

Buffalo Urban Development Corporation

95 Perry Street
Suite 404
Buffalo, New York 14203
phone: 716-856-6525
fax: 716-856-6754
web: buffalourbandevelopment.com



Buffalo Urban Development Corporation Real Estate Committee Meeting

Tuesday, January 18, 2022 at Noon
Via Video Conference Call & Live Stream Audio

Agenda

- 1) Approval of Minutes – Meeting of December 14, 2021 (*Approval*) (*Enclosure*)
- 2) 308 Crowley - Sale of Vacant Land to Enterprise Folding Box Co., Inc. (*Recommendation*) (*Enclosure*)
- 3) Northland Central – Manna Culinary Second Lease Amendment (*Recommendation*) (*Enclosure*)
- 4) Northland Beltline Corridor
 - a) Northland Central – Phase I Construction Additional HVAC Work Claim Update (*Informational*)
 - b) Northland Corridor – Tenant & Property Management Updates (*Informational*)
 - c) Northland Corridor – Community Solar & Microgrid Project (*Informational*)
 - d) Northland Corridor - NWTC/ESD/BUDC MOU (*Informational*)
 - e) Northland Corridor – Build Back Better Update (*Informational*)
 - f) Northland Corridor - Misc. Project Management Updates (631 Northland, 541 E. Delavan, and Albright Knox Northland) (*Informational*)
- 5) Buffalo Lakeside Commerce Park - (*All Are Information Items*)
 - a) Various Parcels – Zephyr Investors Update
 - b) 193 Ship Canal Parkway - Prospect Update
 - c) Buffalo Lakeside Commerce Park Property Owners Association
- 6) 2020 Authority Budget Office Property Report (Draft) (*Information*) (*Enclosure*)
- 7) 2021 Property and Liability Insurance Renewals (*Information*)
- 8) Adjournment (*Approval*)

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

Via Video Conference Call & Live Stream Audio

**December 14, 2021
12:00 p.m.**

Committee Members Present:

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

Committee Members Absent:

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: Alexis M. Florczak, Hurwitz & Fine, P.C.; Ellen E. Grant, Deputy Mayor, City of Buffalo; Arthur Hall, BUDC Senior Project Manager; Jamee Lanthier, ECIDA Compliance Officer; Antonio Parker, BUDC Project Manager; and Paul Tronolone, Empire State Development.

Roll Call: The meeting was called to order at 12:02 p.m. A quorum of the Committee was not present. Information item 2(a) was presented in the absence of a quorum. Mr. Kucharski joined the meeting during the presentation of agenda item 2(c). Mr. Mehaffy joined the meeting during the presentation of agenda item 2(d). Following the presentation of item 2(d), the Secretary called the roll, and a quorum of the Committee was determined to be present.

The meeting was held via Zoom in accordance with the provisions of Part E of Chapter 417 of the Laws of 2021, which amended Article 7 of the Public Officers Law to authorize public entities to conduct meetings and take such action authorized by law without permitting in public in-person access to meetings and to authorize such meetings to be held remotely by conference call or similar service, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed.

1.0 Approval of Minutes – Meeting of November 23, 2021 – The minutes of the November 23, 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 (5-0-0).

2.0 Northland Beltline Corridor

- (a) **Northland Corridor – Misc. Project Management Updates** – No report was presented with respect to this item.
- (b) **Northland Corridor –Tenant & Property Management Updates** – Mr. Hall and Ms. Merriweather informed the Committee that Manna is exploring micro-enterprise assistance program grant funding to assist with rent and other expenses. Mr. Hall reported that the Mancuso Group has scheduled a tenant meeting via Zoom for January 6, 2022. The red shed ramp rail installation has been completed by Garwood. The murals at the Chelsea lot have been completed. The landscaping contractor has transitioned services to snow plowing and is prepared for the winter season. The Mancuso Group has obtained quotes for the fence repair work at 631 Northland and contracted with Fox Fence to perform the work.
- (c) **Northland Central – Phase I Construction Additional HVAC Work Claim Update**– Mr. Zanner reported that the consultant's report has been received and is under review.
- (d) **Northland Central – 683 Northland PRR Update** – Ms. Gandour reported that NYSDEC has requested an additional round of testing of the groundwater wells at 683 Northland, and that testing will be conducted on a biennial basis going forward. LiRo Engineers submitted a quote for the additional testing in the amount of \$9,966, which was approved by BUDC staff in accordance with the approval thresholds set forth in the BUDC procurement policy.

Ms. Gandour followed this report with an update regarding the Build Back Better EDA application. Ms. Gandour reported that the Western New York region was one of 58 applicants selected to receive Phase 1 planning grant funding and advance to Phase 2 of the Build Back Better EDA application process. The planning grant is in the amount of \$500,000 and will be used towards advancing and refining the strategy prior to applying for the second phase of the competition in March of 2022. Of the 58 finalists, 20 to 30 regional hubs are anticipated to be chosen to each receive between \$25-100 million in grant funding to be used toward projects advancing the mobility of labor, diversity and social equity.

3.0 Buffalo Lakeside Commerce Park

- (a) **Various Parcels – Zephyr Investors Update**– Ms. Gandour reported that the multi-party agreement approved by the Board of Directors at the November meeting has been drafted and is being reviewed by Zephyr Investors counsel. It is anticipated that the multi-party agreement will be executed by the end of 2021. Ms. Curry asked about community benefits provisions in the land sale agreement with Zephyr. Mr. Zanner confirmed that the agreement includes community benefits provisions, including living wage requirements. Mr. Mehaffy added that applicants for licenses under the MRTA legislation will be required to meet requirements as a condition for licensure, with monitoring conducted at the State level.
- (b) **193 Ship Canal Parkway – Prospect Update** – Ms. Gandour indicated that there was no update at this time, as BUDC is waiting for the NYSDEC and the prospect's consultant, LaBella Associates to determine a path forward with respect to dividing the BCP site.
- (c) **Buffalo Lakeside Commerce Park Property Owners Association** – Ms. Gandour reported that the proposed POA Board structure will be discussed at the upcoming Governance Committee meeting. Once the structure is approved, the POA will hold its first meetings, which are expected to be scheduled in January.

- 4.0 308 Crowley Project Update** – Mr. Parker reported that BUDC and the City are waiting for the SHPO process to be completed. Ms. Merriweather added that an appraisal for the land sale to Enterprise Folding Box has been ordered.
- 5.0 Adjournment** – There being no further business to come before the Committee, upon motion made by Mr. Kucharski, seconded by Mr. Penman and unanimously carried, the November 23, 2021 meeting of the Real Estate Committee was adjourned at 12:38 p.m.

Respectfully submitted,

Kevin J. Zanner
Secretary

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Item 2

MEMORANDUM

TO: BUDC Real Estate Committee
FROM: Brandye Merriweather, President
SUBJECT: Sale of Vacant Land at 308 Crowley to Enterprise Folding Box Co., Inc.
DATE: January 18, 2022

BUDC's core mission includes the acquisition of brownfield and distressed properties and the re-positioning of these properties for future redevelopment and a return to productive use. To that end, BUDC and the Mayor's Office of Strategic Planning previously identified the former manufacturing complex located at 308 Crowley Avenue in the Riverside section of the City of Buffalo as a strategic brownfield acquisition for BUDC. In June of 2018, BUDC acquired the site through a wholly owned subsidiary limited liability company (King Crow, LLC).

The Board of Directors previously approved the sale of (i) a .91+/- acre portion of the 308 Crowley site to Enterprise Folding Box Co., Inc. ("Enterprise Folding Box") a neighboring manufacturing business located at 75 Isabelle Street, and (ii) a .655+/- acre parcel of land improved by a vacant two-story cinder block constructed building.

Enterprise Folding Box desires to purchase an additional 2.082+/- acre parcel of vacant land at the 308 Crowley site. BUDC executive staff and Enterprise Folding Box representatives negotiated the terms of a Land Sale Agreement, with a proposed purchase price for the parcel in the amount of \$60,000.00. As part of the transaction, the purchaser will pay a \$5,000 deposit upon execution of the Land Sale Agreement, with the deposit to become non-refundable after expiration of an abbreviated due diligence period. The property is being sold in as-is condition. An appraisal of the property was also obtained, which valued the parcel at less than the proposed purchase price.

Action:

We are requesting that the Real Estate Committee make a recommendation that the Board of Directors approve the sale of a 2.082+/- acre parcel at 308 Crowley to Enterprise Folding Box Co., Inc. (or an affiliated entity), for the sale price of \$60,000.00; and authorize each of the President and Executive Vice President to execute and deliver any and all agreements, instruments and documents and take all actions that are necessary or appropriate on behalf of King Crow, LLC in connection with the sale of the parcel and closing of the transaction.

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

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Item 3

MEMORANDUM

TO: BUDC Real Estate Committee
FROM: Rebecca Gandour, Executive Vice President
RE: Northland Central - Manna Culinary Second Lease Amendment
DATE: January 18, 2022

At the September 24th, 2019 meeting of the Board of Directors, the Board authorized BUDC to enter into a lease with Manna Culinary Group Inc. (Manna @ Northland) for the 3,921+/- square feet of restaurant space at Northland Central (683 Northland). An amendment to the lease was approved by the BUDC Real Estate Committee at its September 22, 2020 meeting.

In December of 2021, BUDC and Mancuso Business Development Group, received a request from Manna @ Northland for an additional lease amendment. The COVID-19 pandemic has had devastating impacts on the restaurant and hospitality industry and has resulted in a significant decrease in anticipated revenues, specifically within the catering services for Manna @ Northland. The business plan that was completed for Manna @ Northland during the summer of 2019 was highly dependent on high level of occupancy within the building and significant revenue from catering events. As a direct result of the pandemic, both revenue drivers have been severely impacted. Despite the many challenges, Manna @ Northland has established themselves as an anchor within the community.

Mancuso Business Development reviewed the request and is recommending that monthly lease payments be reduced to \$1,300 per month from January 1, 2022 to October 31, 2024. The total reduction in payments over the term of the lease is estimated to be \$43,600 and requires BUDC Board approval consistent with the BUDC Northland Leasing Policy.

ACTION

We are requesting that the Real Estate Committee recommend approval to the Board of Directors of a lease amendment with Manna Culinary Group Inc. (Manna @ Northland) consistent with the terms outlined in this memorandum and to authorize the President or Executive Vice President to execute the lease amendment on behalf of 683 Northland Master Tenant, LLC.

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

