

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
Hon. Christopher P. Scanlon, Chairman

**Buffalo Urban Development Corporation
Meeting of Real Estate Committee
Tuesday, May 13, 2025 at 12:00 p.m.
95 Perry Street, 4th Floor**

Agenda

- 1) Minutes of April 8, 2025 Meeting (*Approval*) (*Enclosure*)
- 2) Northland Central – Proposed Lease Amendment to Rodriguez Construction Group, Inc. for 683 Northland Avenue (*Recommendation*) (*Enclosure*)
- 3) Northland Beltline Corridor - (*All Are Information Items*)
 - a) Northland Corridor – Tenant & Property Management Updates
 - b) Northland Corridor – Phase 3 Redevelopment Update
 - c) Northland Corridor – Phase 4 Redevelopment Update
 - d) Northland Corridor – Brownfield Opportunity Area
- 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) Executive Session
- 6) Adjournment (*Approval*)

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

**95 Perry Street
Buffalo, New York
April 8, 2025
12:00 p.m.**

Call to Order:

Committee Members Present:

Scott Bylewski
Elizabeth Holden
Nadine Marrero
Kimberley A. Minkel (Committee Chair)

Committee Members Absent:

Janique A. Curry
Thomas A. Kucharski
Dennis M. Penman

Officers Present:

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

Others Present: Michael Alexander, The Community Preservation Corporation; James Bernard, Ralph Wilson Park/Downtown Project Manager; Dennis Cannon, Comvest; Keith Carretto, Comvest; Matthew DiFrancesco, CBRE; Alexis M. Florczak, Hurwitz Fine P.C.; Brian Krygier, Director of IT, ECIDA; and Angelo Rhodes II, Northland Project Manager.

Roll Call – The meeting was called to order at 12:08 p.m. A quorum of the Committee was present.

- 1.0 Minutes of March 4, 2025 Meeting** – The minutes of the March 4, 2025 Real Estate Committee meeting were presented. Mr. Bylewski made a motion to approve the meeting minutes. The motion was seconded by Ms. Holden and unanimously carried (4-0-0).
- 2.0 Northland Corridor – Proposed Lease to Flat 12 Mushrooms, LLC for 606 (612) Northland Avenue** – Ms. Gandour presented her April 8, 2025 memorandum regarding the proposed lease of 612 Northland Avenue to Flat 12 Mushrooms, LLC. She noted that Flat 12 is seeking to lease both the “A” and “B” buildings and indicated that the lease of the “B” building would only commence upon completion of construction and would also be subject to EDA approval of the form of lease and the proposed lease arrangement with Flat 12. Ms. Gandour outlined the proposed terms of the lease, which will be structured as a triple net lease. The Committee then discussed the proposed lease, anticipated job creation, and the prospective tenant’s request for a composting site on the leased premises. Following the discussion, Ms. Marrero made a motion to recommend that the Board of Directors: (i) authorize NorDel I, LLC to enter into a lease with Flat 12 Mushrooms, LLC upon the terms outlined in this memorandum; and (ii) authorize the President or Executive Vice President of BUDC to execute the lease on behalf of NorDel I, LLC and take such other actions as are necessary and appropriate to implement this authorization. The motion was seconded by Mr. Bylewski and unanimously carried (4-0-0).

3.0 Northland Corridor – 741 and 777 Northland Avenue SHPO Mitigation Support Services Contract

– Mr. Rhodes presented his April 8, 2025 memorandum regarding the proposed SHPO mitigation support services for 741 and 777 Northland Avenue. Following the presentation, Mr. Bylewski made a motion to: (i) authorize BUDC to enter into a contract with LiRo to support the development of a mitigation plan for 777 and 741 Northland Avenue for an amount not to exceed \$9,952.00; and (ii) authorize the President or Executive Vice President to execute the agreement with LiRo and take such other actions as may be necessary or appropriate to implement this authorization. The motion was seconded by Ms. Holden and unanimously carried (4-0-0).

4.0 Northland Corridor – Public Service Commission Proceedings Update

– Ms. Gandour and Mr. Zanner presented an update regarding the petition that BUDC and NorDel II, LLC filed with the Public Service Commission in connection with upgrades to the substation at 644 Northland Avenue. On March 20, 2025, PSC issued an order determining that NorDel II is subject to regulation as an electric corporation and granted the request for a certificate of public convenience and necessity (CPCN), which was needed in order for the substation improvements to move forward. Mr. Zanner distributed copies of the PSC Order and outlined PSC's next steps, which involve determining the level of regulation that NorDel II will be subject to as an electric corporation. It is anticipated that NorDel II will be required to comply with safety regulations and will have limited reporting obligations relating to the provision of electrical service. A decision from PSC is expected in May.

5.0 Northland Beltline Corridor

(a) Northland Corridor – Tenant & Property Management Updates – Mr. DiFrancesco presented an update regarding CBRE marketing efforts. A request for proposals was released for the restaurant space at 683 Northland Avenue. An information session will be held April 10th at 2:00 p.m. Responses to the RFP are due May 12th. Lighthouse Properties has executed its exclusivity agreement for the nine contiguous parcels located at Fillmore, Northland, and Winchester Avenues and made its first exclusivity payment under the agreement. Negotiations continue with Rodriguez Construction for a lease renewal of its existing space at 683 Northland and leasing of additional space.

Mr. Carretto then distributed and reviewed a handout to the Committee regarding updated budgeting and cash flow figures for the Northland Corridor. The Committee discussed the cash flow figures and impact of the proposed Flat 12 Mushrooms lease of 612 Northland. Mr. Cannon then presented an update regarding property management at Northland. Comvest met with the Northland landscaping team which will begin services April 21st. Comvest also met with Wendel regarding the clean room at the Northland Workforce Training Center, the design of which is 60% complete. Classes in the clean room space are anticipated to start in January 2026.

(b) Northland Corridor – Phase 3 Redevelopment Update – Mr. Rhodes reported that EDA has not yet approved the Phase 3 bid document submission, and that communications between BUDC and EDA are ongoing.

(c) Northland Corridor – Phase 4 Redevelopment Update – Mr. Rhodes noted that there is no update for Phase 4 redevelopment at this time.

(d) Northland Corridor– Brownfield Opportunity Area – Mr. Rhodes reported that Colliers has provided a draft nomination plan document to BUDC and the Mayor's Office of Strategic Planning for review. It is anticipated that the draft nomination plan will be submitted to Buffalo Common Council at the end of April. A thirty-day comment period will follow prior to a public hearing in early June and approval by Buffalo Common Council in June.

- (e) **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.

6.0 Buffalo Lakeside Commerce Park

- (a) **193, 80, 134, 158 and 200 Ship Canal Parkway Update** – Mr. DiFrancesco reported that CBRE continues to communicate with prospects regarding the remaining parcels at BLCP.
- (b) **Buffalo Lakeside Commerce Park Property Owners Association** – Ms. Gandour reported that assessment bills for Q1 of 2025 were issued to property owners last week. Arcadis is completing the periodic review report for Parcel 3 at the Park, which is due at the end of April. BUDC staff is meeting with NYSDEC this week to discuss the variance process with respect to 193 Ship Canal Parkway. Ms. Gandour and Ms. Merriweather recently toured Zephyr's facility at the Park and commented on the magnitude of the space.

7.0 Executive Session – None.

8.0 Adjournment – There being no further business to come before the Committee, the April 8, 2025 meeting of the Real Estate Committee was adjourned at 12:40 p.m.

Respectfully submitted,

Kevin J. Zanner

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
Hon. Christopher P. Scanlon, Chairman

Item 2

MEMORANDUM

TO: BUDC Real Estate Committee

FROM: Angelo Rhodes II – Northland Project Manager

SUBJECT: Northland Central – Proposed Lease Amendment to Rodriguez Construction Group, Inc. for 683 Northland Avenue

DATE: May 13, 2025

Rodriguez Construction Group, Inc. (“Rodriguez Construction”) and 683 Northland Master Tenant, LLC are parties to an existing triple net lease of approximately 8,539 square feet of office space in Area 7 at 683 Northland Avenue, the term of which ends October 31, 2025. Rodriguez Construction has expressed interest in extending the term of their lease of the Area 7 space and adding 4,798 square of additional office space on the mezzanine level of Area 6, for use as general office space for the administration and management of its construction business. BUDC, through its broker CBRE, has been working with Rodriguez Construction to develop the terms of an amendment to the existing lease agreement between the parties, the principal terms of which are as follows:

- A. Landlord: 683 Northland Master Tenant, LLC (an affiliate of BUDC).
- B. Tenant: Rodriguez Construction Group, Inc.
- C. Leased Premises: Approximately 8,539 square feet of office space located at Area 7, and the approximate 4,798 square foot mezzanine level of Area 6 of 683 Northland Avenue, Buffalo, NY.
- D. Use: General office space for administration and management of construction business.

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

Hon. Christopher P. Scanlon, Chairman

- E. Term: Five (5) years, with an option to renew for one (1) additional term of five (5) years by giving written notice at least 180 days prior to expiration of the term at an agreed upon fair market base rent as determined by an independent appraiser.
- F. Amendment Commencement Date: June 1, 2025.
- G. Rent: Commences November 1, 2025. Tenant will continue to pay its current rate of \$4.86/sf NNN for Area 7 until the new rent commencement date of November 1, 2025. Tenant will have access without cost to the mezzanine space from the Amendment Commencement date until November 1, 2025.
 - Area 7 (8,539 sf)
\$14.00 sf with a 3% annual base rent escalation.
 - Mezzanine Area (4,798 sf)
\$4.75 sf with a 3% annual base rent escalation.
- H. Security Deposit: The Tenant will provide a security deposit in the amount of \$12,370.
- I. Additional Rent: The lease will be structured as a triple net (NNN) lease. Tenant will pay pro-rated share of costs associated with the 683 Northland property including all real estate taxes and assessments, general liability and property insurance, maintenance, pest control, utilities, carrying costs and other obligations and liabilities of ownership.
- J. Tenant Improvement Allowance: Tenant will construct improvements to the mezzanine space of Area 6, consisting of electrical, HVAC & plumbing improvements to the mezzanine space, including the creation of a bathroom, mechanical closet and concrete pad for an electrical transformer (the "Tenant Improvements"). Upon completion and acceptance of the Tenant Improvements by Landlord, Tenant will receive a reimbursement of up to \$80,000.00 for constructing the Tenant Improvements.

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

Hon. Christopher P. Scanlon, Chairman

- K. Termination Option: Following the completion and acceptance of the Tenant Improvements by Landlord, Tenant will have the option to terminate the lease (Termination Option) by written notice to Landlord and pay a termination fee (Termination Fee).

In the event that the Termination Option is exercised within 18 months from the date of completion and acceptance by Landlord of the Tenant Improvements, then Tenant shall pay a Termination Fee in an amount equal to six (6) months of Base Rent for both Area 7 and the Mezzanine Area.

In the event that the Termination Option is exercised after 18 months from the date of completion and acceptance by Landlord of the Tenant Improvements, then Tenant shall pay a Termination Fee in an amount equal to three (3) months of Base Rent for both Area 7 and the Mezzanine Area.

In addition to paying the Termination Fee, the Tenant will also pay the following to Landlord upon exercising its Termination Option: (i) the remaining, unamortized portion of the Tenant Improvements, to be calculated by multiplying the Tenant Improvements allowance by the percentage of months remaining in the Lease divided by the total Lease Term; and (ii) the unamortized, pro rata balance of the lease commission paid by Landlord.

- L. Broker Fee: Landlord's broker shall receive a commission from Landlord per the terms of a separate agreement.

ACTION:

We are requesting that the Real Estate Committee recommend that the BUDC Board of Directors: (i) authorize 683 Northland Master Tenant, LLC to enter into an amendment to the existing lease agreement with Rodriguez Construction Group, Inc. upon the terms outlined in this memorandum; and (ii) authorize the President or Executive Vice President of BUDC to execute the lease on behalf of 683 Northland Master Tenant, LLC and take such other actions as are necessary and appropriate to implement this authorization.

Hon. Christopher P. Scanlon, 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