

## Buffalo Urban Development Corporation

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## Buffalo Urban Development Corporation Real Estate Committee Meeting

**Tuesday, August 23, 2022, at 12:00 p.m.**  
**Via Video Conference Call & Live Stream Audio**

### Agenda

- 1) Approval of Minutes – Meeting of July 21, 2022 (*Approval*) (*Enclosure*)
- 2) Northland Corridor – Property Management Agreement Renewal Approval (*Recommendation*)
- 3) Northland Beltline Corridor
  - a) Northland Corridor - NWTC/ESD/BUDC MOU (*Information*)
  - b) Northland Central – Phase I Construction Additional HVAC Work Claim Update (*Information*)
  - c) Northland Corridor – Tenant & Property Management Updates (*Information*)
  - d) Northland Corridor – Community Solar & Microgrid Project (*Information*)
  - e) Northland Corridor – Build Back Better Update (*Information*)
- 4) Buffalo Lakeside Commerce Park
  - a) Various Parcels – Zephyr Investors Update (*Information*)
  - b) 193 Ship Canal Parkway - Prospect Update (*Information*)
  - c) Buffalo Lakeside Commerce Park Property Owners Association (*Information*)
  - d) 80, 134, 158 and 200 Ship Canal Parkway (*Information*)
- 5) Executive Session
- 6) Adjournment (*Approval*)

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

**Via Video Conference Call & Live Stream Audio**

**July 21, 2022  
12:00 p.m.**

**Committee Members Present:**

Janique S. Curry  
Elizabeth A. Holden  
Thomas A. Kucharski  
Brendan R. Mehaffy  
Kimberley A. Minkel, Chair  
Dennis M. Penman

**Committee Members Absent:**

Maria R. Whyte

**Officers Present:**

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

**Guests Present:** Kurt Blemel, Wendel; John Cappellino, President/CEO, ECIDA; Zaque Evans, Senior Economic Development Specialist, Erie County Executive's Office; Alexis M. Florczak, Hurwitz Fine P.C.; Soma Hawramee, ECIDA Compliance Officer; Laurie Hendrix, ECIDA Administrative Coordinator; Ryan Herrell, Zephyr Investors; Thomas Mancuso, Mancuso Business Development Group; Antonio Parker, BUDC Project Manager; and Matthew Wisotzky, National Fuel.

**Roll Call:** The meeting was called to order at 12:04 p.m. The Secretary called the roll and a quorum of the Committee was determined to be present. Mr. Kucharski joined the meeting during the presentation of item 2.0. Mr. Penman left the meeting during the presentation of item 4.0.

The meeting was held via Zoom in accordance with the provisions of Article 7 of the Public Officers Law, as amended effective January 14, 2022, which authorizes public bodies to conduct meetings and take such action authorized by law without permitting in public in-person access to meetings and to authorize such meetings to be held remotely by conference call or similar service, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed.

**1.0 Approval of Minutes – Meeting of May 24, 2022** – The minutes of the May 24, 2022 Real Estate Committee meeting were presented. Mr. Penman made a motion to approve the meeting minutes. The motion was seconded by Mr. Mehaffy and (with Ms. Holden abstaining) carried with four affirmative votes (4-0-1).

**2.0 Northland Corridor – NWTC/ESD/BUDC MOU** – Ms. Gandour presented her July 21, 2022 memorandum regarding the NWTC/ESD/BUDC memorandum of understanding. Mr. Penman made a motion to recommend that the BUDC Board of Directors: (i) approve the Memorandum of Understanding; and (ii) authorize the BUDC President or Executive Vice President to execute the Memorandum of Understanding on behalf of BUDC, 683 Northland LLC and 683 Northland Master Tenant, LLC, and take such other actions as are necessary or appropriate to implement this authorization. The motion was seconded by Ms. Curry and unanimously carried (6-0-0).

**3.0 Various Parcels – Zephyr Investors Update** – Ms. Gandour introduced Ryan Herrell of Zephyr Investors to present the project update. Mr. Herrell reported that legal counsel for Zephyr and BUDC are working through closing items with respect to the land sale. Phase I of the project will be constructed at 310 Ship Canal Parkway. The building permit for Phase I is currently pending with the City. The pre-engineered metal building for Phase I is on order and is expected to be delivered later this year. Mr. Herrell also informed the Committee that Zephyr is working with its design consultants on Phase II of the project, consisting of a 150,000 square foot building, and anticipates presenting Phase II to the City Planning Board within the next few months. He noted Zephyr has submitted an application for financial assistance to ECIDA, which will be considered for approval in August. With respect to MRTA licensing, Zephyr has partnered with tenant Etain, LLC, an existing medical marijuana license holder. Etain will occupy Phase I of the project and is working with Zephyr on the Phase II design work.

**4.0 National Fuel Northland Corridor Geothermal Study Presentation** – Ms. Gandour reported that National Fuel and Wendel are undertaking a pilot study regarding geothermal energy opportunities within the Northland Corridor. Ms. Gandour introduced Matthew Wisotzky and Kurt Blemel to present an overview of the study. Mr. Wisotzky outlined the project objectives and deliverables and noted that the study is funded through a NYSERDA grant. National Fuel hopes that the study will lead to additional projects in the area. Mr. Blemel also commented on the project, including community outreach efforts. A draft report is anticipated by the end of September or early October. In response to a question from Ms. Minkel, Mr. Blemel indicated that other funding opportunities may become available depending on the outcome of the pilot study.

## **5.0 Northland Beltline Corridor**

**(a) Northland Central – Phase I Construction Additional HVAC Work Claim Update** – Mr. Zanner reported that the expert retained by BUDC has issued his report, and the report has been circulated to the attorneys for the insurance carriers. The matter continues to move forward through the discovery process.

**(b) Northland Central – 683 Northland PRR Update** – Ms. Gandour reported that the periodic review report submitted by LiRo Engineers on behalf of BUDC at the end of May was accepted by NYSDEC on July 12<sup>th</sup>. The next report will be due in July 2023.

**(c) Northland Corridor – Tenant & Property Management Updates** – Mr. Mancuso presented the Northland Corridor tenant and property management update. The next tenant meeting relating to the common area security program will take place in August. The grand opening for Bank on Buffalo is going forward the afternoon of July 21<sup>st</sup>. Sparkcharge is considering whether to renew its lease or acquire new space. The Albright Knox Art Gallery lease at 612 Northland is set to expire at the end of August 2022; while AKAG initially anticipated vacating the space by the end of October 2022, it is now anticipated that the tenant will remain until the end of November 2022. Parking lots at Northland are being sealed and striped in phases, and the fence near the West parking lot at 612 Northland has been removed to provide for additional parking.

- (d) **Northland Corridor – Community Solar & Microgrid Project** – Ms. Gandour reported that National Grid confirmed receipt of payment for the engineering study. Frey Electric has shared plans with National Grid and is reviewing the 537/541 E. Delavan site for ground-mounted solar panels.
- (e) **Northland Corridor – Build Back Better Update** – Ms. Gandour informed the Committee that EDA continues to engage with BUDC regarding the Build Back Better application. While there is no definitive timeline, it is possible that EDA could make an announcement in August regarding funding. Ms. Merriweather also reported that BUDC is applying through the CFA process for grant funding to update the BOA for Northland.

## 6.0 **Buffalo Lakeside Commerce Park**

- (a) **80, 134, 158 and 200 Ship Canal Parkway** – Ms. Gandour reported that BUDC staff continues to work with prospects regarding interest in these parcels.
- (b) **Buffalo Lakeside Commerce Park Property Owners Association** – There was no update presented for this item.
- (c) **193 Ship Canal Parkway – Prospect Update** – Mr. Kucharski made a motion for the Committee to enter into executive session to discuss: (i) the potential sale of 193 Ship Canal Parkway, on the basis that public discussion of the proposed transaction would substantially affect the value of the property; and (ii) claims and litigation relating to 683 Northland. The motion was seconded by Ms. Curry and unanimously carried (5-0-0). At the conclusion of the executive session, Mr. Kucharski made a motion to exit executive session, which was seconded by Ms. Curry and unanimously carried (5-0-0). Following executive session, Ms. Gandour provided an overview of the terms of a preliminary agreement with The Krog Group, LLC regarding 193 Ship Canal Parkway. The preliminary agreement would grant Krog a six-month right to access the property and conduct due diligence in exchange for the payment of a \$2000 monthly exclusivity fee. BUDC would agree not to market the property during the term of the agreement, which may be extended by Krog for an additional three months. Mr. Kucharski made a motion to recommend that the BUDC Board of Directors approve BUDC entering into a preliminary agreement with The Krog Group, LLC regarding 193 Ship Canal Parkway. The motion was seconded by Mr. Mehaffy and unanimously carried (5-0-0).

7.0 **Executive Session** – Yes, see item 6(c).

8.0 **Adjournment** – There being no further business to come before the Committee, the July 21, 2022 meeting of the Real Estate Committee was adjourned at 1:09 p.m.

Respectfully submitted,

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Kevin J. Zanner  
Secretary

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### Item 2

## MEMORANDUM

**TO:** BUDC Real Estate Committee  
**FROM:** Rebecca Gandour, Executive Vice President  
**SUBJECT:** Northland Corridor – Property Management Agreement Renewal Approval  
**DATE:** August 23, 2022

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In July of 2015, after an extensive procurement process, the Board approved the selection of Mancuso Business Development Group to provide property management and leasing services for BUDC’s Northland Corridor property holdings. The initial agreement was structured with a five (5) year term. The length of the initial term is typical in the property management field, as it is important to establish a longer-term relationship between the property owner and the property manager, for the purposes of establishing a leasing strategy and accounting protocols. The initial agreement expired on July 31, 2020, at which time the Real Estate Committee approved an extension of the initial agreement until December 31, 2020, allowing staff to negotiate an agreement renewal with Mancuso Group as a single source procurement under BUDC’s procurement policy. In November of 2020, the Board approved a new agreement with Mancuso Group for a term of up to five years and subject to Board approval each year. The Board approved renewal of the agreement for the 2021 and 2022 calendar years. The leasing services provided by the Mancuso Group include the rental of vacant space in buildings, negotiation of leases, advertising space available for rent, and establishing rental rates. The property management services include building management, repairs, contracting for utilities and other building operation and maintenance services, and collecting rent and other income from tenants.

The BUDC and ECIDA staff members who have worked closely with Mancuso Group over the last seven years have been impressed with their performance. Expenses have been controlled within budget and the leasing of facilities has been beyond initial expectations (98% occupancy at Northland Central).

When the Mancuso Group was initially hired, the Board emphasized the importance for Tom Mancuso to work with the local community as a “mentor” for individuals and organizations, and share his leasing and property management experience. Subsequently, Tom has worked closely with various minority small business tenants including Manna Culinary Group and Rodriguez Construction. He shared construction management duties for the Albright Knox Northland build-out that featured 58% minority sub-contractor participation. He

has also worked as a mentor for the University of Buffalo real estate development students.

All compensation components will remain the same as the initial agreement and subsequent renewals.

**ACTION**

We are requesting that the BUDC Real Estate Committee recommend that the Board of Directors: (i) approve a one (1) year renewal of the agreement with Mancuso Business Development Group for property management and leasing services for Northland Beltline Corridor for the period of January 1, 2023 through December 31, 2023, consistent with the provisions outlined in this memorandum; and (ii) authorize the BUDC President or Executive Vice President to execute such documents as may be necessary or appropriate to renew the agreement on behalf of BUDC and 683 Northland Master Tenant, LLC.