

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation
Hon. Christopher P. Scanlon, Chairman

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

**Tuesday, January 14, 2025 at 12:00 p.m.
95 Perry Street, 4th Floor**

Agenda

- 1) Minutes of December 10, 2024 Meeting (*Approval*) (*Enclosure*)
- 2) Northland Beltline - Community Outreach - Marketing Services Agreement (*Approval*) (*Enclosure*)
- 3) Northland Beltline Corridor - (*All Are Information Items*)
 - a) Northland Corridor – Phase 3 Redevelopment Update
 - b) Northland Corridor – Phase 4 Redevelopment Update
 - c) Northland Corridor – 741 Northland and 777 Northland Building Condition Update
 - d) Northland Corridor – Brownfield Opportunity Area (BOA)
 - e) Northland Corridor – Tenant & Property Management Updates
- 4) Buffalo Lakeside Commerce Park - (*All Are Information Items*)
 - a) 193 Ship Canal Update and 80, 134, 158 and 200 Ship Canal Parkway Broker Update
 - b) Buffalo Lakeside Commerce Park Property Owners Association
- 5) 2024 Authorities Budget Office Property Draft Report (*Information*) (*Enclosure*)
- 6) Executive Session
- 7) Adjournment (*Approval*)

**Minutes of the Joint Meeting
of the
Audit & Finance and Real Estate Committees
of
Buffalo Urban Development Corporation**

**95 Perry Street
Buffalo, New York
December 10, 2024
12:00 p.m.**

Call to Order:

Committee Members Present:

Catherine Amdur (A&F)
Janique S. Curry (A&F, R.E.)
Elizabeth Holden (R.E.)
Thomas Kucharski (R.E.)
Kimberly Minkel (R.E. Committee Chair)
Crystal Morgan (A&F)
David J. Nasca (A&F)
Dennis M. Penman (A&F Committee Chair,
R.E.)

Committee Members Absent:

Scott Bylewski (R.E.)

Officers Present:

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

Others Present: Dennis Cannon, Comvest; Keith Carretto, Comvest; Barb Danner, Freed Maxick; Alexis M. Florczak, Hurwitz Fine P.C.; Laurie Hendrix, Administrative Coordinator, ECIDA; Brian Krygier, Director of IT, ECIDA; Caroline Mazzone, Freed Maxick; Yolando Mullen, BUDC Project Manager; Angelo Rhodes II, Northland Project Manager; Shana Stegner, CBRE; and Paul Tronolone, Empire State Development.

Roll Call – The meeting was called to order at 12:00 p.m. Mr. Zanner called the roll of both Committees and a quorum of the Audit & Finance Committee was determined to be present. Ms. Minkel, Ms. Amdur, Ms. Holden, Mr. Kucharski, and Ms. Curry joined the meeting during the presentation of item 3, at which time a quorum of the Real Estate Committee was determined to be present.

Mr. Penman served as chair of the meeting with respect to items 1 through 5 of the meeting agenda. Ms. Minkel served as chair of the meeting with respect to items 6 through 11 of the meeting agenda.

Audit and Finance Committee Items

- 1.0 Approval of Audit & Finance Committee Minutes of the October 17, 2024 Meeting** – The minutes of the October 17, 2024 meeting of the Audit & Finance Committee were presented to the Audit & Finance Committee. Mr. Nasca made a motion to approve the meeting minutes. The motion was seconded by Ms. Morgan and unanimously carried (3-0-0).
- 2.0 2024 Audit Engagement Letters** – Ms. Profic reported that staff received audit engagement letters from Freed Maxick and referred the Committee to the Freed Maxick required communications letters dated November 1, 2024, copies of which were included in the Committee meeting packet.
- 3.0 2024 Audit Plan Discussion** – Ms. Profic introduced Barbara Danner and Caroline Mazzone of Freed Maxick to present the 2024 Audit Plan. Ms. Danner and Ms. Mazzone provided an overview of the audit scope, deliverables and timeline for completion of the audit process. They reviewed the respective expectations and responsibilities of the Freed Maxick audit team and BUDC. Also reviewed were 2025 developments potentially impacting BUDC operations and financial reporting. The Committee discussed several aspects of the audit process with Ms. Danner and Ms. Mazzone, including potential audit risk areas and the audit strategy for identified risks.
- 4.0 683 Northland Tax Credits Discussion** – Ms. Danner led a discussion regarding the unwinding process for the 683 Northland tax credits transaction. She presented an overview of the tax credits structure, and timeframe within which the unwind and exit will occur for the New Market Tax Credits and Historic Tax Credits. Ms. Danner also reviewed with the Committee the cost to BUDC to unwind the tax credits structure. The Committee asked several questions of Ms. Danner relating to the unwinding of the tax credits structure. Ms. Danner indicated that losses and depreciation will offset the loan forgiveness income that would otherwise result in taxes being owed on that income. She also noted that any remaining losses would be carried forward for future tax years.
- 5.0 Strategic Resources and Financial Sustainability Discussion** – Ms. Gandour distributed copies of the most recent cash flow statement and reviewed BUDC's cash obligations and grant fund match requirements. Ms. Gandour also reviewed projected Northland Corridor property information with estimates on rent to be collected for 541 E. Delavan Avenue and the "A" Building of 612 Northland once construction has been completed. Ms. Profic also reviewed updates to BUDC cash flow sheets from November 2024. The Committee then discussed the establishing reserve accounts for grant match requirements, operating reserves and capital costs relating to the Northland portfolio.

The Audit & Finance Committee portion of the meeting concluded at 1:00 p.m.

Real Estate Committee Items

- 6.0 Real Estate Committee Minutes of November 12, 2024 Meeting** – The minutes of the November 12, 2024 Real Estate Committee meeting were presented to the Real Estate Committee. Mr. Kucharski made a motion to approve the meeting minutes. The motion was seconded by Ms. Holden and unanimously carried (5-0-0).
- 7.0 Northland Beltline Corridor**
 - (a) Northland Corridor – Phase 3 Redevelopment Update** – Mr. Rhodes presented an update regarding the Phase 3 Northland redevelopment project. Responses to Phase 3 bid documents are due Friday, December 13th. Mr. Zanner reported that the petition with respect to the substation was filed with PSC and a copy provided to National Grid.

- (b) **Northland Corridor – Phase 4 Redevelopment Update** – Mr. Rhodes presented an update regarding the Phase 4 project. Wendel continues to work on SHPO requirements for the 631 Northland building. NYSDEC provided feedback on BUDC's Brownfield Cleanup Program application for the project. BUDC has thirty days to respond to NYSDEC's comments.
- (c) **Northland Corridor– 741 Northland and 777 Northland Building Condition Update** – Mr. Rhodes reported that BUDC will be consulting with SHPO regarding these buildings.
- (d) **Northland Corridor– Brownfield Opportunity Area (BOA) Plan** – Mr. Rhodes reported that BUDC and Colliers Engineering & Design met last week to discuss the status of the project. Collier is drafting a report and will be conducting additional stakeholder meetings.
- (e) **Northland Corridor – Tenant & Property Management Updates** – Mr. Cannon presented an update regarding property management at Northland. The Rookery paid its security deposit for the "red shed" building last week. The Northland Workforce Training Center's auto-tech training space is essentially completed. The snow removal contractor at Northland has been on-site in response to recent snowfall.

Ms. Stegner presented an update regarding CBRE marketing efforts. CBRE received a letter of intent from a potential buyer for the Fillmore parcels to construct a daycare facility. CBRE is reviewing the business terms proposed by the potential purchaser. CBRE also met with Manna to discuss the extension of its lease. Manna is currently in holdover status and has been invoiced for December rent. The Committee discussed Manna's limited hours of operation and the importance of having on-site food options for the building.

Ms. Stegner also informed the Committee that Well Worth Products, the tenant at 714 Northland, is in discussions to sell its business to an as-yet identified buyer, who plans to secure a loan through the U.S. Small Business Administration (SBA). One of SBA's lending requirements is that the lease term for 714 Northland Avenue be no less than the term of the loan. Due to this requirement, and in order for the transaction to move forward, Well Worth has asked BUDC to extend its option to renew by two years, to a total of seven years. The Committee discussed the extension request. At the conclusion of the discussion, Mr. Kucharski made a motion to recommend that the BUDC Board of Directors: (i) approve a two year extension of the option, subject to the following: (i) disclosure to BUDC of the identity of the prospective buyer/tenant and BUDC's review of the prospective buyer/tenant's financial information and such other information as BUDC may deem necessary or appropriate; and (ii) consummation of the sale of the business to the new buyer/tenant. The motion was seconded by Ms. Curry and unanimously carried (5-0-0).

- (f) **Northland Corridor – Phase I Construction Additional HVAC Work Claim Update** – Ms. Merriweather reported that BUDC received the settlement proceeds and this matter is now finally resolved.

8.0 Buffalo Lakeside Commerce Park

- (a) **193, 80, 134, 158 and 200 Ship Canal Parkway Update** – Ms. Stegner reported that CBRE has received an expression of interest in 80 and 134 Ship Canal Parkway, but no formal letters of intent or proposed terms have been submitted to date.
- (b) **Buffalo Lakeside Commerce Park Property Owners Association** – Ms. Gandour reported that the POA Board of Directors held a meeting last month. Uniland continues to bring up its solar field assessment. BUDC reminded Uniland that it sent Uniland a letter with a directive to submit an alternate proposal, which BUDC has not received to date. 2025 assessment notices have been issued.

- 9.0** **2024 Authorities Budget Office Property Report** – Ms. Gandour reported that BUDC is working with legal counsel to update the property report to reflect the subdivision of 541 E. Delavan into multiple parcels.
- 10.0** **Executive Session** – None.
- 11.0** **Adjournment** – There being no further business to come before the Committees, upon motion made by Mr. Kucharski, seconded by Ms. Curry and unanimously carried, the December 10, 2024 joint meeting of the Audit & Finance and Real Estate Committees was adjourned at 1:31 p.m.

Respectfully submitted,

Kevin J. Zanner
Secretary

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Hon. Christopher P. Scanlon, Chairman

Item 2

MEMORANDUM

TO: BUDC Real Estate Committee

FROM: Brandye Merriweather, President

RE: Northland Beltline – Community Outreach - Marketing Services Agreement

DATE: January 14, 2025

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 services, promotion of campus opportunities, coordination of community events and other marketing services, all in a continued effort to attract additional investment to 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 January 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. Christopher P. Scanlon, Chairman of the Board • Dennis Penman, Vice Chairman • Brandye Merriweather, President
Rebecca Gandour, Executive Vice President • Mollie Proffo, Treasurer • Atiqa Abidi, Assistant Treasurer • Kevin J. Zanner, Secretary

BUDC Facility	Address or SBL of Property	Full Description of Property	Estimated FMV of Property	FMV of Property per City Assessment Notices (2025)
Buffalo Lakeside Commercer Park 22, 18 Buffalo, New York Most Being Marketed	80 Ship Canal Parkway	2.01 acres of vacant land	\$ 70,350	
	134 Ship Canal Parkway	2.15 acres of vacant land	\$ 75,250	
	158 Ship Canal Parkway	2.15 acres of vacant land	\$ 75,250	
	193 Ship Canal Parkway	9.59 acres of vacant land	\$ 335,650	
	200 Ship Canal Parkway	5.86 acres of vacant land	\$ 205,100	
	280 Ship Canal Parkway	0.42 acre of vacant land	\$ 14,700	
				\$415,600 (sum of the 5 parcels noted in adjacent table)
Northland Corridor 37.03 Acres Buffalo, New York Some Being Marketed	537 East Delavan Avenue*	10.52 acres of land (60K s.f. vacant, 15K s.f. occupied)	\$ 900,000	
	577 Northland Avenue	29,000 s.f. of greenspace	\$ 29,000	\$37,000
	631 Northland Avenue	2.63 acres of land w/ a 40,000 s.f. vacant building	\$ 400,000	\$1,260,000
	644 Northland Avenue	11,000 s.f. of land w/ 4,000 s.f. building	\$ 32,000	\$58,700
	655 665 Northland Avenue	1.28 acres of parking and greenspace	\$ -	\$256,049
	664 Northland Avenue	12,000 s.f. of parking	\$ 50,000	\$60,800
	695 Northland Avenue	0.07 acre parking lot	\$ 16,900	\$16,900
	697 Northland Avenue	0.06 acre parking lot	\$ 12,900	\$12,900
	698 Northland Avenue	3,225 s.f. of vacant land	\$ -	
	698 Northland Avenue	3,225 s.f. of vacant land	\$ 3,225	N/A
	683 Northland Avenue	7.27 acres of land w/ 235,000 s.f. of occupied buildings	\$ 14,000,000	\$5,061,500
	688 Northland Avenue	12,000 s.f. of parking	\$ 50,000	\$58,900
	705 Northland Avenue	0.24 acres of vacant land (to be renovated as a parking lot)	\$ 435,000	\$31,100
	714 Northland Avenue	1.81 acres of land w/ an 18,000 s.f. occupied building	\$ 435,000	\$585,000
	741 Northland Avenue	4,695 acres of land w/ a 92,000 s.f. derelict building	\$ 550,000	\$793,000
	767 Northland Avenue	7,998 s.f. of vacant land	\$ 8,000	\$23,500
	777 Northland Avenue	4.14 acres of land w/ a 81,000 s.f. derelict building	\$ 50,000	\$545,000
	124 Dutton Avenue	3,120 s.f. of vacant land	\$ 50,000	\$9,400
	126 Dutton Avenue	7,800 s.f. of vacant land	\$ 7,800	\$11,700
	162 Winchester Street	3,940 s.f. of vacant land	\$ 4,000	\$5,000
	164 Winchester Street	3,940 s.f. of vacant land	\$ 4,000	\$6,000
	168 Winchester Street	3,940 s.f. of vacant land	\$ 4,000	\$6,000
	572 Northland Avenue	4,560 s.f. of vacant land	\$ 5,000	\$6,800
	574 Northland Avenue	7,260 s.f. of vacant land	\$ 7,000	\$10,900
	1669 Fillmore Avenue	6,144 s.f. of vacant land	\$ 6,000	\$18,500
	1675 Fillmore Avenue	7,680 s.f. of vacant land	\$ 8,000	\$22,800
	1679 Fillmore Avenue	9,457 s.f. of vacant land	\$ 2,800	\$22,900
	1681 Fillmore Avenue	28,564 s.f. of vacant land	\$ 29,000	\$71,500
Other				\$ 9,000

*Note: 537 East Delavan Avenue was split into the following five (5) tax parcels :

Address and SBL of Property	Full Description of Property	Estimated FMV of Property (based on City Assessment)
537 East Delavan Avenue SBL No.: 90.77-6-1.11	0.95 acres w/ a 12,300 s.f. vacant, derelict building	\$100,000
547 East Delavan Avenue SBL No.: 90.77-6-1.12	3.41 acres w/ a 44,000/- vacant, building to be renovated	\$96,000
221 Winchester Avenue SBL No.: 90.77-6-1.13	2.68 acres of vacant land	\$86,100
606 Northland Avenue SBL No.: 90.77-6-1.14	1.65 acres w/ a 28,639/- s.f. vacant, partially improved building (currently no tenants)	\$64,500
640 Northland Avenue SBL No.: 90.77-6-1.15	1.83 acres of vacant land	\$69,000