

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Real Estate Committee Meeting

Thursday, July 21, 2022, at 12:00 p.m.
Via Video Conference Call & Live Stream Audio

Agenda

- 1) Approval of Minutes – Meeting of May 24, 2022 (*Approval*) (*Enclosure*)
- 2) Northland Corridor - NWTC/ESD/BUDC MOU (*Recommendation*) (*Enclosure*)
- 3) Various Parcels – Zephyr Investors Update (*Information*)
- 4) National Fuel Northland Corridor Geothermal Study Presentation (*Information*)
- 5) Northland Beltline Corridor
 - a) Northland Central – Phase I Construction Additional HVAC Work Claim Update (*Information*)
 - b) Northland Central – 683 Northland PRR 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*)
- 6) Buffalo Lakeside Commerce Park
 - a) 80, 134, 158 and 200 Ship Canal Parkway (*Information*)
 - b) Buffalo Lakeside Commerce Park Property Owners Association (*Information*)
 - c) 193 Ship Canal Parkway - Prospect Update (*Information*)
- 7) Executive Session
- 8) Adjournment (*Approval*)

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

Via Video Conference Call & Live Stream Audio

**May 24, 2022
12:00 p.m.**

Committee Members Present:

Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel, Chair
Dennis M. Penman

Committee Members Absent:

Janique S. Curry
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: Michael Alexander, BBRC Board Member; Dennis Elsenbeck, BUDC Board Member; Zaque Evans, Senior Economic Development Specialist, Erie County Executive's Office; Alexis M. Florczak, Hurwitz & Fine, P.C.; Thomas Mancuso, Mancuso Business Development Group; and Paul Tronolone, Empire State Development.

Roll Call: The meeting was called to order at 12:02 p.m. A quorum of the Committee was not present. Items 2(a) and 2(b) were presented first for informational purposes only. Mr. Mehaffy joined the meeting during the presentation of agenda item 2(b). At 12:06 p.m., the Secretary called the roll and a quorum of the Committee was determined to be present.

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 March 22, 2022 – The minutes of the March 22, 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 unanimously carried (4-0-0).

2.0 Northland Beltline Corridor

- (a) **Northland Central – Phase I Construction Additional HVAC Work Claim Update** – Mr. Zanner reported that counsel continues to work with the expert retained by BUDC to finalize the report in support of BUDC’s claims against Watts Architecture and Popli Design Group.
- (b) **Northland Corridor – Tenant & Property Management Updates** – Mr. Mancuso presented the Northland Corridor tenant and property management update. Multiple Northland tenants requested increased temporary security coverage following the Tops shooting on May 14th. Bank on Buffalo will hold its soft opening on May 31st and anticipates holding a grand opening in July. Sparkcharge’s lease expires at the end of November. The company is working with a broker to find more space for its operations, with the A building at 612 Northland being a possible option. The lease for Albright Knox Art Gallery is set to expire at the end of August 2022; the tenant has not provided a definite date to vacate, but it is anticipated that the tenant will leave the space by the end of October 2022. A meeting was held on April 22nd to discuss future electric needs at Northland.
- (c) **Northland Corridor – Community Solar & Microgrid Project** – Ms. Gandour presented her May 24, 2022 memorandum seeking Committee input on whether BUDC should advance a National Grid engineering study in the amount of \$25,000 for the project. The funding would be used to pay National Grid to confirm the cost of the upgrades, which would involve a feeder and additional substation. The study is expected to take six to eight months to complete. A Committee discussion followed Ms. Gandour’s presentation. In considering whether to move forward with the study, the Committee discussed the current substation capacity and the potential impact of delaying the study on the ability to service current tenants and attract additional tenants to the Northland campus. Mr. Elsenbeck spoke in favor of advancing the study. At the conclusion of the discussion, there was a consensus that BUDC should move forward with the study at this time. Mr. Kucharski then made a motion to advance the National Grid engineering fee to confirm the estimate received for the substation upgrade. The motion was seconded by Ms. Minkel and unanimously carried (4-0-0).
- (d) **Northland Corridor – NWTC/ESD/BUDC MOU** – Ms. Gandour reported that the MOU is being reviewed by NWTC.
- (e) **Northland Corridor – Build Back Better Update** – Ms. Gandour reported that EDA requested a modified proposal from the WNY region that could be achieved with a 50% reduced grant award. In submitting this additional information, BUDC identified the projects that could be completed with the reduced grant award and informed EDA that additional funding would be sought from other sources to complete the remaining project elements. Mr. Tronolone added that EDA’s request for a reduced proposal was not a guarantee that only a reduced award would be awarded. Ms. Gandour also reported she will attend, as part of the WNY regional project team, an EDA conference in Washington, D.C. in June.

3.0 Buffalo Lakeside Commerce Park

- (a) **Various Parcels – Zephyr Investors Update** – Ms. Gandour presented her May 24, 2022 memorandum regarding Zephyr’s request to submit a Brownfield Cleanup Program (BCP) application for the parcel located at 24 Laborers’ Way. Following the presentation, Mr. Penman made a motion to recommend that the Board of Directors: (i) authorize BUDC and BLCP-I to enter into an amendment of the multi-party agreement with Zephyr and its affiliates, consistent with the terms set forth in Ms. Gandour’s memorandum; (ii) upon execution of the amendment to the multi-party agreement, authorize the President or Executive Vice President to execute the consent authorizing Zephyr or its affiliates to submit an additional BCP application for 24 Laborers’ Way; and (iii) authorize the President or Executive Vice President to execute the amendment to the multi-party agreement, the consent, and such other documents as may be necessary to implement this action. The motion was seconded by Mr. Mehaffy and unanimously carried.

(b) **80, 134, 158 and 200 Ship Canal Parkway** – See item 5.0 below.

(c) **193 Ship Canal Parkway – Prospect Update** – See item 5.0 below.

(d) **Buffalo Lakeside Commerce Park Property Owners Association** – There was no update presented for this item.

4.0 **308 Crowley Update** – Ms. Gandour reported that closing documents have been prepared for the sale to Douglas Development of the remaining parcel at 308 Crowley. Mr. Zanner added that the title commitment has not been received yet from purchaser's counsel and is needed for the transaction to close.

5.0 **Executive Session** – Mr. Kucharski made a motion for the Committee to enter into executive session to discuss the proposed sales of 80, 134, 158, 193 and 200 Ship Canal Parkway, on the basis that public discussion of these proposed real property sales would substantially affect the value of the properties. The motion was seconded by Mr. Mehaffy and unanimously carried (4-0-0). At the conclusion of the executive session, Mr. Penman made a motion to exit executive session, which was seconded by Mr. Kucharski and unanimously carried (4-0-0). No votes were taken during executive session.

6.0 **Adjournment** – There being no further business to come before the Committee, upon motion made by Mr. Penman, seconded by Mr. Kucharski and unanimously carried, the May 24, 2022 meeting of the Real Estate Committee was adjourned at 1:17 p.m.

Respectfully submitted,

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 – NWTC/ESD/BUDC Memorandum of Understanding

DATE: July 21, 2022

As previously reported to the Committee, BUDC staff has been working with Empire State Development (ESD) and the Northland Workforce Training Center (NWTC) to finalize the terms of a memorandum of understanding (MOU). BUDC is a party to this MOU due to its receipt of grant funding from ESD in order for BUDC to purchase equipment and furniture for the Training Center. In addition to BUDC, ESD and NWTC, the parties to the MOU include BUDC affiliates 683 Northland LLC, the owner of the building, and 683 Northland Master Tenant, LLC, the master lessor of the building. The MOU is intended to clarify responsibilities and the ownership of equipment among the parties. As part of this process, an inventory of all of the equipment was conducted that will be included as part of the MOU.

Under the terms of the MOU, BUDC is obligated to insure equipment purchased with ESD funds. These costs are passed down to 683 Northland Master Tenant, LLC. Neither BUDC nor its affiliates have any obligation to maintain, repair, or replace any equipment that is used to operate the Training Center with the exception of a casualty loss where insurance proceeds are received by BUDC affiliates. In addition, BUDC and its affiliates are not obligated to insure, maintain, repair or replace any additional replacement furniture and equipment that may be purchased for the Training Center. In the event of a sale of certain equipment that was purchased with ESD funds, the MOU provides that BUDC will be repaid a portion of the value of that equipment with respect to the tax credit equity received or to be received in connection with the development of the Training Center.

ACTION:

We are requesting that the BUDC Real Estate Committee recommend that the 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.