign individuals sought and were denied entrance to Buffalo Manufacturing Works, which prompted reporting to the Department of Homeland Security and FBI. The property management team has identified windows in need of repair at 612 Northland, and has contacted Sterling Glass to complete repair work on-site. An outstanding offer to lease has been made for the 612 Northland “A” building that awaits a final decision. Ms. Gandour added that the prospective tenant is interested in participating in the Startup NY program. BUDC and legal counsel are working with UB on the proposed

affiliation agreement for the program, which will be presented at the March Real Estate Committee meeting. Mr. Mancuso reported that the transition of property management and leasing services to Comvest and CBRE is going smoothly. Ms. Gandour added that counsel is preparing the necessary agreements with Comvest and CBRE. Ms. Gandour thanked Mr. Mancuso for his years of dedication and expertise to the Northland Corridor and well wishes for his retirement.

(b) Northland Central – Phase 3 Updates– Mr. Rhodes presented an update regarding Phase 3 of Northland redevelopment. The City of Buffalo’s Planning Board approved design plans for 537 E. Delavan on February 12th. The Planning Board and public did not have any significant comments regarding the design plans. In response to a question from Mr. Tronolone, Ms. Gandour noted that BUDC staff is working with the EDA to provide information regarding BUDC’s subsidiaries as it relates to the procurement of substation equipment, which will require the EDA to take a mortgage interest in the project properties.

(c) Northland Central – Phase 4 Updates– Mr. Rhodes presented an update regarding Phase 4 of Northland redevelopment. Wendel completed its immersion process approximately two weeks ago. A conceptual design generated by Wendel for the 631 Northland building was circulated to the Committee for review. Ms. Gandour noted that BUDC’s agreement with Wendel has been executed. In response to a question from Ms. Holden, Mr. Rhodes indicated that the Wendel team will next complete hazardous material sampling and begin subsurface investigations, which will help inform schematic design for the property.

(d) Northland Corridor – Phase I Construction Additional HVAC Work Claim Update
Ms. Florczak reported that a status conference with the court was held January 31, 2024. Counsel for BUDC has received discovery responses from counsel for Popli, which produced approximately 59,000 pages of documentation. The next status conference with the Court is scheduled for April 3, 2024.

3.0 Buffalo Lakeside Commerce Park

(a) 193 Ship Canal Parkway Update – Ms. Gandour reported that RAS Development Company is current on payments under the exclusivity agreement. There are no additional updates at this time.

(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 the POA Board of Directors and Members met last month. Uniland discussed its desire for an alternate assessment of its solar facility at BLCP. Board members present at the POA meeting indicated that Uniland should submit a written proposal for an alternate assessment calculation, which has not been received to date.

(d) Zephyr Compliance – Ms. Merriweather and Ms. Gandour reported that Landon & Rian has not issued its final report regarding Zephyr’s utilization of MBE and WBE firms for the first phase of its project. Ms. Merriweather added that BUDC is meeting with Landon & Rian February 15th to discuss Zephyr’s utilization figures and is having conversations with City of Buffalo partners regarding goals for future phases of the project.

4.0 Tabled Items

(a) Buffalo Northland Corridor– BUDC-ESD NWTC 2016 Lease Memorandum of Understanding – Ms. Holden made a motion to take this item off the table. The motion was

seconded by Mr. Mehaffy and unanimously carried (4-0-0). Ms. Gandour presented her February 13, 2024 memorandum regarding the proposed BUDC-ESD memorandum of understanding regarding the 2016 NWTC lease. Following the Committee's feedback at its January 22, 2024 meeting, BUDC staff and ESD worked to incorporate proposed language to address BUDC's sustainability with respect to the 683 Northland project. Following this presentation, Mr. Bylewski made a motion to recommend that the Board of Directors: (i) approve the Memorandum of Understanding between BUDC and ESD; and (ii) authorize the BUDC President or Executive Vice President to execute the Memorandum of Understanding on behalf of BUDC and take such other actions as are necessary or appropriate to implement this authorization. The motion was seconded by Ms. Curry and unanimously carried (4-0-0).

5.0 Executive Session – None.

6.0 Adjournment – There being no further business to come before the Committee, the February 13, 2024 meeting of the Real Estate Committee was adjourned at 12:44 p.m.

Respectfully submitted,

Alexis M. Florczak
Secretary of the Meeting

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Item 2

MEMORANDUM

TO: BUDC Real Estate Committee
FROM: Brandye Merriweather, President
RE: Northland Beltline – Community Outreach - Marketing Services Agreement
DATE: March 21, 2024

Since March 1, 2015, Mustard Seed World Consulting Group (“Mustard Seed Consulting”) has been working with BUDC to provide community outreach and marketing services for the Northland Beltline project. Mustard Seed Consulting has become an integral part of our efforts in the Northland Corridor. Mustard Seed Consulting has provided outreach services under consecutive contracts.

BUDC is looking to enter into an additional contract with Mustard Seed World Consulting for community outreach, promotion of campus opportunities, coordination of community events and other marketing services related to development along the Northland Corridor. The consulting fee rate is \$100 per hour with total payments not to exceed \$25,000.

The BUDC procurement policy authorizes the Real Estate Committee to approve contracts that do not exceed the amount of \$25,000, provided that the amount is within budgetary limits as confirmed by the BUDC Treasurer. Should the Committee approve this request, BUDC staff will report on the approval at the March 26, 2024 meeting of the BUDC Board of Directors.

ACTION:

I am requesting that the BUDC Real Estate Committee approve BUDC entering into a consulting agreement with Mustard Seed Consulting at an hourly rate of \$100 per hour, with total payments not to exceed \$25,000 and authorize the President or Executive Vice President to execute the consulting agreement and take such actions as may be necessary to implement this action.

Hon. Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Brandye Merriweather, President
Rebecca Gandour, Executive Vice President • Mollie Profic, Treasurer • Atiqah Abidi, Assistant Treasurer • Kevin J. Zanner, Secretary

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Item 3

MEMORANDUM

TO: BUDC Real Estate Committee
FROM: Rebecca Gandour, Executive Vice President
SUBJECT: 612 Northland – Start-Up NY Affiliation Agreement
DATE: March 21, 2024

BUDC staff has been working with representatives from the University at Buffalo (UB) to designate 612 Northland for inclusion in the Start-Up NY program. Start-Up NY is a State-sponsored economic development program to create tax-free communities to attract high-tech and other start-ups, business expansions, venture capital, new business attractions and investments from around the world. Staff and BUDC’s Northland marketing and leasing agent, CBRE, believe that the Start-Up NY designations will assist in marketing and leasing 612 Northland. There is no cost or restriction to BUDC for this affiliation. In 2018, the BUDC Board of Directors approved designating 631 Northland and 683 Northland as Start-Up NY properties.

Under the proposed arrangement, 23,055 square feet at 612 Northland will be designated as a Tax-Free NY Area pursuant to the terms of an Affiliation Agreement between UB and NorDel I, LLC.

ACTION:

We are requesting that the BUDC Real Estate Committee recommend that the Board of Directors: (i) designate 612 Northland as University at Buffalo Start-Up NY property; and (ii) authorize the President or Executive Vice President to execute and deliver the Start-Up NY Affiliation Agreement on behalf of NorDel I, LLC and take such other actions as may be necessary to implement this authorization.

Hon. Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Brandye Merriweather, President
Rebecca Gandour, Executive Vice President • Mollie Profic, Treasurer • Atiqa Abidi, Assistant Treasurer • Kevin J. Zanner, Secretary