

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Real Estate Committee Meeting Tuesday, September 22, 2020, Noon Via Video Conference Call & Live Stream Audio

Agenda

- 1) Approval of Minutes – Meeting of August 18, 2020 (*Action*) (*Enclosure*)
- 2) Northland Beltline Corridor
 - a) Northland Corridor – Amended & Restated Leasing Policy (*Information*) (*Enclosure*)
 - b) Northland Corridor – Lease Modification (*Action*) (*Under Separate Cover*)
 - c) Northland Corridor – Snow Removal Proposals (*Recommendation*) (*Enclosure*)
 - d) Northland Corridor - Beltline BOA, LISC Grant, and Misc. Updates (*Information*)
 - e) Northland Corridor – Community Solar & Microgrid Project Update (*Information*)
 - f) Northland Central – Reteck Construction Update (*Information*)
 - g) Northland Central – Rodriguez Construction Update (*Information*)
 - h) Northland Central – Parking Update (*Information*)
 - i) 537 E. Delavan – Subdivision Update (*Information*)
 - j) 541 E. Delavan – Construction Update (*Information*)
 - k) 612 Northland – Re-opening & Exhibit Update (*Information*)
 - l) Plesh / BUDC Land Exchange Update (*Information*)
 - m) COB / BUDC (NorDel II) Land Exchange Update (*Information*)
- 3) Buffalo Lakeside Commerce Park
 - a) 193 Ship Canal Parkway Prospect Update (*Information*)
 - b) 193 Ship Canal Parkway – LaBella Supplemental Investigation Update (*Information*)
 - c) Parcel 3 – Arcadis FER/SMP Certification Project Update (*Information*)
 - d) Uniland Land Sale Agreement – Due Diligence Extension (*Information*)
 - e) Zephyr Investors, LLC Land Sale Agreement Update (*Information*)
 - f) Canal Wall Lighting Repairs (*Information*).
- 4) 308 Crowley Project Update (*Information*)
- 5) Adjournment (*Action*)

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

Via Video Conference Call & Live Stream Audio

**August 18, 2020
12:00 p.m.**

Committee Members Present:

Janique S. Curry
Kimberley A. Minkel
Dennis M. Penman
Craig A. Slater, Chair

Committee Members Absent:

Thomas A. Kucharski
Brendan R. Mehaffy
Maria R. Whyte

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: Arthur Hall, BUDC; Thomas Mancuso, Mancuso Business Development Group; and Paul Tronolone, Empire State Development.

Roll Call: The meeting was called to order at 12:05 p.m. A quorum of the Committee was present.

The meeting was held via video/telephone conference in accordance with the provisions of Executive Order 202.15, 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 July 21, 2020 – The minutes of the July 21, 2020 Real Estate Committee meeting were presented. Ms. Curry made a motion to approve the meeting minutes. The motion was seconded by Mr. Penman and unanimously carried (4-0-0).

2.0 Northland Beltline Corridor

- (a) **Northland Corridor – Draft Amended & Restated Leasing Policy** – Mr. Cammarata presented the revised Amended and Restated Leasing Policy for Northland Corridor Properties. He noted that the policy was presented to the BUDC Board of Directors at the July meeting and tabled for further review by the Committee. Mr. Zanner reviewed with the Committee the specific proposed changes to the policy, including a requirement that all lease modifications be presented to the Real Estate Committee before implementation, irrespective

of whether the modification relates to a rent reduction request. After a brief discussion regarding the policy revisions, Ms. Minkel made a motion to recommend that the Board of Directors approve the revised Amended and Restated Leasing Policy in the form presented to the Committee. The motion was seconded by Mr. Penman and unanimously carried (4-0-0).

- (b) **Northland Corridor – Beltline BOA, LISC Grant & Misc. Updates** – Mr. Hall presented the Northland Corridor update. He reported on the August 13th virtual meeting of the Northland Corridor business networking series, which was attended by sixty-eight participants, including representatives of twenty-eight businesses. He thanked Ms. Curry for facilitating one of the breakout sessions during the meeting. Mr. Hall noted that the meeting was one of the final conditions for the completion of the LISC grant. He then reported that the NYS Department of State has issued its comments regarding the BOA and that BUDC is working on a response. He also informed the Committee that BUDC is working on a final submission to ESD in connection with the Restore NY IV grant. He also stated that BUDC is working with 683 Northland tenants to assemble information needed to comply with ECIDA and New Markets tax credit reporting requirements. Mr. Cammarata noted that Mancuso Development is soliciting contractors for snow removal services for the Northland corridor.
- (c) **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 Frey Electric are finalizing the preliminary agreement for the project. The project is contingent upon receipt of ESD funding.
- (d) **Northland Corridor – Business First 2020 Brick by Brick Finalists** – Mr. Cammarata informed the Committee that two of the three final nominees for the award are BUDC projects--612 Northland and Northland Central Phase 2. He also stated that 683 Northland is in line to receive a national award as the top QLICI project for the New Markets tax credit aspect of the project.
- (e) **541 E. Delavan – 34 Group CM Services Contract Extension** – Mr. Cammarata presented the August 8, 2020 proposal from 34 Group to extend its contract for construction management services at 541 E. Delavan. He reviewed with the Committee the term of the agreement, noting that the most recent extension ended as of June 30, 2020. This proposed contract amendment will extend the term from July 1, 2020 through the end of 2021. The August 8th proposal shows a full budgeted cost for the six-month extension period of \$144,128. However, due to cost savings resulting from the COVID-19 shutdown, additional out-of-pocket funding is limited to \$55,217.75. Mr. Cammarata noted that the cost of this work is eligible for reimbursement from the Restore NY V grant. The Committee discussed the proposed amendment. In response to a question from Ms. Curry, Mr. Cammarata stated that there is a signed grant disbursement agreement in place between the City of Buffalo and ESD to fund the project. At the conclusion of the discussion, Mr. Penman made a motion to recommend that the Board of Directors to extend the construction management agreement with 34 Group through December 31, 2020 at a not-to-exceed cost of \$55,217.75. The motion was seconded by Ms. Curry and unanimously carried (4-0-0).
- (f) **Northland Central – SHPO Part 3 Certification / NPS Review** – Mr. Cammarata stated that the project has received the Part 3 certification from SHPO. He noted that is a significant milestone for the project.
- (g) **Northland Central – Retech Construction Update** – Mr. Cammarata reported that the fourth floor office space work is complete, and Retech is expected to start moving into the office

space after Labor Day. BUDC is reviewing Retch's plans for the operations space, which are subject to City approval.

- (h) **Northland Central – Rodriguez Construction Update** – Mr. Cammarata reported that he and Tom Mancuso are reviewing the initial plans that Rodriguez Construction submitted to BUDC for the build-out of the tenant space at 683 Northland. Work on the tenant space is expected to begin after Labor Day.
- (i) **537 E. Delavan – Subdivision Update** – Mr. Cammarata presented a brief report on the completion of the subdivision process.
- (j) **Plesh Gate & Land Exchange** – Mr. Zanner presented a brief report on the Plesh land exchange transaction.
- (k) **NorDel II/COB Land Exchange Update** – Mr. Zanner presented a brief report on the City of Buffalo/NorDel II, LLC land exchange transaction.

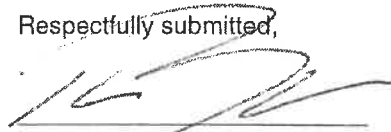
3.0 **Buffalo Lakeside Commerce Park**

- (a) **BLCP – Uniland Development Co. Land Sale Agreement Update** – Mr. Cammarata noted that the due diligence period under the Land Sale Agreement with Uniland is set to expire on August 31, 2020. He reviewed with the Committee the August 14th letter from Uniland requesting a further extension of the due diligence period through December 31, 2020. Mr. Penman made a motion to recommend that the Board of Directors approve the amendment to the Land Sale Agreement to extend the due diligence period to December 31, 2020. The motion was seconded by Ms. Curry and unanimously carried (4-0-0).
- (b) **193 Ship Canal Parkway – Prospect Update** – Ms. Curry made a motion for the Committee to enter into executive session to discuss the proposed sale of 193 Ship Canal Parkway on the basis that public discussion of the transaction would substantially affect the value of the property. The motion was seconded by Ms. Minkel and unanimously carried (4-0-0). At the conclusion of executive session, Mr. Penman made a motion to exit executive session. The motion was seconded by Ms. Curry and unanimously carried (4-0-0). No votes were taken during executive session.
- (c) **193 Ship Canal Parkway – LaBella Supplemental Investigation Proposal** – Mr. Cammarata reported that this work has been placed on hold pending further discussions with the prospect that is interested in acquiring the property.
- (d) **Parcel 3 –Arcadis FER/SMP Certification Project Update** – Mr. Cammarata reported that Arcadis completed the final engineering report and soil management plan and submitted it to NYSDEC. NYSDEC has completed its review and forwarded the document to the NYS Department of Health for further review and comment.
- (e) **BLCP – Zephyr Investors, LLC Land Sale Agreement Update** – Mr. Cammarata reported that the Sixth Amendment to the Land Sale Agreement was executed by BUDC and Zephyr Investors to extend the due diligence period to July 31, 2021.
- (f) **NYS DOT Eminent Domain Notice** – Mr. Cammarata informed the Committee that BUDC received an eminent domain notification from NYS DOT regarding a possible Skyway removal project.

4.0 308 Crowley Update – Mr. Cammarata reported that a Zoom meeting will take place regarding the demolition issue. The goal of the meeting is to develop terms for a memorandum of understanding with SHPO regarding the site. Bid documents may be issued for the project before the end of 2020.

5.0 Adjournment – There being no further business to come before the Committee, upon motion made by Ms. Curry, seconded by Ms. Minkel and unanimously carried, the August 18, 2020 meeting of the Real Estate Committee was adjourned at 12:50 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary

BUFFALO URBAN DEVELOPMENT CORPORATION

**AMENDED AND RESTATED LEASING POLICY
FOR NORTHLAND CORRIDOR PROPERTIES**

A. Purpose.

This leasing policy (the "Leasing Policy") sets forth the requirements and procedures for the leasing of buildings located in the Northland Corridor Project area that are owned by Buffalo Urban Development Corporation or any of its subsidiary or affiliated companies (hereinafter "BUDC").

B. Leasing Requirements.

1. Written Appraisal.

BUDC shall engage a licensed appraiser to prepare a written fair market rent study ("FMR Study") for the buildings located at 631, 683 and 741 Northland Avenue and 537 East Delavan Avenue and 714 Northland Avenue (the "Northland Properties") prior to entering into any lease arrangement. The FMR Study shall be updated from time to time to account for changing market conditions as determined by BUDC.

2. Marketing.

BUDC, through its property manager/rental agent, shall publicly advertise and market the Northland Properties to prospective tenants at rental rates that are consistent with their appraised fair market rent value as set forth in the FMR Study (the "Appraised Rent Value").

3. Tenant Use.

BUDC shall not lease any of the Northland Properties for a use that is inconsistent with the overall redevelopment plan of the Northland Corridor or not reflective of the surrounding community, or for any purpose that is inconsistent with BUDC's corporate purpose, mission or the law under which BUDC is incorporated.

4. Negotiation of Lease Transactions.

All leases of Northland Properties shall be made through negotiation, upon terms and conditions acceptable to BUDC and authorized in compliance with the terms of this Leasing Policy. Without limiting the generality of the preceding sentence, the specific lease terms to be negotiated will be reflective of the particular location (i.e., building, building space or property) to be leased, and may include provisions for tenant improvements, triple net lease obligations and such other commercial lease terms and conditions as BUDC deems appropriate.

C. Procedure for Lease Approvals.

1. Short Term Leases.

The President of BUDC shall have the authority to negotiate and execute all leases that are for a term of one (1) to twelve (12) months with annual rent of no more than Fifteen Thousand Dollars (\$15,000), provided that the rent to be received under the lease is not less than the Appraised Rent Value of the property. The President shall report the terms of any lease entered into in accordance with this paragraph at the respective meetings of the Real Estate Committee and Board of Directors that immediately follow the date of execution of the lease.

2. Mid-Term/Mid-Size Leases.

The BUDC Real Estate Committee shall have the authority to authorize the negotiation and execution by the President of the following categories of leases:

(a) Leases that are for a term of one (1) to twelve (12) months with annual rent of more than Fifteen Thousand Dollars (\$15,000) but less than Twenty Five Thousand Dollars (\$25,000), provided that the rent to be received under the lease is not less than the Appraised Rent Value of the property; and

(b) Leases that are for a term of more than twelve (12) months up to thirty-six (36) months with annual rent of Twenty Five Thousand Dollars (\$25,000) or less, provided that the rent to be received under the lease is not less than the Appraised Rent Value of the property.

(c) All leases executed in accordance with paragraph 2(a) or 2(b) this section shall be reported at the next meeting of the BUDC Board of Directors that follows the date of execution of the lease.

3. Leases Requiring Board Approval.

The approval of the BUDC Board of Directors of a Northland Properties lease arrangement shall be required under the following circumstances:

(a) Any lease in which the rent to be received by BUDC is less than the Appraised Rent Value of the property.

(b) Any lease for a term that exceeds thirty-six (36) months.

(c) Any lease in which the annual rent is in excess of Twenty Five Thousand Dollars (\$25,000).

D. Other Requirements.

1. Leases for Less than Appraised Rent Value.

The procedures for Board review and approval that are set forth in Article III(B)(5) of the BUDC Property Disposition Guidelines shall apply to any proposed lease in which the rent to be received by BUDC is less than the Appraised Rent Value of the property. For purposes of determining whether the rent to be received by BUDC under a particular lease arrangement is less than the appraised fair market rent, any costs that the tenant will be responsible for under the terms of the lease, including base rent, items of additional rent (utilities, CAM charges, insurance, etc.) and any tenant improvements to be paid for or financed by the tenant may be factored into such determination at BUDC's discretion.

2. Written Statements.

Written statements shall be prepared and submitted as required under Article III(B)(4) of the BUDC Property Disposition Guidelines for any lease in which the annual base rent over the term of the lease exceeds Fifteen Thousand Dollars (\$15,000).

E. Lease Modifications.

The President of BUDC shall present each proposed modification of an existing lease to the Real Estate Committee for Committee review and comment. Following such review and consistent with such Committee input, the President shall have the authority to negotiate and execute the lease modification, provided however, that the affirmative vote of a majority of the BUDC Real Estate Committee shall be required for any proposed modification to (i) reduce the amount of rent payable by a tenant over the term of the lease by an amount up to \$25,000; or (ii) reduce or extend the term of any lease.

In addition, the approval of the BUDC Board of Directors shall be required for any lease modification that would result in (i) a reduction of \$25,000 or more in the amount of rent payable by a tenant over the term of the lease, or (ii) a reduction of twenty percent (20%) or more in the amount of rent payable by a tenant over the term of the lease. The President shall report on any modifications entered into in accordance with this paragraph at the respective meetings of the Real Estate Committee and Board of Directors that immediately follow the date of the modification.

F. Effective Date; Amendments.

This Amended and Restated Leasing Policy shall be effective as of the date that the Board of Directors approves the policy by affirmative vote of a majority of the Board, and may be amended upon the affirmative vote of a majority of the Board.

Adopted: December 15, 2015
Amended and Restated: August 25, 2020



To: Prospective Snowplow Contractors
 From: Tom Mancuso
 Date: August 18, 2020
 RE: Snowplowing at Northland Corridor

Thank you for your interest in providing property services for the Northland Corridor Project.

If you would like to be considered for this year's exterior maintenance, please submit your qualifications with a proposal by noon on Friday, August 28, 2020 to our Batavia, NY office. In order to better compare the submittals, we are providing the following information and format for your proposals.

Insurance

Please be aware that the successful contractor will be required to sign a subcontractor agreement that includes the following insurance requirements:

Comprehensive General Liability, including completed operations, contractor's protective liability, broad form contractual liability and indemnity
 \$1,000,000 bodily injury and property damage, per occurrence
 \$2,000,000 aggregate

Personal Injury (with the employment exclusion and contractual exclusion deleted)
 \$1,000,000 Occurrence and Aggregate

Auto Liability (including non-owned and hired vehicles)
 \$1,000,000 for each incident

Statutory Workers' Compensation, Employer's Liability and Disability Benefits
 Unlimited

Any other special insurance and indemnification as required by Mancuso Management or BUDC against loss or damage throughout the period of the work performed

Format

Please use the attached form to present your pricing for a one (1) year contract and a three (3) year contract in a comparative manner.

We appreciate your cooperation and look forward to making this selection soon.

Please contact me with any questions.

56 Harvester Avenue, Batavia, NY 14020 • (585)-343-2800 • Fax (585)-343-7096
 www.mancusogroup.com

2020 NORTHLAND CORRIDOR SNOW REMOVAL PROPOSALS
8/31/20

	MBE/WBE
Landscape Associates of WNY (R. Miller)	X
HLM Services (Horace Miller)	X
Aaron's Landscaping (Nevins)	X
Rosecroft Services (Mike Jones)	X
<i>Invited, did not submit:</i>	
<i>R W Gaskin</i>	X
<i>Greenview Team (Rudnick)</i>	
<i>Citizens Alliance</i>	X
<i>Rodriquez Const. Group</i>	X
<i>Outsource Center (Spencer Gaskin)</i>	X
<i>Hall Services (Hall)</i>	
<i>McMillan Landscaping (Ryan McMillan)</i>	

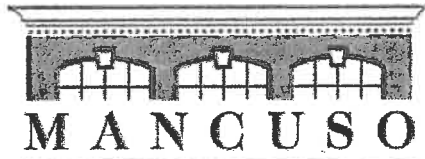


To: Peter Cammarata
From: Tom Mancuso
Date: September 9, 2020
RE: Northland Snow Removal Services

This year's RFP was shared with the 11 contractors (8 are MBE or WBE) shown on the attached page. Based on the 4 responses, it is recommended that we select Landscape Associates of WNY (WBE) for a 3-year engagement.

Their proposed cost is the lowest in every year and represents a saving of \$5,000 compared to the prior season.

In addition to this saving, they have delivered outstanding service as Northland's lawn and landscape service provider for the past 2 years.



Business Development Group

**Northland Corridor Project
Snowplow Services Proposal
August 18, 2020**

Service costs for all areas identified in site map dated August 18, 2020 (Exhibit A)

The contractor selected will be expected to keep the designated exterior areas neat, clean (free of trash), plowed (snow should not exceed 2”) and salted as indicated, along with any other reasonably related service.

<u>Plowing (October 1 to April 30)</u>	<u>10/1/20-4/30/21</u>	<u>3 Year, Per Year</u>
Startup Cost (if any)	<u>NA</u>	<u>NA</u>
Sidewalk, parking lot & fire lane clearing & salting	<u>\$120,000 plus tax</u>	<u>\$120,000 plus tax (2% inc. each year)</u>
Total Cost for Season	<u>\$120,000 plus tax</u>	<u>\$120,000 plus tax (2% inc. each year)</u>

Please list (or attach list of) owned equipment available for these tasks:

Landscape Associate owns multiple of the following types of equipment: Payloaders, Bobcats, Skidsteers, Kubota Tractor, Bombardier sidewalk machine, Salt trucks, Dump trucks (all sizes), Dingo, Snow blowers, Snow pusher boxes, Plows.

Please list any, and all, intended subcontractors, if any:

NA

Please submit qualifications and proposal by noon on Friday, August 28, 2020 to:

Mancuso Management
56 Harvester Avenue
Batavia, NY 14020

or

tom@mancusogroup.com

56 Harvester Avenue, Batavia, NY 14020 • (585)-343-2800 • Fax (585)-343-7096
www.mancusogroup.com