

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Real Estate Committee Meeting

Monday, January 22, 2024 at 12:00 p.m.
95 Perry Street, 4th Perry Room

Agenda

- 1) Approval of Minutes – Meeting of December 12, 2023 (*Approval*) (*Enclosure*)
- 2) Northland Corridor – Northland Property Management and Leasing (*Recommendation*) (*Enclosure*)
- 3) Northland Corridor – BUDC-ESD NWTC 2016 Lease Memorandum of Understanding (*Recommendation*) (*Enclosure*)
- 4) 631 Northland Immersion Preparation Presentation - (*Information*)
- 5) Northland Beltline Corridor - (*All Are Information Items*)
 - a) Northland Corridor – Tenant & Property Management Updates
 - b) Northland Corridor – Northland Workforce Training Lease Update
 - c) Northland Corridor – Phase 3 Updates
 - d) Northland Central – Phase I Construction Additional HVAC Work Claim Update
- 6) Buffalo Lakeside Commerce Park - (*All Are Information Items*)
 - a) 193 Ship Canal Update
 - b) 80, 134, 158 and 200 Ship Canal Parkway Update
 - c) Buffalo Lakeside Commerce Park Property Owners Association
 - d) Zephyr Compliance
- 7) 2023 Authorities Budget Office Property Report (Draft) (*Information*) (*Enclosure*)
- 8) 2024 Property and Liability Insurance Renewals (*Information*)
- 9) Executive Session
- 10) Adjournment (*Approval*)

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

**95 Perry Street
Buffalo, New York
December 12, 2023
12:00 p.m.**

Committee Members Present:

Scott Bylewski
Janique S. Curry
Elizabeth A. Holden
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel, Chair
Dennis M. Penman

Committee Members Absent:

[None.]

Officers Present:

Rebecca Gandour, Executive Vice President
Mollie Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Guests Present: Alexis M. Florczak, Hurwitz Fine P.C.; Thomas Mancuso, Mancuso Business Development Group; Antonio Parker, BUDC Project Manager; Angelo Rhodes II, Northland Project Manager; and Aaron Schauger, LaBella Associates.

Roll Call: The meeting was called to order at 12:07 p.m. A quorum of the Committee was determined to be present. Mr. Penman joined the meeting during the presentation of agenda item 2(a). Ms. Curry and Mr. Mehaffy joined the meeting during the presentation of agenda item 2(c).

1.0 Approval of Minutes – Meeting of November 20, 2023 – The minutes of the November 20, 2023 Real Estate Committee meeting were presented. Mr. Bylewski made a motion to approve the meeting minutes. The motion was seconded by Mr. Kucharski and unanimously carried (4-0-0).

2.0 Northland Beltline Corridor

(a) Northland Corridor – Tenant & Property Management Updates – Mr. Mancuso presented the tenant and property management updates for the Northland Corridor. Lease negotiations with the Northland Workforce Training Center continue, with one to two items to be resolved prior to execution of the lease. Retech is in the planning stage of its on-site tank installation. Discussions continue regarding parking lot security at Northland due to the recent vehicle break-ins. Mr. Mancuso is obtaining pricing to purchase and install parking gates to

close off parking lots during off-hours. Additional rent charges are decreasing for tenants in 2024. A prospective tenant is viewing the 612 Northland space.

- (b) **Northland Corridor – Tenant & Property Management RFP Update** – Mr. Rhodes reported that six proposals were received in response to the request for proposals issued for tenant and property management services at Northland. The selection committee held interviews with four firms on December 11th and is preparing a formal recommendation, which will be presented at the January meeting of the Real Estate Committee.
- (c) **Northland Central – Phase 3 Update by LaBella Associates** – Ms. Gandour introduced Aaron Schauger of LaBella Associates for a presentation on Phase 3 of Northland redevelopment. Mr. Schauger provided an overview of the project, which includes work at 541 E. Delavan, the “B” building at 612 Northland Avenue, additional campus parking, and the clean energy microgrid project, which includes substation upgrades and community solar. Mr. Schauger then presented site renderings for each element of the project, which incorporate some modifications from prior renderings to reduce costs and stay within the project budget. The Committee provided feedback regarding the updated site renderings and discussed the community solar component of the project. Mr. Schauger concluded his presentation with an overview of the project timeline, which projects that bid documents will be released in March 2024 and construction will commence in early summer 2024.
- (d) **Northland Central – 631 Northland Update** – Mr. Rhodes reported that BUDC staff will meet with Wendel on December 13th to discuss the 631 Northland/Phase 4 project. BUDC staff continues to work with counsel regarding the proposed contract with Wendel. BUDC has asked Wendel to provide an updated project timeline and to review its proposed fee to better align with the project budget.
- (e) **Northland Corridor – Northland Workforce Training Center Proposed Lease Update** – Ms. Gandour presented an update regarding lease negotiations with the Northland Workforce Training Center (NWTC). NWTC has requested that it be granted the right to sublease the space to Erie Community College. Specific terms of the sublease arrangement have been requested and will be considered at such time as NWTC requests consent to sublease the space.
- (f) **Northland Corridor – Phase I Construction Additional HVAC Work Claim Update** – Mr. Zanner reported that there was no update at this time. The next conference with the court is scheduled for January 31, 2024.

3.0 Buffalo Lakeside Commerce Park

- (a) **193 Ship Canal Parkway Update** – Ms. Gandour reported that Robert Savarino, on behalf of RAS Development Co., has signed the exclusivity agreement and paid the first monthly exclusivity fee due under the agreement.
- (b) **80, 134, 158 and 200 Ship Canal Parkway** – Ms. Gandour reported that there are no new updates regarding these parcels.
- (c) **Buffalo Lakeside Commerce Park Property Owners Association** – Ms. Gandour reported that the POA Board of Directors met last month. Two POA Board members were appointed: Scott Bylewski, on behalf of BUDC, and Ben Siegel, as the owner’s representative for Zephyr. Discussions continue regarding how to assess the solar facility at 255 Ship Canal Parkway. Uniland is working with Zephyr on a possible alternate assessment methodology for the solar facility. It is anticipated that the annual meeting of the POA Board will take place in January 2024.

(d) **Zephyr Compliance** – Ms. Gandour reported that there is no further update on this item at this time.

4.0 Executive Session – None.

5.0 Adjournment – There being no further business to come before the Committee, the December 12, 2023 meeting of the Real Estate Committee was adjourned at 12:45 p.m.

Respectfully submitted,

Kevin J. Zanner, Secretary

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Item 2

MEMORANDUM

TO: BUDC Real Estate Committee
FROM: Angelo Rhodes II, Project Manager
SUBJECT: Northland Corridor – Northland Property Management and Leasing
DATE: January 22, 2024

On September 27, 2023, the Buffalo Urban Development Corporation (BUDC) issued a Request for Proposals (RFP) for Property Management and Leasing Services for the Northland Corridor. BUDC advertised the RFP on the New York State Contract Reporter System and on its webpage. On October 5, 2023, BUDC held an informational meeting and conducted a walk-through of the Northland Corridor with interested parties.

On November 8, 2023, BUDC received proposals from six (6) property management and leasing firms. The proposals were reviewed and evaluated by a selection committee comprised of the following:

- Brandye Merriweather, President, BUDC
- Rebecca Gandour, Executive Vice President, BUDC
- Angelo Rhodes II, Project Manager, BUDC
- Peter Cammarata, Cammarata Consulting, LLC, BUDC Consultant
- Cody Osborn, Building Code Specialist, City of Buffalo
- Howard Grynspan, Director of Real Estate, City of Buffalo

The proposals were evaluated based upon the following:

- Experience with property management and leasing with industrial properties
- Approach and methodology
- Local presence and performance of key personnel
- Cost
- MWBE utilization and equity practices

Hon. Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Brandye Merriweather, President
Rebecca Gandour, Executive Vice President • Mollie Profic, Treasurer • Atiqah Abidi, Assistant Treasurer • Kevin J. Zanner, Secretary

As a result of the review and evaluation, the following four (4) teams were selected for interviews with the selection committee, which were held on December 11th:

1. Comvest Real Estate Management & CBRE
2. TM Montante & Pyramid Brokerage
3. WindsorTurner Real Estate
4. United Campus Group

Following these interviews, the selection committee further narrowed the firms under consideration to Comvest Real Estate Management & CBRE and TM Montante & Pyramid Brokerage. After much discussion, the selection committee is recommending entering into a contract with Comvest Real Estate Management (“Comvest”) & CBRE. Comvest is a women-owned business that is currently seeking WBE certification. In the view of the selection committee, the Comvest & CBRE team best demonstrated a thorough understanding of Northland, presented an efficient transition plan with the current provider of these services, and offered the lowest property management fee of all proposals received. The contract amount for property management services will not exceed \$178,740 during its first year. CBRE will receive a six percent (6%) commission on leases procured in the Northland corridor. Consistent with BUDC’s prior property management and leasing contract with Mancuso Management, BUDC’s contract with CBRE and Comvest will be for an initial term of three (3) years with two one-year renewal options that BUDC may exercise in its sole discretion.

BUDC Board member Darby Fishkin is the President of Comvest and Chief Operating Officer of CBRE Upstate NY and disclosed this to BUDC in accordance with the BUDC conflict of interest policy. The selection committee reviewed all proposals independently of conflict-of-interest considerations, as such matters are to be reviewed by the BUDC Governance Committee and/or Board of Directors. The matter was referred to the BUDC Governance Committee, and the Committee informed staff that the Board of Directors would evaluate the conflict-of-interest question in the event that the selection committee were to recommend Comvest and CBRE for the work.

ACTION:

I am requesting that the BUDC Real Estate Committee recommend that the Board of Directors: (i) authorize BUDC and its affiliated entities that own real property in the Northland corridor to enter into an agreement with Comvest Real Estate Management & CBRE for property management and leasing services for an amount not to exceed \$178,740 for property management services during the first contract year, consistent with the terms set forth in this memorandum; and (ii) authorize the BUDC President or Executive Vice President to execute the agreement and take such other actions as may be necessary or appropriate to implement this authorization.

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Item 3

MEMORANDUM

TO: BUDC Real Estate Committee

FROM: Rebecca Gandour, Executive Vice President

SUBJECT: Northland Corridor –BUDC-ESD NWTC 2016 Lease Memorandum of Understanding

DATE: January 22, 2024

BUDC staff has been working with Empire State Development (ESD) on a memorandum of understanding (MOU) to clarify the recapture terms of a previous capital grant (Project #Z415) for the Northland Corridor. Project #Z415 refers to the \$10,300,000 provided by ESD for the first phase of redevelopment of the Northland Corridor and development of the Northland Workforce Training Center (NWTC).

Exhibit C of the grant disbursement agreement (GDA) for Project Z415 includes a provision (the “Availability Provision”) that provides as follows:

BUDC will make available the former CNB Building (683 Northland Avenue) for ESD (or other designated entity by ESD) for the WNY Workforce Training Center and/or other economic development uses at ESD’s discretion at a cost of \$1/year plus utilities, taxes, and common area maintenance charges) unless otherwise agreed to by ESD.

The GDA does not specify the length of time the Availability Provision is to remain in effect. Under the terms of the MOU, BUDC and ESD acknowledge and agree that the Availability Provision shall remain in effect for a period of fifteen (15) years, ending on the first to occur of the following: (i) the sale or transfer of the property at the project location to a non-BUDC affiliated entity; or (ii) July 31, 2033. The amount of space at the facility to be made available to ESD is approximately 78,383 square feet.

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The MOU also provides for BUDC and ESD to acknowledge and agree that the NWTC provides a substantial community benefit for the City of Buffalo, the Western New York region and the State of New York, which is facilitated in part by BUDC's ongoing involvement with the project. The parties also agree, prior to end of the Availability Provision period, to collaborate with one another and with NWTC leadership to advance the sustainability of the NWTC and the project participants, including without limitation the identification of additional funding for capital and operating costs.

ACTION:

We are requesting that the BUDC Real Estate Committee recommend that the Board of Directors: (i) approve the Memorandum of Understanding between BUDC and ESD; and (ii) authorize the BUDC President or Executive Vice President to execute the Memorandum of Understanding on behalf of BUDC, and take such other actions as are necessary or appropriate to implement this authorization.

