

# The Buffalo News

Real Estate

## A Landmark Deal

*Amherst firm agrees to buy Electric Building for offices*

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Niagara Mohawk has agreed to sell its landmark Electric Building to an Amherst developer.

Terms of NiMo's deal with Iskalo Development were not disclosed. Stephen Brady, a NiMo spokesman, confirmed the agreement, but said the deal has not yet been finalized.

Iskalo plans to convert the 16-story building into top-flight office space for lease, said Steven Kossoff, managing partner of Coldwell Banker Commercial Meridian, which marketed the property.

Paul Iskalo, who heads the firm, could not be reached to comment.

NiMo announced in late June that the building was going up for sale, with an asking price of \$2.9 million. The utility has been shifting jobs to its operations center on Kensington and Dewey avenues near Sisters Hospital.

Iskalo Development will get two parking lots along with the historic, 148,000 square foot building, under terms of the deal. The 1912 building is where downtown revelers gather each year for a New Year's Eve ball drop.

"I guess we're not totally surprised," Brady said, referring to the building's short stay on the market. NiMo was fielding inquiries even before the

building officially went up for sale, he said.

Kossoff said there was an "unbelievable" amount of interest in the property.

"We've had probably 13 or 14 different parties walk through the building," he said.

Brady said NiMo would like to keep between 120 and 180 employees working in the Electric Building in the near term under a lease-back arrangement, if everything goes as planned.

NiMo has been moving the utility's administrative staff and regional officers out of the downtown building, but wants to keep its call center on the three floors it now occupies in the tower.

Those plans would keep half to almost three-quarters of NiMo's 280-person work force in the historic downtown building, while allowing the utility to save money by consolidating its operations in less space.

NiMo decided to put the Electric Building up for sale as part of a cost cutting effort stemming from a \$152 million rate cut that went into effect after the utility was acquired last year by British power transmission giant National Grid Company.



Chuck LaChiusa/Buffalo News

**Iskalo Development is buying the Electric Building from Niagara Mohawk and plans to convert the 16-story tower into top-flight office space.**

NiMo, which for several years has leased part of the Electric Building's ground floor to American Alarm Services, has occupied the first seven floors of the tower and was using the rest for storage and equipment.

Selling the building also was possible because the company had extra room at its operations complex at Dewey and Kensington avenues, which serves as the main site for its field crews and equipment.

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