

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Real Estate Committee Meeting Tuesday, June 22, 2021, Noon Via Video Conference Call & Live Stream Audio

Agenda

- 1) Approval of Minutes – Meeting of May 18, 2021 (*Approval*) (*Enclosure*)
- 2) Northland Beltline Corridor (*All Are Information Items*)
 - a) Northland Central – NWTC / ESD / BUDC Memorandum of Understanding Update
 - b) Northland Central – LEED Certification /NYSERDA Update
 - c) Northland Central – NYSDEC Annual PRR & IC/EC Certification Update
 - d) Northland Central – Phase I Construction Additional HVAC Work Claim Update
 - e) Northland Corridor – 612 Northland
 - f) Northland Corridor – Community Solar & Microgrid Project Update
 - g) Northland Corridor – Tenant & Property Management Updates
 - h) Northland Corridor – Misc. Project Management Updates (BOA, 631 Northland, 541 E. Delavan, LISC, Albright Knox Northland, Patio Fence Installation)
 - i) 631 Northland – Creation of Limited Liability Company (LLC)
 - j) Plesh / BUDC Land Exchange Update
 - k) 537 East Delavan – Subdivision Update
- 3) Buffalo Lakeside Commerce Park
 - a) Various Parcels – Zephyr Investors LSA Due Diligence Extension (*Recommendation*)
 - b) 255 Ship Canal Parkway – Uniland LSA Update (*Information*)
 - c) 193 Ship Canal Parkway - Prospect Update (*Information*)
 - d) NYSDOT Skyway Alternatives Study (*Information*)
- 4) 308 Crowley Project Update (*Information*)
- 5) Adjournment (*Approval*)

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

Via Video Conference Call & Live Stream Audio

**May 18, 2021
12:00 p.m.**

Committee Members Present:

Janique S. Curry
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel

Committee Members Absent:

Dennis M. Penman
Craig A. Slater, Chair
Maria R. Whyte

Officers Present:

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

Guests Present: Michael Alexander, Local Initiatives Support Corporation; Evan Y. Bussiere, Hurwitz & Fine, P.C.; Peter Cammarata, Cammarata Consulting, LLC; Arthur Hall, Senior Project Manager, BUDC; Lisa Hicks, Office of Strategic Planning; Jamee Lanthier, ECIDA Compliance Officer; Thomas Mancuso, Mancuso Business Development Group; and Paul Tronolone, Empire State Development.

Roll Call: The meeting was called to order at 12:03 p.m. A quorum of the Committee was not present. Information items 2(a) through 2(m) were presented. Ms. Curry joined the meeting during the presentation of item 2(d). Mr. Mehaffy joined the meeting during the presentation of 2(m). Following item 2(m), the Secretary called the roll of Committee members and a quorum was determined to be present.

The meeting was held via video/telephone conference in accordance with the provisions of Executive Order 202 issued by Governor Andrew Cuomo on March 12, 2020, as amended. 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 April 20, 2021 – The minutes of the April 20, 2021 Real Estate Committee meeting were presented. Mr. Mehaffy made a motion to approve the meeting minutes. The motion was seconded by Ms. Curry and unanimously carried (4-0-0).

2.0 Northland Beltline Corridor –

(a) Northland Central – Bank on Buffalo Lease Update – Ms. Merriweather presented a brief update regarding the execution of the lease between 683 Northland Master Tenant, LLC and Bank on Buffalo.

- (b) **Northland Central – NWTC/ESD/BUDC Memorandum of Understanding Update** – Ms. Gandour reported that BUDC submitted to NWTC a revised MOU to document protocols for ongoing operations and equipment ownership at 683 Northland. BUDC is waiting for comments and an updated equipment list from NWTC.
- (c) **Northland Central – LEED Certification/NYSERDA Update** – Ms. Gandour presented an update on the status of the LEED certification or the 683 Northland project. The project will qualify for LEED Silver status. One item remains on the list of close-out items, and once that item is completed, the project will be eligible to receive an additional \$30,000 payment under the program.
- (d) **Northland Central – NYSDEC Annual PRR & IC/EC Certification Update** – Mr. Cammarata presented an update regarding the annual periodic review report and certification report that LiRo Engineers is preparing for the 683 Northland project. The report, which is a NYS Brownfield Cleanup Program requirement, is nearly complete. A replacement exhaust fan is required, and the initial replacement exhaust fan failed. A replacement fan will arrive in approximately two weeks, and the PRR report will be finalized by mid-June.
- (e) **Northland Central – Phase I Construction Additional HVAC Work Claim Update** – Mr. Zanner presented a brief update on efforts to retain an independent design consultant to evaluate the HVAC design claim.
- (f) **Northland Corridor – Community Solar & Microgrid Project Updates** – Ms. Gandour reported that Frey Electric’s project team met on May 14th and is collecting pre-development information. The timeframe for pre-development work is six months. The project team met with Tesla to discuss potential participation in the project, which would highlight the products made by the company at its Buffalo facility. Frey will also meet with National Grid regarding additional funding.
- (g) **Northland Corridor – Tenant & Property Management Updates** – Mr. Mancuso reported on a tenant meeting that was held on April 22nd. The next tenant meeting is expected to be scheduled in the fall. Garwood Medical has completed its renovation work and is operating at 683 Northland. Mr. Mancuso indicated that Garwood Medical recently expressed interest in a potential expansion of its facility to 612 Northland following the expiration of the Albright-Knox Art Gallery (AKAG) lease in December 2022. Mr. Cammarata noted the current timeline for the completion of AKAG improvements at its Elmwood Avenue location, and indicated that AKAG staff is expected to be reintegrated to the Elmwood location during the fall of 2022. He also commented on the process for filling vacated space. Mr. Kucharski remarked on the importance of having the space ready. Mr. Mancuso then reported on the Wellworth Products lease at 714 Northland. The company has expressed interest in exercising its option to renew the lease, which is expiring in September 2021. The lease provides for rent during the option term to be based on fair market value. Mr. Mancuso reported that James Quigley is replacing Bob Sitek as lead facilities manager, who retired this month. He also updated the Committee on the decorative fence and the way-finding signage projects.
- (h) **Northland Corridor – Misc. Project Management Updates (BOA, 631 Northland, 541 E. Delavan, LISC, Albright Knox Northland, Patio Fence Installation)** – Mr. Hall reported that AKAG is moving forward its plan for a summer exhibit focused on African American history and culture, in addition to other public art projects. BUDC continues to explore the restart of construction activities at 541 E. Delavan. BUDC is still waiting to hear back regarding the BOA. Mr. Hall also reported on the May 11th University at Buffalo Environmental Design presentation

held on May 11, 2021 regarding concepts for 537 E. Delavan. He also reported on matters relating to the LISC AARP grant.

- (i) **1669 Fillmore – LaBella UST Closure Services Update** – Mr. Cammarata informed the Committee that during the course of its UST removal and closure work, LaBella Associates discovered four additional USTs on site. The four tanks and a connector line were removed at an additional cost of \$19,300. LaBella Associates also conducted soil sample testing to determine if soil removal was necessary, and had provided BUDC a \$29,375 estimate for the soil removal work. Fortunately, no soil conditions were found requiring removal. BUDC has submitted an application for brownfield funding to National Grid, which would cover nearly all of the \$19,300 in costs to remove the additional tanks and connector. LaBella Associates has completed its work and demobilized.
- (j) **631 Northland – Creation of Limited Liability Company (LLC)** – Mr. Bussiere reported that the limited liability company has been formed and the Operating Agreement executed. An application for a federal tax identification number for the new entity is pending. Once an EIN is assigned, the real property transfer can be completed.
- (k) **Plesh/BUDC Land Exchange Update** – Mr. Bussiere presented a brief update on the Plesh transaction, noting that Plesh principals are expected to return to Buffalo later this month. It is anticipated that the transaction will be completed in June.
- (l) **537 East Delavan – Subdivision Update** – The presentation of this item was deferred.
- (m) **714 Northland Parking Lot Improvements** – Mr. Cammarata reported on Northland parking and proposed parking lot improvements at 714 Northland. The 714 Northland parking lot is in poor condition. The estimated cost for improving the parking lot is \$65,000. BUDC is exploring funding options for this work, which ideally would be completed by the end of summer 2021.

3.0 Buffalo Lakeside Commerce Park

- (a) **Various Parcels – Zephyr Investors, LLC Land Sale Agreement Update** – Ms. Merriweather reported that Zephyr's due diligence period currently runs through July 31, 2021. Zephyr has requested an extension of the due diligence period for an additional 12 months in order to obtain a MRTA license. A recommendation with respect to the extension of due diligence will be presented at the June Committee meeting. Mr. Cammarata noted that Zephyr is paying an exclusivity fee of \$1,000/month, which is deducted from the deposit that BUDC counsel is holding in escrow. He suggested that the Committee consider whether the fee should be adjusted. Mr. Cammarata also suggested that BUDC's termination right under the Land Sale Agreement be tied to Zephyr's receipt of certification and licensure from NYS. Mr. Kucharski commented on the continued decline in available sites in Western New York, noting that of the 52 sites identified in the Newmark study commissioned by Invest Buffalo Niagara, only 40 remain available.
- (b) **255 Ship Canal Parkway LSA – Uniland LSA Update** – Ms. Gandour reported that closing is not anticipated to occur until sometime after June 1st. Uniland has reached out to the taxing jurisdictions regarding a PILOT and is coordinating directly with the City of Buffalo and Erie County. Mr. Zanner added that the hearing on Sonwil's Article 78 proceeding challenging the land sale is scheduled for May 28th before Judge Ward.

- (c) **193 Ship Canal Parkway - Prospect & LaBella RAAP & RAWP Update** – Mr. Cammarata reported that the remedial action work plan has been accepted by NYSDEC without any further changes. A Record of Decision is not expected to be issued until the end of summer 2021. Mr. Cammarata asked NYSDEC if it would entertain a meeting with BUDC’s potential prospect and its counsel to advance the project. He noted that Craig Slater was contacted by the prospect and may be retained to assist the prospect in the discussions with NYSDEC.
- (d) **NYS DOT Skyway Alternatives Study** – Mr. Tronolone reported there are no significant updates for this matter. ESD continues to coordinate with other state and federal agencies regarding the draft EIS, which is anticipated to be released in early June 2021.

- 4.0 **308 Crowley Project Update** – Mr. Cammarata reported that a memorandum of agreement has been signed for the partial demolition project at 308 Crowley. This will allow the City of Buffalo to move forward with bidding out the partial demolition work. Mr. Mehaffy added that LiRo Engineers has prepared demolition specifications and that the neighborhood is excited for this project to proceed. Mr. Bussiere then updated the Committee regarding the sale of the cinder block building to Enterprise Folding Box Company, noting that the purchaser’s due diligence expires next week. It is expected that the land sale will close soon.
- 5.0 **Adjournment** – There being no further business to come before the Committee, upon motion made by Ms. Minkel, seconded by Mr. Kucharski and unanimously carried, the May 18, 2021 meeting of the Real Estate Committee was adjourned at 12:53 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary