

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Real Estate Committee Meeting Tuesday, January 21, 2020, Noon 95 Perry Street, 4th Floor Vista Room

Agenda

- 1) Approval of Minutes – Meeting of 12/10/19 (*Action*) (*Enclosure*)
- 2) Northland Beltline Corridor Projects
 - a) 683 Northland Phase 2.1 – NWTC Equipment Purchases (*Recommend*) (*Handout*)
 - b) 683 Northland Phase 3 – Gilbane C.O. - Tenant Improvements (*Recommend*) (*Handout*)
 - c) Northland Central – Tenant Prospects (*Information*)
 - d) Northland Central – SparkCharge & Manna Update (*Information*)
 - e) 612 Northland – AKAG Lease / Occupancy Update (*Information*)
 - f) 612 Northland – Construction / Buffalo Sewer Authority Update (*Information*) (*Handout*)
 - g) 612 Northland – Tenant Update (*Information*)
 - h) 631 Northland – Rehabilitation Project Financing RFP Update (*Information*)
 - i) 541 East Delavan – Phase 1 Project & Subdivision Update (*Information*) (*Handout*)
 - j) 714 Northland – Lease Agreement First Amendment (*Information*)
 - k) Northland Corridor – Community Solar & Microgrid RFP Update (*Information*)
 - l) Northland Corridor – BOA & UMA Gathering Update (*Information*) (*Handout*)
 - m) Northland Corridor – Miscellaneous Updates (*Information*)
 - n) Plesh / BUDC Land Exchange (*Information*)
 - o) COB / BUDC (NorDel II) Land Exchange Update (*Information*)
- 3)
 - a) BLCP – Uniland Development Co. Land Sale Agreement Update (*Information*) (*Handout*)
 - b) BLCP – Thinking Robot Studios Inc. Land Sale Agreement Update (*Information*)
 - c) BLCP – Zephyr Investors, LLC Land Sale Agreement Update (*Information*)
 - d) BLCP – Parcel 4 Easement Update (*Information*)
- 4) 308 Crowley Project Update (*Information*) (*Handout*)
- 5) WNY Industrial Real Estate Development Strategy Update (*Information*)
- 6) NYS Preservation Conference (*Information*)
- 7) Other City of Buffalo Brownfield Opportunities (*Information*)
- 8) Adjournment (*Action*)

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

**95 Perry Street
Buffalo, New York
December 10, 2019
12:00 p.m.**

Committee Members Present:

Janique S. Curry
Thomas A. Kucharski
Kimberley A. Minkel
Craig A. Slater, Chair
Maria R. Whyte

Committee Members Absent:

Brendan R. Mehaffy
Dennis M. Penman

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Guests Present: Evan Y. Bussiere, Hurwitz & Fine, P.C.; John Cleary, Gilbane Building Company; David Dittmar, 34 Group, Inc.; Ellen Grant, Deputy Mayor, City of Buffalo; Arthur Hall, BUDC; Thomas Mancuso, Mancuso Business Development Group.

Roll Call: The meeting was called to order at 12:05 p.m. A quorum of the Committee was not present. Information items 2(a) and 2(b) were presented first. Mr. Kucharski joined the meeting during the presentation of item 2(b), at which time a quorum of the Committee was present. Ms. Curry joined the meeting during the presentation of item 2(c).

1.0 Approval of Minutes – Meeting of November 19, 2019 – The minutes of the November 19, 2019 Real Estate Committee meeting were presented. Ms. Whyte made a motion to approve the meeting minutes. The motion was seconded by Ms. Minkel and unanimously carried.

2.0 Northland Beltline Corridor Projects

(a) 683 Northland Phase 2.1 – Final NWTC Equipment Purchases – Mr. Stebbins circulated his December 10, 2019 memorandum regarding the final senior lab equipment purchases for the NWTC. The remaining equipment to be purchased is for photovoltaic and wind labs at an estimated cost of \$100,000. BUDC staff will submit a recommendation for those purchases at the January 21, 2020 meeting of the Real Estate Committee. Mr. Stebbins indicated that BUDC will seek authorization from ESD to allocate up to \$500,000 from the six million dollar ESD equipment grant for additional core and shell construction work at 683 Northland.

- (b) **683 Northland Phase 3 – Gilbane Change Order – Tenant Improvements** – Mr. Stebbins circulated a December 9, 2019 letter from Gilbane regarding construction work require to prepare the 1981 building for tenancy. The work includes floor restoration, pit filling and additional electrical work. Mr. Stebbins noted that the \$500,000 of ESD funds mentioned referred during the presentation of item 2(a) would be used for this work, pending ESD approval. He noted that Gilbane plans on scaling down staff at 683 Northland between January and March as Phase 2 of the project is completed.
- (c) **Plesh Gate & Land Exchange** – Mr. Cammarata circulated a draft memorandum regarding the proposed land exchange between NorDel II, LLC and Plesh Contract Packaging, Inc. for properties adjacent to 683 Northland. He noted that the land exchange between the two parties is a 1-to-1 acreage exchange and that as a result of the exchange 683 Northland will gain an area that will be developed into approximately 30 additional parking spaces. He stated that these parking spaces will likely be used by the tenant of the 1981 building. Mr. Bussiere noted that appraisals were conducted for the respective parcels and the appraised values for the parcels differed by only \$6,000. He also noted that a land exchange agreement, as well as an agreement regarding the preservation of the historic gate that spans the old Chelsea Place driveway and installation of a replacement gate, have been drafted and are under review by Plesh's counsel. A new easement agreement will be entered into in connection with the land exchange that will allow both parties ingress and egress to and from the Chelsea Place area. Mr. Cammarata requested that the Committee make a recommendation to the Board to approve the exchange of the NorDel parcels for the Plesh parcels and to determine that there is no reasonable alternative to the proposed transaction that would accomplish the same purpose as the exchange. Ms. Minkel made a motion to recommend that the Board of Directors approve the land exchange and determination. The motion was seconded by Ms. Whyte and unanimously carried.
- (d) **Northland Central – Tenant Prospects** – Mr. Cammarata reported on a potential new tenant for 683 Northland. Mr. Kucharski made a motion for the Committee to enter into executive session to discuss the proposed terms of the lease on the basis that public discussion of the transaction would substantially affect the value of the property. The motion was seconded by Ms. Whyte and unanimously carried. At the conclusion of executive session, Mr. Kucharski made a motion to exit executive session. The motion was seconded by Ms. Minkel and unanimously carried. Ms. Curry then made a motion to recommend that the Board of Directors approve a lease at 683 Northland with the prospective tenant. The motion was seconded by Mr. Kucharski and unanimously carried.
- (e) **Northland Central – Manna Culinary Group Update** – Mr. Cammarata updated the Committee regarding the Manna Culinary Group tenancy. The restaurant is doing very well, and is attracting customers from the surrounding community and the building tenants. The catering business has been busy as well. Mr. Cammarata noted that Manna plans to expand operating hours after January 1st and may begin serving Sunday brunch.
- (f) **Northland Central – SparkCharge Update** – Mr. Cammarata provided an update regarding the SparkCharge tenancy. Frey Electric has started electrical work in the space. The HVAC unit is on order, with installation expected before February. The space is expected to be completed and turned over to the tenant by the end of February.
- (g) **612 Northland – Construction, Contracting & Change Order Update** – Mr. Cammarata circulated a handout regarding construction costs to date and a list of contractors for the work at 612 Northland. The interior and exterior work for the Albright-Knox Art Gallery (AKAG) space has been completed and 612 Northland has been turned over to AKAG. Lease

payments will commence on January 1, 2020. Mr. Cammarata noted that the project is 95% complete to date and that only the sprinkler system tie-in to the security system remains. He also noted that approximately two million dollars has been expended on the 612 Northland rehabilitation project to date and that 58% of the work has been performed by certified MBE firms or those seeking certification.

- (h) **612 Northland – AKAG Occupancy Update** – This update was presented as part of item 2(g).
- (i) **631 Northland – Rehabilitation Project Financing RFP** – Mr. Stebbins circulated his December 10, 2019 memorandum regarding the schedule for the Request For Proposals (RFP) for tax credit services in support of the redevelopment of 631 Northland. He noted that the RFP will be released on January 6, 2020 and that a pre-submission information meeting will be scheduled as part of the process. He reiterated that 631 Northland is eligible for tax credit programs, including federal and state historic tax credits, new markets tax credits and brownfield tax credits. The consultant that is selected through the RFP process will aid in the application, structuring and syndication of the tax credits. He also noted that the project may be eligible for Property Assessed Clean Energy (PACE) financing. A recommendation is expected to be presented at the February meeting of the Committee.
- (j) **Northland Corridor – Community Solar & Microgrid RFP** – Mr. Stebbins circulated his December 10, 2019 memorandum regarding the RFP for the design and implementation of a campus energy microgrid and community solar project for the Northland corridor. Mr. Stebbins reminded the Committee that the project budget is approximately \$2.5M, with a significant portion of the funding to be provided through a New York State grant. He also noted that NYSERDA grant funding may be available for the project. Responses to the RFP will be in mid-January.
- (k) **Northland Corridor – Brownfield Opportunity Area Update** – Mr. Hall reviewed with the Committee a handout regarding area designation guidance for the proposed Brownfield Opportunity Area (BOA). As a result of the feedback received from the second stakeholders' meeting, the BOA map area has been expanded to include areas identified as additional, key strategic sites, including the Milk-Bone factory and the rails-to-trails area.
- (l) **Northland Corridor – Miscellaneous Updates** – Mr. Cammarata and Mr. Hall reported on several Northland corridor matters. Mr. Cammarata noted that a public unveiling of the sculptures that been installed at Fillmore and Northland will be scheduled soon. Mr. Hall provided an update regarding the installation of lighting pole banners, noting that the banner design is under review from the City of Buffalo. He also reported that May 27-29 are the tentative dates for the Urban Manufacturing Alliance conference to be held at the NWTC. The estimated cost for hosting the conference is \$50,000, and fundraising efforts are underway.
- (m) **NorDel II BUDC/COB/BURA Land Exchange Update** – Mr. Zanner provided an update regarding the land exchange transaction. He stated that he has been in contact with City of Buffalo counsel and that a land exchange agreement will be circulated to City of Buffalo counsel within the next several days.

3.0 **Buffalo Lakeside Commerce Park**

- (a) **BLCP – Zephyr Investors, LLC Land Sale Agreement Update** – Mr. Zanner reported on the extension of the due diligence period and the monthly release to BUDC from escrow of the \$2000.00 non-refundable exclusivity fee.

- (b) **BLCP – Thinking Robot Studios Inc. Land Sale Agreement Update** – Mr. Zanner reported that the Land Sale Agreement has been finalized and circulated to TRS counsel for TRS signature. Mr. Cammarata noted that TRS has expressed renewed interest in temporary office space on the third floor of the NWTC. He noted that if TRS leases the third-floor area, a tenant funded buildout would be required to finish the bathrooms, HVAC and lighting installing and flooring needs. Mr. Cammarata stated that tenant improvements will be necessary since BUDC has no additional funds to contribute to the buildout.
- (c) **BLCP – Uniland Development Co. Land Sale Agreement Update** – There was no update on this item.
- (d) **BLCP – Parcel 4 Easement Update** – Mr. Bussiere reported that the environmental easement package was submitted to NYSDEC and is under review by NYSDEC counsel.
- 4.0 **308 Crowley Update** – Mr. Bussiere updated the Committee regarding the sale of the 71 Isabelle Street property to Enterprise Box Company. He circulated a summary of the current status of the transaction and noted that the purchaser's due diligence period is set to expire on January 4, 2020. Closing is expected during the first quarter of 2020.
- 5.0 **WNY Industrial Real Estate Development Strategy Update** – Mr. Cammarata reported that BUDC staff is coordinating with the Office of Strategic Planning and Invest Buffalo Niagara (InBN) to generate a list of properties in the region that are conducive for potential development. Mr. Kucharski commented that representatives from eight counties were named to an InBN taskforce and 48 priority sites have been identified throughout the region.
- 6.0 **Other City of Buffalo Brownfield Opportunities** – Mr. Cammarata circulated a map and discussed the potential acquisition of a large former industrial property near Bailey Avenue that is being marketed by CBRE. He noted that the current asking price is too high, but that BUDC may decide to submit a non-binding offer.
- 7.0 **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 December 10, 2019 meeting of the Real Estate Committee was adjourned at 1:30 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary