

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Real Estate Committee Meeting

Tuesday, November 23, 2021 at Noon
Via Video Conference Call & Live Stream Audio

Agenda

- 1) Approval of Minutes – Meeting of October 19, 2021 (*Approval*) (*Enclosure*)
- 2) Northland Beltline Corridor - (*All Are Information Items*)
 - a) Northland Corridor – Community Solar & Microgrid Project Update
 - b) Northland Corridor – Other Tenant & Property Management Updates
 - c) Northland Corridor – Misc. Project Management Updates (NWTC/ESD/BUDC MOU, BOA, 631 Northland, 541 E. Delavan, LISC, Albright Knox Northland)
 - d) Northland Central – Phase I Construction Additional HVAC Work Claim Update
 - e) Northland Central – 683 Northland PRR Update
- 3) Buffalo Lakeside Commerce Park
 - a) Various Parcels – Zephyr Investors Update (*Recommendation*) (*Enclosure*)
 - b) 255 Ship Canal Parkway – Uniland Update (*Information*)
 - c) 193 Ship Canal Parkway - Prospect Update (*Information*)
 - d) Buffalo Lakeside Commerce Park Property Owners Association (*Information*) (*Enclosure*)
- 4) 308 Crowley Project Update (*Information*)
- 5) Adjournment (*Approval*)

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

**95 Perry Street
Buffalo, New York
October 19, 2021
12:00 p.m.**

Committee Members Present:

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

Committee Members Absent:

Brendan R. Mehaffy
Dennis M. Penman

Officers Present:

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

Guests Present: Dan Castle, Erie County Commissioner of Environment and Planning; Alexis M. Florczak, Hurwitz & Fine, P.C.; Arthur Hall, BUDC Senior Project Manager; Antonio Parker, BUDC Project Manager; and Paul Tronolone, Empire State Development.

Roll Call: The meeting was called to order at 12:10 p.m. A quorum of the Committee was present.

1.0 Approval of Minutes – Meeting of September 20, 2021 – The minutes of the September 20, 2021 Real Estate Committee meeting were presented. Mr. Kucharski 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 – Phase I Construction Additional HVAC Work Claim Update
– Mr. Zanner presented a brief update regarding the claim against Watts Architecture and Engineering and Popli Design Group.

(b) Northland Corridor – Community Outreach Services Agreement – Ms. Merriweather presented her October 19, 2021 memorandum regarding the Community Outreach Services Agreement with Mustard Seed Consulting Group. Mustard Seed Consulting Group has been working with BUDC staff and Invest Buffalo Niagara to create a video marketing series for the Northland Corridor. Three 90-second video segments will be produced and shared across social media. Each video will promote different highlights of the Northland Corridor and target different audiences. Ms. Merriweather noted that BUDC's contribution to this initiative is \$3,500,

which requires no formal Committee approval. Mr. Hall added that the video series presents an opportunity to increase BUDC's regional exposure and create a cohesive narrative around the Northland Beltline Corridor.

- (c) **Northland Corridor – Build Back Better EDA Application** – Ms. Gandour reported on the status of the Build Back Better EDA application. The application, which was submitted to Empire State Development on October 15, 2021, included funding requests for the Northland solar grid project and redevelopment projects at 537/541 E. Delavan and 631 Northland. BUDC will be notified in December whether it is approved for funding that is available for Phase 1 of the application process.
- (d) **Northland Corridor – Bank on Buffalo Update** – Ms. Gandour reported that Bank on Buffalo continues to work on regulatory approvals for its Northland Central location. It is anticipated that the bank's Northland location will open early next year.
- (e) **Northland Corridor – Other Tenant & Property Management Updates** – Mr. Hall provided an update on Northland Corridor tenant matters. Garwood continues to express interest in leasing 612 Northland once the Albright Knox lease expires. Well Worth Products recently executed a five-year lease renewal for 714 Northland. Manna at Northland will soon be celebrating its two-year anniversary. Watts and the Mancuso Business Development Group are reviewing a drainage issue reported at Manna. Several options for addressing this issue have been proposed by Watts. Mr. Hall also reported that snow guards are being installed at the Red Shed. The mural at 714 Northland has been completed, and BUDC is coordinating with the City and Mancuso Business Development Group regarding a code issue relating to tree overgrowth at 714 Northland.
- (f) **Northland Corridor – Misc. Project Management Updates** – Mr. Hall presented the following Northland Corridor updates:

Northland Central MOU: The company that conducted the initial inventory of equipment has scheduled the inventory work for November 1st.

683 Northland: GURF #1 for the Microgrid Capital Grant has been submitted to ESD and BUDC responded to a request for additional information. The Restore NY V #3 reimbursement request has also been approved in the amount of \$372,374.95. BUDC staff is coordinating with the City to secure these funds. BUDC staff also submitted GURF #20 for the Equipment Capital Grant for \$47,272.85.

Community Solar/Microgrid: A meeting was held on October 12th to clarify details on the substation proposal. BUDC staff will also meet with Frey Electric on October 26th regarding the substation proposal.

Community Outreach: The Northland Beltline Taxpayers Association postponed the indoor portion of its Fall Harvest Festival scheduled to take place on October 30th due to the increase in COVID-19 cases in the area. The outdoor "Trunk or Treat" event will take place as scheduled.

Business Network Series: The Business Network Series will be held on October 28th at 6:00 PM. The series will provide resources and information for contractors and will include a panel discussion.

3.0 Buffalo Lakeside Commerce Park

- (a) **Buffalo Lakeside Commerce Park Property Owners Association** – Ms. Gandour presented her October 19, 2021 memorandum regarding the Buffalo Lakeside Commerce Park Property Owners Association ("POA"). The POA was formed in 2015 to help fund the

maintenance of certain common areas of BLCF. Prior to BUDC's sale of 255 Ship Canal Parkway to Uniland, BUDC was the sole member of the POA and accordingly there was only a limited governance structure for the POA. With the Uniland land sale completed, a more formal POA governance structure is needed, including Board appointments. Ms. Gandour discussed using a Board structure similar to Buffalo Brownfield Restoration Corporation, with Committee members serving as directors of the POA Board. A Uniland representative would also be asked to participate. Ms. Gandour noted that the POA governance structure was discussed at the September meeting of the Audit & Finance Committee. The Committee commented on the proposed governance structure, including whether the entire Committee should serve as directors or only a subset of the Committee. Mr. Zanner noted that the current POA bylaws provide for the members to appoint the POA Board, and do not include a sunset provision for BUDC involvement. When BUDC sells all of its land at BLCF, BUDC will no longer have a membership interest in the POA. Ms. Whyte and Mr. Kucharski volunteered to serve as directors. Ms. Gandour thanked the Committee for its input and indicated that BUDC staff will continue to advance this item with assistance from BUDC counsel.

(b) Various Parcels – Zephyr Investors Update– Ms. Gandour reported that Zephyr has applied to the City of Buffalo Planning Board for the first phase of its project which includes the parcels located at 310 Ship Canal Parkway and 15 Laborers Way. Zephyr is seeking approval for two 68,000 square foot buildings and one 17,000 square foot building at 15 Laborers Way, and one 136,000 square foot building and one 7,000 square foot building at 310 Ship Canal Parkway. Mr. Kucharski noted that Invest Buffalo Niagara recently met with Zephyr representatives and anticipates that the developer will be providing an updated timeline for the project. Ms. Minkel suggested that Zephyr should present a project update at a future meeting of the Committee and the full Board.

(c) 255 Ship Canal Parkway – Uniland Update – Ms. Gandour reported that Uniland has purchased the solar panels and completed its site design work. Site work has commenced.

(d) 193 Ship Canal Parkway - Prospect Update – Ms. Gandour reported that G.W. Burnett is continuing its discussions with NYSDEC and Benchmark regarding the Brownfield Cleanup Program for the site.

4.0 308 Crowley Project Update – Ms. Merriweather reported that phase one of demolition at the site continues and remains on schedule. Bids for phase 2 of the project are due October 22nd. Ms. Gandour added that BUDC counsel is working with BUDC staff on the potential sale to Enterprise Folding Box of additional land at 308 Crowley. Surveyors will be on-site soon to determine the parcel size.

5.0 Adjournment – There being no further business to come before the Committee, upon motion made by Mr. Kucharski, seconded by Ms. Whyte and unanimously carried, the October 19, 2021 meeting of the Real Estate Committee was adjourned at 1:04 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary

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Item 3A

MEMORANDUM

TO: BUDC Real Estate Committee

FROM: Rebecca Gandour, Executive Vice President

SUBJECT: Buffalo Lakeside Commerce Park - Sale to Zephyr Investors – Brownfield Cleanup Program

DATE: November 23, 2021

The BUDC Board of Directors previously approved the sale of 310 Ship Canal Parkway and 15, 24, 51, 70, 87, 125 and 126 Laborers Way to Zephyr Investors, LLC (“Zephyr”). The parties (along with Buffalo Lakeside Commerce Park-I, LLC (“BLCP-I”), a BUDC subsidiary) subsequently entered into a Land Sale Agreement (“LSA”) as of January 25, 2019, which has been amended several times.

Zephyr’s project is advancing. As was reported in local media outlets, Zephyr has submitted planning documents for Phase 1 of its project to the City of Buffalo Planning Board. Zephyr has also been engaged in discussions with the New York State Department of Environmental Conservation (NYSDEC) regarding opportunities for the project under the NYS Brownfield Cleanup Program (BCP). In that regard, Zephyr recently requested that BUDC consent to Zephyr’s submission of BCP applications for the parcels located at 310 Ship Canal Parkway and 15 Laborer’s Way.

Through the course of several discussions with Zephyr representatives and its legal counsel, it was determined that a separate agreement documenting the terms and conditions upon which BUDC would consent to Zephyr’s submission of these parcels into the BCP was necessary. The parties to this agreement would include BUDC, BLCP-I, Zephyr and two newly-formed Zephyr affiliates who will serve as BCP applicants. The material terms of this proposed agreement are as follows:

- BUDC will authorize Zephyr and its affiliates to submit BCP applications for the parcels located at 15 Laborer’s Way and 310 Ship Canal Parkway.

- Zephyr and its affiliates will have limited access to the parcels and may conduct necessary environmental testing at the parcels in furtherance of the BCP applications.
- Access to the parcels and environmental testing protocols will be conducted consistent with the requirements of the Land Sale Agreement.
- Zephyr and its affiliates will promptly provide, at no cost to BUDC, copies of all reports, documents, data and information relating to the BCP program that is submitted to NYSDEC.
- Zephyr and its affiliates will not conduct any remedial activities at the parcels until after the closing of the land sale.
- Upon closing of the sale, Zephyr and/or its affiliates will have full access and authority to commence remedial activities at the parcels.
- Zephyr and its affiliates will indemnify and hold BUDC and BLCP-I harmless from all liabilities arising out of the participation by Zephyr and its affiliates in the BCP and any activities conducted on the parcels.
- The agreement is also expected to document Zephyr's assignment of the Land Sale Agreement to an affiliate and the assumption by the affiliate of Zephyr's obligations under the Land Sale Agreement.

Action:

We are requesting that the Real Estate Committee recommend that the Board of Directors (i) authorize BUDC and Buffalo Lakeside Commerce Park-I, LLC to enter into a multi-party agreement with Zephyr Investors, LLC and its affiliates consistent with the terms set forth in this memorandum, and to (iii) authorize the President or Executive Vice President to execute and deliver the multi-party agreement on behalf of BUDC and Buffalo Lakeside Commerce Park-I, LLC.

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Item 3D

MEMORANDUM

TO: BUDC Real Estate Committee

FROM: Rebecca Gandour, Executive Vice President

SUBJECT: Buffalo Lakeside Commerce Park Property Owners Association

DATE: November 23, 2021

At the October 20, 2021 meeting of the BUDC Real Estate Committee, the Committee discussed the creation of a more formal governance structure for the Buffalo Lakeside Commerce Park Property Owners Association (the “POA”). Under the POA Bylaws, only POA Members, through their authorized representatives, may serve on the POA’s Board of Directors. The POA Board must be composed of a minimum of three and maximum of seven directors.

One proposed Board structure for the POA involved using a Board structure similar to the BBRC Board, with members of the Real Estate Committee serving as directors of the POA Board, as well as a representative from Uniland. Part of the discussions at the October 20th meeting surrounded whether the entire Real Estate Committee would serve on the POA Board, or only a subset of the Committee. During the October 20th meeting, Mr. Kucharski and Ms. Whyte volunteered to serve on the POA Board if the structure were to incorporate only a subset of the Committee.

Based on these discussions and input received from the Committee, we propose the following five-member Board structure for the POA:

Thomas A. Kucharski
Maria R. Whyte
Real Estate Committee member
Real Estate Committee member
Uniland representative

We additionally propose the following slate of Officers of the POA:

- President:** Brandye Merriweather
- Vice President:** Rebecca Gandour
- Treasurer:** Mollie Profic
- Secretary:** Kevin Zanner, Esq.

This item is being presented for information purposes only and to seek further input and comment from the Committee. This proposal will be presented to the Governance Committee in order to make a recommendation to the Board for approval of the POA Board structure.