

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

Via Video Conference Call & Live Stream Audio

**July 21, 2020
12:00 p.m.**

Committee Members Present:

Janique S. Curry
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
Dennis M. Penman
Craig A. Slater, Chair
Maria R. Whyte

Committee Members Absent:

[none]

Officers Present:

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

Guests Present: Evan Y. Bussiere, Hurwitz & Fine, P.C.; Arthur Hall, BUDC; Thomas Mancuso, Mancuso Business Development Group; and Paul Tronolone, Empire State Development.

Roll Call: The meeting was called to order at 12:12 p.m. A quorum of the Committee was present. Ms. Whyte joined the meeting during the presentation of item 2(b). Mr. Mehaffy joined the meeting during the presentation of item 2(c).

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.

1.0 Approval of Minutes – Meeting of June 23, 2020 – The minutes of the June 23, 2020 Real Estate Committee meeting were presented. Mr. Kucharski made a motion to approve the meeting minutes. The motion was seconded by Ms. Minkel and unanimously carried (5-0-0).

2.0 Northland Beltline Corridor

(a) 777 Northland – Select Demolition Proposal Review – Mr. Cammarata reviewed a one-page summary of the three proposals that 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 category due to the condition of the buildings. Mr. Cammarata noted that 34 Group de-scoped all proposals. The work is to be funded by the Restore NY V grant with a 10% match from the Buffalo Brownfields Redevelopment Fund. Mr. Penman suggested that the Board item include the names of the three companies that submitted proposals. Mr. Penman made a motion to recommend that the Board of Directors approve a contract with Empire Dismantlement for select demolition at 777 Northland in an amount not to exceed \$400,000 and to authorize the use of the Buffalo Brownfields Redevelopment Fund for the 10% match. The motion was seconded by Ms. Curry and unanimously carried (5-0-0).

- (b) **Northland Corridor – Draft Amended & Restated Leasing Policy** – Mr. Cammarata presented the proposed Amended and Restated Leasing Policy for Northland Corridor Properties. Due in part to recent tenant inquiries relating to COVID-19 impacts, staff is recommending that the policy be amended to include a procedure for lease modification requests. Mr. Zanner reviewed with the Committee the specific proposed changes to the policy. The Committee discussed including a threshold for requiring Board approval of lease modifications. Ms. Minkel suggested setting the threshold as any change that would result in a rent reduction of \$25,000 or more. The Committee also suggested including a requirement that all lease modifications be reported to the Real Estate Committee and the Board of Directors. Ms. Minkel made a motion to recommend that the Board of Directors approve the Amended and Restated Leasing Policy with the modifications as discussed by the Committee. The motion was seconded by Mr. Kucharski and unanimously carried (6-0-0).
- (c) **Northland Corridor – Beltline BOA, LISC Grant & Misc. Updates** – Mr. Hall presented an update on several Northland Corridor matters. He noted that BUDC has submitted the BOA document to the NYS Department of State and it is now under review. One final public meeting for the BOA will be held via videoconference. He noted the LISC grant is winding down. He reported on a potential EDA grant application for the redevelopment of 631 Northland and application for National Grid grant funding for 777 Northland. A virtual meeting for the Northland Corridor business networking series will be scheduled for August 13.
- (d) **Northland Corridor – Community Solar & Microgrid Update** – Ms. Gandour updated the Committee regarding the campus energy microgrid and community solar project for the Northland Corridor. BUDC and the Frey Electric team continue to coordinate, and a project team meeting was held last week. She noted that BUDC is exploring opportunities for grant funding through NYSERDA for the project. Ms. Gandour also reiterated that initial funding for the project is subject to approval by the ESD Board, which is expected to consider the funding request sometime this fall.
- (e) **Northland Corridor – Reddy Bikeshare** – Mr. Cammarata reported on the expansion of the Reddy Bikeshare program to the East Side. The first bike station will be installed at Northland, and an official announcement and press event will take place on August 4th.
- (f) **Northland Central – SHPO Part 3 Certification / NPS Review** – Mr. Cammarata reviewed with the Committee the July 2, 2020 letter from SHPO confirming that SHPO has completed its review of the Part 3 submission and forwarded the submission to the National Park Service (NPS) with a positive recommendation. NPS is expected to issue its decision within 45 days.
- (g) **Northland Central – Phase 2 Construction Updates** – Mr. Cammarata informed the Committee that the Phase 2 construction work has been completed. Gilbane relocated its field

office to the Albright-Knox Art Gallery on Elmwood Avenue. He noted that Gilbane will continue to have some presence at Northland as it is assisting Retch with the construction of tenant improvements to the space.

- (h) **Northland Central – Retch Construction Update** – Mr. Cammarata stated that the landlord buildout work is complete and the 200 ton crane has been certified. The tenant space was turned over to Retch as of July 1st. Rent payments will commence as of January 1, 2021.
- (i) **Northland Central – Rodriguez Construction Update** – Mr. Cammarata reported that the tenant space has been turned over to Rodriguez Construction. The tenant will commence work on its improvements once plans are presented and approved by BUDC staff. He noted that SHPO requirements apply to the tenant build-out, and the build-out is expected to be complete by October 31, 2020.
- (j) **Northland Central – COVID-19 Related Tenant Discussions** – Mr. Cammarata and Mr. Mancuso reported on ongoing discussions with several tenants relating to the ongoing financial impact of the COVID-19 pandemic on their businesses. Mr. Mancuso noted that plans have been shared regarding mask protocols, and temperatures will be taken upon entrance to the facility going forward. A recent meeting with all of the tenants was productive, and quarterly tenant meetings are planned going forward.
- (k) **537 E. Delavan – Subdivision Update** – Mr. Bussiere reported that BUDC's subdivision proposal for 537 East Delavan was approved by the Planning Board. Mr. Cammarata noted that BUDC staff will consider next steps for the site, which may include deeding out parcels to different BUDC affiliates.
- (l) **541 E. Delavan – Construction & Budget Update** – Mr. Cammarata reported that limited construction work continues at 541 East Delavan, with Apollo Steel installing reinforcing steel at the site. All other Phase 1(C) construction work remains on hold as BUDC works through Restore NY grant reimbursement timing issues.
- (m) **Plesh Gate & Land Exchange** – Mr. Bussiere informed the Committee that the parties are working on title matters for the respective parcels to be exchanged.
- (n) **NorDel II/COB Land Exchange Update** – Mr. Bussiere provided an update regarding the land exchange transaction. New surveys have been received and provided to City of Buffalo legal counsel and a new point person has been established at the City.

3.0 **Buffalo Lakeside Commerce Park**

- (a) **193 Ship Canal Parkway – LaBella Supplemental Investigation Proposal** – Mr. Cammarata presented a brief update on the execution of the contract with LaBella Associates for further environmental sampling and testing at the 193 Ship Canal Parkway site.
- (b) **193 Ship Canal Parkway – Prospect Update** – Mr. Cammarata reported that a term sheet for the sale of this parcel has been circulated to a new prospect. A further update is expected by the next meeting of the Committee.
- (c) **Parcel 3 –Arcadis FER/SMP Certification Project Update** – Mr. Cammarata reported that Arcadis has nearly completed its work on the final engineering report and soil management

plan. The report is expected to be completed and submitted to the NYSDEC for comment by the end of July.

(d) **BLCP – Uniland Development Co. Land Sale Agreement Update** – Mr. Cammarata noted that the due diligence period under the land sale agreement is set to expire on August 31, 2020 and that he anticipates a further extension will be requested.

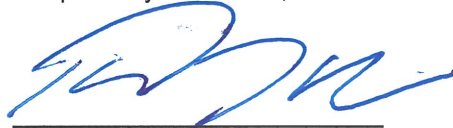
(e) **BLCP – Zephyr Investors, LLC Land Sale Agreement Update** – Mr. Cammarata reported on a request from Zephyr Investors to extend the due diligence period to July 31, 2021 and reduce the monthly exclusivity fee from \$2,000 per month to the initial amount of \$1,000 per month. The Committee discussed the request at length. At the conclusion of the discussion, Ms. Curry made a motion to recommend that the Board of Directors approve an amendment to the Land Sale Agreement between BUDC and Buffalo Lakeside Commerce Park-I, LLC and Zephyr Investors, LLC to extend the due diligence period to July 31, 2021 and reduce the monthly exclusivity fee from \$2,000 per month to \$1,000 per month. The motion was seconded by Mr. Penman and unanimously carried (7-0-0).

(f) **BLCP – Parcel 5 NYSDEC Determination Letter** – Mr. Cammarata informed the Committee that the NYSDEC has determined that the Parcel 5 site, consisting of approximately thirty acres located north of the Parcel 4 site, will not be included on the NYSDEC list of inactive hazardous waste sites.

4.0 308 Crowley Update – Mr. Cammarata updated the Committee regarding the 308 Crowley site, including ongoing discussions between the City and SHPO with respect to the select demolition of the main plant building. It appears that SHPO is now more amenable to the proposed select demolition work proposal. The goal is for the demolition work to begin before the end of 2020.

5.0 Adjournment – There being no further business to come before the Committee, upon motion made by Mr. Kucharski, seconded by Ms. Curry and unanimously carried, the July 21, 2020 meeting of the Real Estate Committee was adjourned at 1:10 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary