

**Minutes of the Meeting
of the
Board of Directors
Buffalo Urban Development Corporation
Via Video Conference Call & Live Stream Audio**

**July 28, 2020
12:00 p.m.**

1.0 Call to Order

Directors Present:

James W. Comerford
Janique S. Curry
Dennis W. Elsenbeck
Darby Fishkin
Dottie Gallagher
Thomas Halligan
Thomas R. Hersey, Jr.
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Dennis M. Penman (Vice Chair)
Darius G. Pridgen

Directors Absent:

Hon. Byron W. Brown (Chair)
Trina Burruss
Michael J. Finn
Amanda Mays
Craig A. Slater
Maria R. Whyte

Officers Present:

Peter M. Cammarata, President
Brandy Merriweather, Vice President, Downtown Development
Rebecca Gandour, Vice President, Finance & Development
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Others Present: Evan Y. Bussiere, Hurwitz & Fine, P.C; Arthur Hall, BUDC; and David A. Stebbins, Bisonwing Planning and Development, LLC.

Roll Call – The Secretary called the roll of directors at 12:04 p.m. and a quorum was determined to be present. Mr. Pridgen joined the meeting during the presentation of item 3.0.

The meeting was held via video/telephone conference in accordance with the provisions of Executive Order 202.1, issued by Governor Andrew Cuomo on March 12, 2020. The meeting was also live-streamed to the general public and recorded. A transcript of the meeting will be made available at a later date.

2.0 Presentation of the Minutes – The minutes of the June 30, 2020 meeting of the Board of Directors were presented. Ms. Gallagher made a motion to approve the meeting minutes. The motion was seconded by Ms. Minkel and unanimously carried (12-0-0).

3.0 Monthly Financial Reports – Ms. Profic presented the consolidated financial statements for 683 Northland Master Tenant LLC and for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending June 30, 2020. Ms. Profic reported that Freed Maxick is expected to issue its draft cost certification report for 683 Northland later this week. She also informed the Board that she would circulate a copy of the draft Form 990 to the Board following the meeting, and she encouraged Board members to contact her with any questions. Mr. Pridgen made a motion to accept the financial report. The motion was seconded by Mr. Nasca and unanimously carried (13-0-0).

4.0 New Business

4.1 777 Northland – Select Demolition Proposal Approval – Mr. Cammarata presented his July 28, 2020 memorandum regarding the three proposals that BUDC’s construction manager, 34 Group received in response to its solicitation for select demolition work at 777 Northland. Empire Dismantlement submitted the lowest cost proposal to perform the work in the amount of \$400,000. The solicitation format included a contingency percentage due to the condition of the buildings. Mr. Cammarata noted that the work will be paid for with Restore NY V grant funds, with a 14% match from the Buffalo Brownfields Redevelopment Fund. The item was reviewed by the Real Estate Committee at its July 21, 2020 meeting and recommended for approval by the Board of Directors. The Board discussed the proposed contract award. In response to a question from Mr. Pridgen, Mr. Cammarata stated that the contingency is intended to eliminate the need for change orders, and that any change order would require Board approval and is not part of the budget for this work. He also responded to a question from Mr. Halligan, noting that the owner of the property is NorDel II, LLC, a wholly-owned subsidiary of BUDC. At the conclusion of the discussion, Ms. Curry made a motion to approve a contract with Empire Dismantlement for select demolition at 777 Northland in an amount not to exceed \$400,000, to authorize the use of the Buffalo Brownfields Redevelopment Fund for the 14% match and to authorize the President to execute a contract on behalf of NorDel II, LLC and take such actions as are reasonably necessary in connection with such work. The motion was seconded by Mr. Kucharski and unanimously carried (13-0-0).

4.2 Northland Corridor – Amended & Restated Leasing Policy Approval – Mr. Cammarata presented his July 28, 2020 memorandum regarding the proposed Amended and Restated Leasing Policy for Northland Corridor Properties. Mr. Cammarata noted that over the past several months, BUDC and Mancuso Development have fielded inquiries from Northland tenants regarding potential modifications to their leases due to COVID-19 impacts on their businesses. As BUDC staff considered these modifications, it was noted that the current Leasing Policy did not address the manner in which BUDC would process lease modifications through the Board of Directors, the Real Estate Committee and/or executive staff. Mr. Zanner then reviewed with the Board the specific proposed changes to the policy. A Board discussion followed. Mr. Pridgen commented on the importance of Board oversight and the approval process for lease modifications. Mr. Penman stated that the amended policy would provide the President with operational flexibility in managing tenant relationships while requiring more substantial lease changes to be approved by the Real Estate Committee and the Board. Ms. Fishkin agreed that the lease modifications are operational issues but questioned how BUDC would determine whether to grant a lease concession to one tenant and not another. Mr. Cammarata suggested that the policy be revisited by the Real Estate Committee. He indicated that as a matter of course, all lease modifications would be presented for Real Estate Committee input before implementation. At the end of the discussion, Mr. Pridgen made a motion to table the item pending further review and consideration by the Real Estate Committee. The motion was seconded by Ms. Gallagher and unanimously carried (13-0-0).

4.3 Buffalo Lakeside Commerce Park – BLCP-I, LLC/Zephyr Investors, LLC Land Sale Agreement Amendment Approval – Mr. Cammarata presented his July 28, 2020 memorandum regarding a request from Zephyr Investors to extend the due diligence period under the Land Sale Agreement through July 31, 2021. This extension is intended to

accommodate the anticipated end of the next two NYS legislative sessions, during which Zephyr anticipates that legislation legalizing recreational marijuana will be approved. Zephyr proposes to pay a monthly exclusivity fee of \$1,000 per month for the duration of the extended due diligence period. Mr. Cammarata noted that the \$1,000 monthly exclusivity fee is a reduction from the \$2,000 monthly exclusivity fee that Zephyr is currently paying. The Real Estate Committee reviewed the terms of the proposed amendment at its July 21, 2020 meeting and recommended the amendment for approval by the Board of Directors. Mr. Eisenbeck made a motion to approve an amendment to the Land Sale Agreement between BUDC and Buffalo Lakeside Commerce Park-I, LLC and Zephyr Investors, LLC consistent with the terms set forth in the July 28th memorandum and to authorize the President to execute and deliver the amendment on behalf of BUDC and Buffalo Lakeside Commerce Park-I, LLC. The motion was seconded by Mr. Hersey and unanimously carried (13-0-0).

4.4 Waterfront/Ralph C. Wilson, Jr. Centennial Park Project Update – Ms. Merriweather presented an update regarding the Centennial Park project. Ms. Merriweather noted that project work has advanced despite COVID-19. Design work for the park and the pedestrian bridge are underway and BUDC staff is working through various funding agreements. Ms. Merriweather also reported on the resumption this month of quarterly waterfront project stakeholder coordination meetings.

4.5 BBRP/Race for Place Project Update – Ms. Merriweather presented an update regarding BBRP and the Race for Place initiative. She noted that BUDC and the Office of Strategic Planning continue to assist small businesses located downtown to rebound from COVID-19 impacts including the closing of targeted streets in order for restaurants to expand their outdoor dining areas. Ms. Merriweather also reported on the ongoing collaboration with M&T with respect to the downtown technology hub. BUDC has joined Invest Buffalo Niagara in a working group for the “Be in Buffalo” initiative. Mr. Kucharski commented on recent virtual events hosted by Invest Buffalo Niagara for the Be in Buffalo initiative, and he noted that interest in the region remains strong.

4.6 Northland Beltline Corridor Project Update – Mr. Cammarata presented a detailed update regarding Northland Beltline project funding as follows:

631 Northland: BUDC continues to compile data for a potential grant application to the U.S. Economic Development Administration (EDA) for building rehabilitation. Staff is also assembling information for a potential \$300,000 Brownfield Redevelopment Grant application to National Grid.

612 Northland: BUDC has submitted the final reimbursement request for Restore NY IV grant funds in the amount of \$384,069.49.

777 Northland: BUDC applied for a \$100,000 National Grid Brownfield Redevelopment Grant for the select demolition project at 77 Northland. The budget for the first phase of site clearance is approximately \$650,000 and will be primarily funded with Restore NY V funds with a local match.

541 E. Delavan: National Grid has approved the demolition/abatement work that was included in a 2019 Brownfield Redevelopment Grant award. A \$131,250 reimbursement check is expected shortly. The first reimbursement request for Restore NY V funds was submitted in May in the amount of \$853,396.08. BUDC staff is finalizing the second reimbursement request, which will total \$1,226,037.65.

683 Northland: This past May, BUDC received a \$287,447.37 reimbursement from Empire State Development related to the Northland Workforce Training Center equipment grant. BUDC is preparing documents required for the fourth installment of historic tax credits, which will total \$3.1

million. Ms. Profic is working with Freed Maxick to respond to the audit request from NYS regarding the Phase I (2018) brownfield tax credits.

Northland Solar/Microgrid Project: The potential \$2 million Buffalo Billion grant for this project is expected to be considered the ESD Board sometime this fall. Discussions with National Grid continue with respect to utilization of their economic development and infrastructure programs for the solar/microgrid project.

Mr. Hall then presented the general Northland Beltline update as follows:

Retech Systems: The landlord improvements for the Retech Systems space are complete, and the lease commenced as of July 1st. Retech has retained Gilbane Building Company to construct the tenant buildout, which will take place over the next six months. Base rent payments will begin on January 1, 2021.

Rodriguez Construction: The lease with Rodriguez Construction has been executed. The tenant is finalizing the design for its third floor space. Construction of tenant improvements is expected to commence on August 3rd and completed by October 31, 2020. Base rent will begin as of November 1, 2020.

683 Northland Phase 2: The Phase 2 construction project is complete. Temporary certificates of occupancy for all areas of the building that were included in Phase II have been issued. The commissioning of the mechanical equipment is complete and final reports are being drafted.

612 Northland: Albright Knox is finalizing its re-opening plans and is planning a “Chalk Walk” community engagement initiative with the neighborhood.

537 and 541 E. Delavan: The Planning Board approved the subdivision for 537 E. Delavan. Core and shell rehabilitation work continues at 541 E. Delavan, with 34 Group providing construction management services for the project. Apollo Steel is presently on site. All Phase 1C contractors have been placed on hold.

Northland Corridor Property Management: The Mancuso Group continues to coordinate all exterior and building maintenance contracts and related work. Responsibility for some equipment maintenance contracts has been transferred to Northland Workforce Training Center.

Property Exchanges. BUDC counsel continues to work on two property exchange transactions, one involving an exchange of properties with Plesh Industries and the other an exchange of properties with the City of Buffalo.

4.7 Buffalo Lakeside Commerce Park Project Update – Mr. Cammarata presented a brief update regarding Buffalo Lakeside Commerce Park. He noted that the due diligence period under the Land Sale Agreement with Uniland expires on August 31st, and that he expects Uniland to request an extension.

4.8 308 Crowley Project Update – Mr. Cammarata presented a brief update regarding 308 Crowley, noting that SHPO has expressed interest in entering into a memorandum of understanding with respect to the proposed partial demolition work.

5.0 Late Files – None.

6.0 Tabled Items – None.

7.0 Executive Session – None.

8.0 Adjournment – There being no further business to come before the Board, upon motion made by Mr. Hersey, seconded by Ms. Fishkin and unanimously carried, the July 28, 2020 meeting of the Board of Directors was adjourned at 1:07 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary