

**Minutes of the Meeting
of the
Board of Directors
of
Buffalo Urban Development Corporation**

**95 Perry Street
Buffalo, New York
May 29, 2018
12:00 p.m.**

Directors Present:

Michael Ball
James Comerford
Janique S. Curry
Dennis W. Elsenbeck
Darby Fishkin
Dottie Gallagher-Cohen
Thomas R. Hersey, Jr.
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Dennis M. Penman (Vice Chair)
Darius G. Pridgen
Craig A. Slater
Maria R. Whyte

Directors Absent:

Thomas Beauford, Jr.
Mayor Byron W. Brown (Chair)
Dennis W. Elsenbeck
Steven J. Stepniak

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Brandye Merriweather, Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Guests Present: Andrew Federick, Erie County; James Fink, *Buffalo Business First*; Pamm Lent, Empire State Development; Daniel Leonard, Buffalo Niagara Partnership; Terry LoConte, Gilbane Building Company; and Robert Sanders, Watts Architecture and Engineering.

Roll Call – The Secretary called the roll at 12:09 p.m. and a quorum was determined to be present. Mr. Pridgen and Mr. Slater joined the meeting during the presentation of item 3.0. Ms. Curry joined the meeting during the presentation of item 4.1. Mr. Nasca left the meeting following the vote on item 4.1.

- 2.0** **Approval of Minutes – Meeting of May 10, 2018** – The minutes of the May 10, 2018 special meeting of the Board of Directors were presented. Mr. Mehaffy made a motion to approve the meeting minutes. The motion was seconded by Mr. Comerford and unanimously carried.

3.0 Monthly Financial Report – Ms. Profic presented the consolidating financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending April 30, 2018. Mr. Kucharski made a motion to accept the financial report. The motion was seconded by Ms. Whyte and unanimously carried.

4.0 New Business

4.1 Potential Riverside Brownfield Acquisition – Mr. Mehaffy made a motion to enter into executive session to discuss the proposed acquisition of a brownfield site located in the Riverside section of the City of Buffalo on the basis that discussion in open session could substantially affect the value of the property. The motion was seconded by Ms. Gallagher-Cohen and unanimously carried. At the conclusion of the executive session discussion, Mr. Nasca made a motion to exit executive session. The motion was seconded by Mr. Slater and unanimously carried. The Vice Chair then reported in open session that the Board discussed the proposed acquisition of real property located at 308 Crowley Avenue. The 7.26 acre site includes approximately 382,000 square feet of former manufacturing and industrial building space, most of which, due to many years of neglect, is in very poor condition. The property and buildings are blighted and a significant detriment to a stable residential neighborhood. Mr. Penman noted that the acquisition of this property is consistent with BUDC’s brownfield redevelopment mission.

Mr. Pridgen made a motion to (i) approve the acquisition of 308 Crowley Avenue through a wholly-owned subsidiary limited liability company at a cost of \$50,000, subject to existing liens and taxes; (ii) waive the due diligence contingency and proceed to closing; and (iii) authorize President and Executive Vice President to execute and deliver any and all agreements, instruments and documents and take any and all actions that are necessary or appropriate in connection with the acquisition and closing of the transaction. The motion was seconded by Ms. Whyte and unanimously carried.

4.2 683 Northland Phase I – Change Order #2 – Vapor Mitigation – Mr. Stebbins presented his May 29, 2018 memorandum regarding proposed Change Order No. 2 to the guaranteed maximum price (GMP) construction management contract with Gilbane. This change order is in the amount of \$224,504.02 and relates to additional environmental remediation work that is required by the NYSDEC for the Brownfield Cleanup Program project at 683 Northland. This item was reviewed by the Real Estate Committee at its May 22nd meeting and is recommended for approval. Ms. Minkel made a motion to approve the amendment to the construction management agreement with Gilbane to cover additional environmental remediation costs for vapor mitigation at 683 Northland in the amount of \$224,504.02 and to authorize the President or Executive Vice President to execute and deliver the amendment on behalf of 683 Northland LLC. The motion was seconded by Ms. Fishkin and (with Mr. Ball abstaining), carried with twelve affirmative votes (12-0-1).

4.3 683 Northland Phase I – Change Order #3 – Skylights – Mr. Stebbins presented his May 29, 2018 memorandum regarding proposed Change Order No. 3 to the GMP construction management contract with Gilbane. This change order is in the amount of \$339,417.57 and relates to additional structural steel work required to install skylights and clerestory windows at 683 Northland. This item was reviewed by the Real Estate Committee at its May 22nd meeting and is recommended for approval. In response to a question from Mr. Penman, Mr. Stebbins indicated that the Phase I project is 70% complete. Ms. Curry made a motion to approve the amendment to the construction management agreement with Gilbane to cover additional costs associated with the purchase and installation of skylights and clerestory windows for the 683 Northland project in the amount of \$339,417.57 and to authorize the President or Executive Vice President to execute and deliver the amendment on behalf of 683 Northland LLC. The motion was seconded by Mr. Hersey and (with Mr. Ball abstaining), carried with twelve affirmative votes (12-0-1).

- 4.4 683 Northland Phase I – Change Order #4 – Phase II Make Ready** – Mr. Stebbins presented his May 29, 2018 memorandum regarding proposed Change Order No. 4 to the GMP construction management contract with Gilbane. This change order is in the amount of \$313,762.36 and relates to Phase II preparatory work. Mr. Stebbins noted that the amounts expended on this Change Order will reduce costs for Phase II of the project. He further noted that this item was reviewed by the Real Estate Committee at its May 22nd meeting and recommended for approval. Mr. Slater made a motion to approve the amendment to the construction management agreement with Gilbane to cover additional costs associated with the Phase II make “ready” work for the 683 Northland project in the amount of \$313,762.36 and to authorize the President or Executive Vice President to execute and deliver the amendment on behalf of 683 Northland LLC. The motion was seconded by Mr. Mehaffy and (with Mr. Ball abstaining), carried with twelve affirmative votes (12-0-1).
- 4.5 683 Northland Phase II – Gilbane GMP Update** – Mr. Stebbins presented an update regarding the guaranteed maximum price (GMP) contract with Gilbane, including the use of owner allowances and contingencies. Mr. Stebbins indicated that the overall project budget includes an owner’s contingency in the amount of 1.9 million dollars which exists outside the GMP. The outside contingency amount is shown as reduced by the dollar value of Change Orders 2, 3, and 4 that were approved by the Board.
- 4.6 683 Northland Phase II – Early Bid Recommendation to Award – Interior Demo** – Mr. Stebbins presented his May 29, 2018 memorandum and the May 21, 2018 Award Recommendation letter issued by Gilbane regarding the proposed award of early demolition work for Phase II of the 683 Northland project. Gilbane solicited proposals from five contractors and received a single proposal for the work. Total Wrecking & Environmental, LLC, which is currently on-site performing Phase I work, submitted a proposal to perform the work at a cost of \$1,082,000. The proposed award was reviewed by the Real Estate Committee at its May 22nd meeting and recommended for approval. Mr. Stebbins noted that the cost exceeds the budget for this work by approximately \$20,000. Mr. LoConte commented that it is difficult for other contractors to submit proposals that are competitive with the proposal of a contractor that is already mobilized and on-site. Ms. Fishkin made a motion to approve Gilbane’s proposed award of early demolition work to Total Wrecking & Environmental, LLC in the amount of \$1,082,000 and to authorize the President or Executive Vice President to execute the May 21, 2018 Award Recommendation on behalf of BUDC and 683 Northland LLC. The motion was seconded by Ms. Gallagher-Cohen and (with Mr. Ball abstaining), carried with twelve affirmative votes (12-0-1).
- 4.7 683 Northland Phase II – Early Bid Recommendation to Award – Roof Steel** – Mr. Stebbins presented his May 29, 2018 memorandum and the May 21, 2018 Award Recommendation letter issued by Gilbane regarding the proposed award of roof reinforcing and pre-cast planks work for Phase II of the 683 Northland project. Gilbane solicited proposals from five contractors and received proposals from two contractors for the work. Apollo Steel Corporation submitted the lowest cost proposal to perform the work at a cost of \$620,000. The budget for this work was \$629,837. The proposed award was reviewed by the Real Estate Committee at its May 22nd meeting and recommended for approval. Mr. Pridgen made a motion to approve Gilbane’s proposed award of the roof reinforcing and pre-cast planks work to Apollo Steel Corporation in the amount of \$620,000 and to authorize the President or Executive Vice President to execute the May 21, 2018 Award Recommendation on behalf of BUDC and 683 Northland LLC. The motion was seconded by Mr. Comerford and (with Mr. Ball abstaining), carried with twelve affirmative votes (12-0-1).

4.8 683 Northland Phase II – Early Bid Recommendation to Award – Structural Roof Panels –

Mr. Stebbins presented his May 29, 2018 memorandum and the May 21, 2018 Award Recommendation letter issued by Gilbane regarding the proposed award of insulated roof panel work for Phase II of the 683 Northland project. Gilbane solicited proposals from two contractors and received a single proposal. Mader Construction Co., Inc. submitted a proposal to perform the work at a cost of \$1,110,500. The budget for this work was \$1,295,750. The contractor submitted an M/WBE utilization plan that includes 25% MBE and 5% WBE utilization. The proposed award was reviewed by the Real Estate Committee at its May 22nd meeting and recommended for approval. Mr. Slater made a motion to approve Gilbane's proposed award of the insulated roof panel work to Mader Construction Co., Inc. in the amount of \$1,110,500 and to authorize the President or Executive Vice President to execute the May 21, 2018 Award Recommendation on behalf of BUDC and 683 Northland LLC. The motion was seconded by Mr. Kucharski and (with Mr. Ball abstaining), carried with twelve affirmative votes (12-0-1).

4.9 Northland Beltline Project Update – Mr. Stebbins reviewed with the Board the one-page monthly report prepared by Gilbane for the 683 Northland construction project. He also circulated a written report/update regarding the Northland Beltline Redevelopment project. He highlighted some items from the report, including an update regarding the Northland Avenue road and right-of-way project and progress on masonry work at 612 Northland. Mr. Stebbins also reported that Cogent was selected as the internet service provider for 683 Northland, following further discussion with BMW as had been directed by the Board.

4.10 BBRP Downtown Housing Study Update – Ms. Merriweather and Mr. Leonard presented a report issued by the Buffalo Niagara Partnership with support from BUDC relating to the downtown housing market. The report includes data generated from the downtown housing study prepared by Real Property Research Group, Inc. and related data compiled for the report. The principal conclusions of the report are: (i) the downtown housing market is healthy but more support of the market is needed; (ii) new incentives are necessary to support evolving economic development priorities in downtown; and (iii) BBRP strategies should be updated to respond to the market. A Board discussion followed the presentation of the report.

4.11 Buffalo Building Reuse Project Update – Ms. Merriweather presented an update regarding the Buffalo Building Reuse project. Conceptual design work for the Erie/Shelton Square project is expected to be completed in June. Responses to the second quarter request for proposals for BBRP loan program funding are due on June 29th. Ms. Merriweather informed the Board that Queen City Pop-up will not hold a summer session this year. Expressions of interest from retailers were limited for this cycle, with the summer festival season keeping many retailers too busy to commit to participating in the program. Ms. Merriweather indicated that the program is expected to resume in late fall for the holiday season.

4.12 Buffalo Lakeside Commerce Park Update – No update was presented.

4.13 Information Package – Mr. Cammarata reviewed the informational, marketing and media materials that were included in the monthly information package provided to the Board.

5.0 Late Files – None.

6.0 Tabled Items – None.

7.0 Executive Session – See item 4.1, above.

8.0 **Adjournment** – Upon motion made by Mr. Ball, seconded by Mr. Slater and unanimously carried, the May 29, 2018 meeting of the Board of Directors was adjourned at 1:35 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary