

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

**95 Perry Street
Buffalo, New York
April 23, 2024
12:00 p.m.**

Committee Members Present:

Janique S. Curry
Elizabeth A. Holden
Thomas A. Kucharski
Kimberley A. Minkel, Chair

Committee Members Absent:

Scott Bylewski
Brendan R. Mehaffy
Dennis M. Penman

Officers Present:

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

Guests Present: Dennis Cannon, Comvest; Matthew DiFrancesco, CBRE Upstate NY; Alexis M. Florczak, Hurwitz Fine P.C.; 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 12:06 p.m. A quorum of the Committee was not present. Agenda items 3(b) through 3(e), 4(a) through 4(e) and item 3(a) were presented first as informational items. Mr. Kucharski and Ms. Curry joined the meeting during the presentation of agenda item 3(a), at which time a quorum of the Committee was present.

1.0 Approval of Minutes – Meeting of March 21, 2024 – The minutes of the March 21, 2024 Real Estate Committee meeting were presented. Ms. Curry made a motion to approve the meeting minutes. The motion was seconded by Mr. Kucharski and unanimously carried (4-0-0).

2.0 Northland Corridor – Northland Corridor Phase 3 Redevelopment Update – Mr. Schauger reported on the Phase 3 redevelopment project, including updates to the project budget and funding sources. He began the presentation with an overview of the project's initial budget, which identified a funding gap for the project. Mr. Schauger then presented a revised budget. The revised budget increases the funding allocation from Empire State Development (ESD) to eliminate the funding gap. Ms. Gandour noted that ESD is open to reallocating a portion of the \$55 million RECAP grant to the Phase 3 project. Ms. Gandour then presented a summary of the initial allocations under the RECAP grant, and identified the portions of the RECAP grant funds that could be reallocated towards Phase 3. The Committee then discussed the projects to be funded with the remaining grant funding from the RECAP grant. Ms. Gandour also noted that BUDC could

request additional funding from EDA, but doing so could add six to eighteen months to the project timeline and that there is no certainty that additional funds would be provided by EDA.

A discussion followed regarding the remaining BUDC-owned buildings in the Northland Corridor to be redeveloped with RECAP grant funding. Ms. Gandour noted that BUDC is a party to a memorandum of agreement (MOA) for 741 and 777 Northland, which require, as a condition of federal funding, that a specific scope of work be undertaken for these buildings. Ms. Gandour and Mr. Rhodes then reviewed possible modifications to these scopes of work, which would require a modification to the MOA. At the conclusion of the discussion, Mr. Kucharski made a motion to support reallocating a portion of the RECAP grant funding to the Phase 3 project as presented. The motion was seconded by Ms. Curry and unanimously carried (4-0-0).

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. Excavation work for Retech’s argon tank installation was completed last week, and it is anticipated that concrete will be poured soon. Core sampling was completed last week at 631 Northland. Wendel has identified that power from the substation is being delivered to 631 Northland. Ms. Gandour noted that five cranes are within the 631 Northland building and power in the building is needed to determine whether the cranes are in working condition. Mr. Cannon noted that construction at 683 Northland for the automotive tech training program space will start in early May. Investigations were completed by LiRo at 777 and 741 Northland. Investigations are being conducted at 537 E. Delavan today. In response to a question from Ms. Minkel, Mr. Cannon discussed the steps taken by Comvest to secure vacant properties within the Northland corridor. Mr. DiFrancesco reported that updated marketing materials for the Northland corridor have been rolled out. He also reported that three prospective tenants expressed interest in leasing the 612 Northland building and their respective proposed uses for the space. After a Committee discussion, Ms. Gandour indicated that BUDC will seek additional information from the three prospective tenants so that the Committee can assist with evaluating any potential offers that might be received.
- (b) Northland Central – Phase 4 Updates** – Mr. Rhodes presented an update regarding the Phase 4 Northland redevelopment project. Ravi Engineering completed the Phase 1 and Phase 2 subsurface investigations last week. Additional investigations will be completed this week. Mr. Rhodes also reported that BUDC issued a request for proposals on April 22nd for consultant teams to update the Northland Beltline Brownfield Opportunity Area plan and advance it through the NYSDOS designation process. Proposals are due June 3rd.
- (c) Northland Corridor – BUDC-ESD NWTC 2016 Lease Memorandum of Understanding** – Ms. Gandour reported that the MOU has been executed by BUDC and ESD.
- (d) Northland Corridor – Phase I Construction Additional HVAC Work Claim Update** – Mr. Zanner reported that a status conference was held with the Court on April 3rd. The parties are currently working through the discovery phase of litigation. Counsel for BUDC is working to identify information it has not received from Watts and Popli. Ms. Profic then updated on the legal and expert witness costs incurred to date since 2017. The Committee discussed the value of the claim and next steps.
- (e) Northland Central – Periodic Review Report** – Ms. Gandour reported that the periodic review report for 683 Northland is due at the end of May. LiRo is working to ensure BUDC is in compliance with its reporting obligations for the property.

4.0 **Buffalo Lakeside Commerce Park**

- (a) **193 Ship Canal Parkway Update** – Ms. Gandour reported that RAS Development Company did not make its most recent payment under its exclusivity agreement with BUDC. BUDC has reached out to the company to determine whether it intends to exercise its option to extend the exclusivity agreement, which lapses at the end of May.
- (b) **80, 134, 158 and 200 Ship Canal Parkway** – Ms. Gandour reported that there are no new updates regarding these parcels.
- (c) **Sub-parcel 3 Periodic Review Report** – Ms. Gandour reported that a periodic review report for the Ship Canal Commons parcel surrounding the canal will be submitted at the end of April. Some rutting and deterioration was noted around the canal wall, but nothing of concern was identified.
- (d) **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. The POA has received, under protest, Uniland's assessment payment. Zephyr has also paid its assessment.
- (e) **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 as construction in the interior of the building is taking longer than expected. Landon & Rian is working with Zephyr to identify opportunities to increase its M/WBE participation on the remaining Phase 1 work but will likely not reach its MBE goals for its first phase of project construction. Construction will wrap up this summer and Landon & Rian is expected to issue its final report at that time.

5.0 **Executive Session** – None.

6.0 **Adjournment** – There being no further business to come before the Committee, upon motion made by Ms. Holden, seconded by Mr. Kucharski and unanimously carried, the April 23, 2024 meeting of the Real Estate Committee was adjourned at 1:11 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary