

## Buffalo Urban Development Corporation

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## Buffalo Urban Development Corporation Real Estate Committee Meeting

**Tuesday, May 24, 2022 at 12:00 p.m.**  
**95 Perry Street**  
**4<sup>th</sup> Floor Perry Room**

### Agenda

- 1) Approval of Minutes – Meeting of March 22, 2022 (*Approval*) (*Enclosure*)
- 2) Northland Beltline Corridor
  - a) Northland Central – Phase I Construction Additional HVAC Work Claim Update (*Information*)
  - b) Northland Corridor – Tenant & Property Management Updates (*Information*)
  - c) Northland Corridor – Community Solar & Microgrid Project (*Information*) (*Enclosure*)
  - d) Northland Corridor - NWTC/ESD/BUDC MOU (*Information*)
  - e) Northland Corridor – Build Back Better Update (*Information*)
- 3) Buffalo Lakeside Commerce Park
  - a) Various Parcels – Zephyr Investors Update (*Recommendation*) (*Enclosure*)
  - b) 80, 134, 158 and 200 Ship Canal Parkway (*Information*)
  - c) 193 Ship Canal Parkway - Prospect Update (*Information*)
  - d) Buffalo Lakeside Commerce Park Property Owners Association (*Information*)
- 4) 308 Crowley 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  
March 22, 2022  
12:00 p.m.**

**Committee Members Present:**

Thomas A. Kucharski  
Kimberley A. Minkel, Chair  
Dennis M. Penman  
Maria R. Whyte

**Committee Members Absent:**

Janique S. Curry  
Brendan R. Mehaffy

**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.; Thomas Mancuso, Mancuso Business Development Group; Antonio Parker, BUDC Project Manager; and Paul Tronolone, Empire State Development.

**Roll Call:** The meeting was called to order at 12:18 p.m. A quorum of the Committee was present.

**1.0 Approval of Minutes – Meeting of February 15, 2022** – The minutes of the February 15, 2022 Real Estate Committee meeting were presented. Mr. Penman 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 Central – Phase I Construction Additional HVAC Work Claim Update**– Mr. Zanner reported on the litigation claims against Watts Architecture and Popli Design Group, including an update on the report prepared by an expert retained by BUDC. Mr. Zanner also addressed several questions from Committee members regarding the claims.

**(b) Northland Corridor – Tenant & Property Management Updates** – Mr. Mancuso presented the Northland Corridor and property management update. The tenant safety committee held its second meeting, at which the tenants identified their respective fire marshals and discussed the installation of blue light stations on the campus. The tenants are planning to schedule a facility-wide fire drill later this year. Renovation of the Bank on Buffalo space

continues, with opening anticipated in April 2022. Siemens fire monitoring services were recently installed on campus. February 2022 electric bills remain higher due, but it is anticipated that these bills will decrease in the coming months.

- (c) **Northland Corridor – Community Solar & Microgrid Project** – Ms. Gandour reported that the project team is reviewing whether leasing the roof at 683 Northland will be permitted by the historic tax structure in place at the building. Investor consent is likely required for the use of the rooftop for the solar panel installation. Ms. Minkel asked whether a solar wall for the project has been considered as an alternative. Ms. Gandour indicated that she would reach out to Frey Electric to determine the feasibility of this option.
- (d) **Northland Corridor – NWTC/ESD/BUDC MOU** – Ms. Gandour reported that BUDC has received feedback from ESD on the MOU. BUDC counsel is reviewing ESD's proposed changes.
- (e) **Northland Corridor – Build Back Better Update** – Ms. Gandour reported that BUDC submitted its component of the project proposal for the phase 2 application. Mr. Kucharski indicated that over ninety letters of support were submitted with the region's application. It is anticipated that the EDA will make its funding decisions on projects in September or October of 2022.

### **3.0 Buffalo Lakeside Commerce Park**

- (a) **80, 134, 158 and 200 Ship Canal Parkway** – See item 5.0 below.
- (b) **Various Parcels – Zephyr Investors Update** – Ms. Gandour reported that Zephyr has reached out to ECIDA and others regarding incentives that could potentially be obtained for its project.
- (c) **193 Ship Canal Parkway – Prospect Update** – Ms. Gandour indicated that GW Burnett is working with LiRo Engineers to coordinate with the NYSDEC regarding the soils on site. The prospect is awaiting the NYSDEC decision on this matter.
- (d) **Park Property Owners Association** – Ms. Gandour reported that BUDC is cleaning up dumping that has occurred on site. She also noted that a bank account has been set up for the POA and BUDC has received Uniland's share of the POA property maintenance fees.

### **4.0 308 Crowley Update** – See item 5.0 below.

- 5.0 Executive Session** – Ms. Whyte made a motion for the Committee to enter into executive session to discuss items 3(a) and 4.0 of the meeting agenda, on the basis that public discussion of these proposed real property sales would substantially affect the value of the properties. The motion was seconded by Mr. Kucharski and unanimously carried (4-0-0). At the conclusion of the executive session, Mr. Kucharski made a motion to exit executive session, which was seconded by Ms. Whyte and unanimously carried (4-0-0). No votes were taken during executive session.

Mr. Penman then made a motion in open session to recommend that the Board of Directors approve the sale of the remaining parcel at 308 Crowley to Douglas Development Corporation for the appraised value of \$120,000, and with the stipulations that the end use of the site is compatible with the residential neighborhood and the tower structure and most of the warehouse located on the site be restored and retained. The motion was seconded by Mr. Kucharski and unanimously carried (4-0-0).

- 6.0 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 March 22, 2022 meeting of the Real Estate Committee was adjourned at 1:35 p.m.

Respectfully submitted,

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Kevin J. Zanner  
Secretary

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**Item 2C**

**MEMORANDUM**

**TO: BUDC Real Estate Committee**  
**FROM: Rebecca Gandour, Executive Vice President**  
**SUBJECT: Community Solar & Microgrid Project – Substation Capacity**  
**DATE: May 24, 2022**

As part of the Community Solar & Microgrid Project, LaBella Associates performed a study to determine the electrical needs of the future build out of the Northland Beltline Campus. They found an upgrade to the current substation is needed to meet future demand. The upgrade would also provide a redundant power source.

Current capacity of the substation is 3.5MW and serves tenants at 683 Northland. The proposed upgrade would add a 23kv feeder so a second 3.5KW substation can be built. The cost of feeder is estimated to be \$293,400. The cost of the additional substation and installation is estimated to be \$2,139,289.

Possible funding sources for the substation upgrade include:

- EDA Build Back Better – announcement anticipated December 2022, funds available 6-12 months after
- ESD Northland Corridor Phase 3 Funds – announced in NYS budget, funds available 8-12 months

The next step would be to pay \$25,000 to National Grid for an engineering study to confirm the estimate. This can be covered by pre-development funds provided by Empire State Development. The \$25,000 can also be deducted from final project costs. However, if the 23kv feeder is not pulled, BUDC could owe more to National Grid. The additional amount is unknown. The time to perform the engineering study is estimated to be 6-8 months. Once complete, the study is good for three months.

Project partners also considered the impact to existing 683 Northland tenants. Retech currently operates one furnace and plans to add two to three furnaces in the next 12 months. Current substation is unable to support the additional load. Retech’s lease is as is. BUDC is not responsible for adding additional power. Retech’s lease expires December 31, 2031 with an extension to 2041.

We are seeking the Committee’s input when BUDC should advance the National Grid engineering fee.

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

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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: May 24, 2022**

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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.

At its November 30, 2021 meeting, the BUDC Board of Directors authorized BUDC and BLCP-I to enter into a multi-party agreement with Zephyr and its affiliates in order to authorize Zephyr and its affiliates to submit applications to the New York State Brownfield Cleanup Program (“BCP”) for the parcels located at 15 Laborer’s Way and 310 Ship Canal Parkway and to conduct testing in furtherance of on-site BCP projects.

Zephyr recently requested that BUDC execute an additional consent to authorize Zephyr to submit a BCP application for the parcel located at 24 Laborer’s Way. In order to facilitate that request, the multi-party agreement with Zephyr and its affiliates will need to be amended to include the additional parcel. There will be no material changes to the existing terms of the multi-party agreement.

**Action:**

We are requesting that the Real Estate Committee recommend that the Board of Directors (i) authorize BUDC and BLCP-I to enter into an amendment of the multi-party agreement with Zephyr and its affiliates consistent with the terms set forth in this memorandum; (ii) upon execution of the amendment to the multi-party agreement, authorize the President or Executive Vice President to execute the consent authorizing Zephyr or its affiliates to submit an additional BCP application for 24 Laborers’ Way; and (iii) authorize the President or Executive Vice President to execute the amendment to the multi-party agreement, the consent, and such other documents as may be necessary to implement this action.

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