

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

**95 Perry Street
Buffalo, New York
April 23, 2019
12:00 p.m.**

Committee Members Present:

Janique S. Curry
Thomas A. Kucharski
Kimberley A. Minkel
Craig A. Slater (Chair)

Committee Members Absent:

Brendan R. Mehaffy
Dennis M. Penman
Maria R. Whyte

Officers Present:

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

Guests Present: Evan Y. Bussiere, Esq., Hurwitz & Fine, P.C.; Marie Carone, Watts Architecture & Engineering; Thomas Mancuso, Mancuso Business Development Group; Robert Sanders, Watts Architecture & Engineering; and Brett Stiehler, Gilbane Building Company.

Roll Call – Mr. Slater called the meeting to order at 12:07 p.m. A quorum of the Committee was present.

1.0 Approval of Minutes – Meeting of March 19, 2019 – The minutes of the March 19, 2019 Real Estate Committee meeting were presented. Mr. Kucharski made a motion to approve the meeting minutes. The motion was seconded by Ms. Minkel and unanimously carried.

2.0 Northland Beltline Corridor Projects

(a) 683 Northland Phase I – HVAC Modifications Change Order – Mr. Cammarata presented a proposed change order in the amount of \$46,144.85 for additional HVAC work at 683 Northland. Mr. Cammarata explained the need for the HVAC system work, which will involve a system re-design. BUDC is working with Watts and its subcontractor Popli on this issue. A preliminary cost estimate to correct the issue is \$475,000. Mr. Stiehler discussed the proposed modifications to the design of the HVAC and noted that the \$46,144.85 proposed change order related to work performed on the system during the winter. The Committee then discussed the HVAC issue, including reimbursement of the costs through professional liability insurance policies. Mr. Cammarata indicated that additional change orders will be presented to the Committee in the coming months to address the HVAC system. At the conclusion of the discussion, Ms. Minkel made a motion to recommend that the Board of Directors approve the change order in the amount of \$46,144.85. The motion was seconded by Ms. Curry and unanimously carried.

- (b) **683 Northland Phase I – Inventory & Tagging Update** – Mr. Stebbins presented an update to the Committee regarding the inventory and tagging of the furniture, fixtures and equipment purchased for the NWTC. Mr. Stebbins noted that the contractor completed the inventory and tagging work and will deliver formal reports in approximately three weeks. In response to a question from Ms. Curry, Mr. Cammarata indicated that the equipment purchased by GiGi's for the restaurant operation was not included as part of the inventory and tagging work.
- (c) **683 Northland Phase II – NWTC Expansion Space Equipment Change Order** – Mr. Stebbins presented a proposed change order for additional training equipment for electric training cubicles for the NWTC expansion. The funds for this change order will be sourced from the six million dollar ESD equipment grant. Mr. Kucharski made a motion to recommend that the Board of Directors approve the change order in the amount of \$87,280.61. The motion was seconded by Ms. Minkel and unanimously carried.
- (d) **683 Northland Phase II – NWTC Expansion Space Construction Change Order** – Mr. Stebbins presented a proposed amendment to the Gilbane construction management contract for the construction of additional classroom space for Alfred State programming. The space is located in the former "gray shed" building at 683 Northland. Mr. Stebbins indicated that ESD will provide grant funding to NWTC to fund the expansion work. The work must be completed by July 31, 2019 so that the space is available for classes in September. In response to a question from Mr. Slater, Mr. Stebbins confirmed that Gilbane solicited contractors for the work through its standard solicitation process. Ms. Curry made a motion to recommend that the Board of Directors approve an amendment to the Gilbane construction management contract to include the expansion space work in the amount not to exceed \$991,097.10. The motion was seconded by Ms. Minkel and unanimously carried.
- (e) **683 Northland Phase II – Entrepreneurial Center Space Change Order** – Mr. Stebbins presented a proposed change order for work to fit out the "red shed" building at 683 Northland. This space will house the entrepreneurial center, which is being relocated from 612 Northland. Mr. Stebbins explained that the proposed work would involve basic core and shell improvements, installation of mechanicals and bathroom facilities. Funding would be provided from the Phase II contingency. Mr. Stebbins noted that value engineering principles will be utilized to reduce the project cost. Mr. Stiehler confirmed that all items in the change order were bid out and are subject to the M/WBE and workforce participation goals applicable to the 683 Northland project. Mr. Kucharski made a motion to recommend that the Board of Directors approve the change order in an amount not to exceed \$576,723.51. The motion was seconded by Ms. Minkel and unanimously carried.
- (f) **683 Northland Phase II – Construction Update** – Mr. Stiehler presented the monthly report sheet and provided a brief update regarding Phase II of the project. The BMW space remains on schedule for occupancy by July 2019, with BMW's relocation process to start shortly thereafter so that BMW can commence operations in the new space by September. Finish work has started in the BMW space, with the high bay and primary office space construction underway. The roof is set to be completed by next week and the foundry walls have been rebuilt.
- (g) **Northland Central Food Service – GiGi's Update** – Mr. Cammarata presented an update regarding the former GiGi's restaurant at 683 Northland. He reviewed a chart regarding monies owed by GiGi's for three pieces of equipment and to a coffee vendor for services rendered. He also noted that BUDC is holding a \$5000.00 security deposit from the former

tenant. The Committee discussed various options regarding the equipment, which includes a point-of-sale system, an installed security system and a television. The Committee also discussed retaining the \$5,000 security deposit. Ms. Curry made a motion to approve retaining the \$5,000 security deposit and to authorize the President to negotiate the purchase or other disposition of the equipment with the former tenant. The motion was seconded by Ms. Minkel and unanimously carried.

- (h) **Northland Central Food Service – RFP Update** – Mr. Stebbins presented an update regarding the request for proposals for the restaurant space at 683 Northland, and he reviewed a template vendor rating sheet which is expected to be used to score proposals. Proposals are due on May 1st and a team of reviewers has been assembled to examine the proposals. Mr. Stebbins noted that there is strong interest in the restaurant space and he expects that BUDC will receive multiple proposals.
- (i) **541 East Delavan – Design & Construction Document Update** – Mr. Stebbins reported that BUDC and 34 Group are working to finalize the terms of the construction management agreement for the 541 East Delavan renovation project. The project cost estimation process has begun, and the community and contractors meetings are scheduled.
- (j) **612 Northland – AKAG Lease Update** – Mr. Cammarata circulated the letter of intent for the AKAG lease and drawings of the space. A lease has been drafted and circulated to AKAG for review. The proposed lease term is three years commencing on September 1st, with a tenant option to renew for an additional two-year period. Mr. Cammarata noted that the improvements to the 612 Northland building will make this a desirable space to lease should AKAG leave the space at some point in the future.
- (k) **612 Northland – Watts Site Design & Construction Administration** – Mr. Stebbins reviewed a handout regarding the retention of Watts to conduct site design and engineering services for 612 Northland. Mr. Stebbins outlined the scope of services as set forth in the service order and noted that the \$63,240 cost is eligible for reimbursement from the Restore NY grant. Mr. Stebbins also noted that ESD (Paul Tronolone) will provide a peer review of the service order. Ms. Curry made a motion to recommend that the Board of Directors approve the service order from Watts Architecture and Engineering for 612 Northland site design and construction services in the amount of \$63,240, subject to ESD peer review. The motion was seconded by Ms. Minkel and unanimously carried.
- (l) **612 Northland – Belknap Heating & Cooling Contract** – Mr. Cammarata presented a summary report to the Committee regarding the solicitation of HVAC contractors for work at 612 Northland. Three proposals were received, with Belknap Heating & Cooling submitting the lowest cost proposal in the amount of \$20,995. Mr. Kucharski made a motion to approve a contract with Belknap Heating & Cooling for the HVAC work for a total cost of \$20,995. The motion was seconded by Ms. Minkel and unanimously carried.
- (m) **612 Northland – Construction, Contracting & C.O. Update** – Mr. Cammarata circulated a handout regarding construction costs and a list of contractors for the work at 612 Northland. The build-out work should be completed by the summer of 2019. The core and shell work is estimated to cost \$1.3 million dollars. 70% of the total contract value of the work is being performed by certified M/WBE firms or firms seeking M/WBE certification. He noted that a sprinkler system will be installed at an estimated cost of \$70,000 as an additional requirement for the AKAG space.

- (n) **631 Northland – Proposed Renovations & Financing** – Mr. Stebbins circulated two handouts regarding the cost estimate prepared by Watts for the redevelopment of 631 Northland. The base design cost estimate is approximately \$10.3 million. He then reviewed a draft sources and uses for the project which reflect projected historic tax credit and brownfield tax credit sources. The sources and uses summary shows a financing gap of approximately 3.1 million dollars. Mr. Stebbins discussed re-engaging BUDC’s tax credits consulting team for the project. He also noted that BUDC had received an initial proposal from a local developer regarding a potential Opportunity Zone investment in the property. The Committee discussed the lack of tenant-ready industrial/commercial space in the City of Buffalo and surrounding region, and the difficulty in finding a tenant for this building due to its current condition. The consensus of the Committee was that BUDC should explore additional development options for the property.

- (o) **Northland Corridor – 2019 Landscaping Proposals** – Mr. Mancuso reviewed a handout regarding proposals for Northland Corridor landscaping services. Three parties responded to the request for proposals RFP for such services. Scott Lawn Yard, a WBE firm, submitted the lowest cost proposal for the work in the amount of \$8,500, which was substantially lower than the other two proposals. Mr. Kucharski made a motion to approve a contract with Scott Lawn Yard for Northland Corridor landscaping services in the amount of \$8,500. The motion was seconded by Ms. Minkel and unanimously carried.

- (p) **Northland Corridor – LISC Grant Update** – Mr. Stebbins presented an update regarding the LISC grant. Mr. Stebbins first circulated an email from LISC inviting BUDC board members to participate in board member training sponsored by LISC. The training is non-mandatory, and Mr. Cammarata noted that board member training is already required by the Public Authorities Law. Mr. Stebbins then reported that the grant agreement with LISC has been executed and that BUDC has hired Arthur Hall, who will start full-time employment on May 6th. It is anticipated that Mr. Hall will work primarily on Northland based projects, allocating 75% of his time to corridor projects and will aid in implementing LISC initiatives.

- (q) **Northland Corridor – Solar Energy Facilities/Micro-Grid Grant** – Mr. Stebbins presented a handout to the Committee regarding a community solar array project at 683 Northland. He stated that BUDC will seek proposals from local solar contractors to purchase and install a 1-megawatt rooftop solar array which could provide power for the project as well as produce enough excess power to provide energy cost relief to the local community through a micro-grid. He also stated that approximately \$2 million dollars from Buffalo Billion II will be used to supplement ESD capital funding for the project. Mr. Stebbins also noted that BUDC will meet with NYSEERDA and NYPA to explore additional possible grant sources for the solar array project.

- (r) **NorDel II BUDC/COB/BURA Land Swap Update** – Mr. Zanner reported that the structure of the proposed land swap is likely to change and that he is working with BURA counsel to determine the next steps for the transaction.

- (s) **Plesh Gate & Land Swap Update** – Mr. Bussiere presented a brief update and noted that the staking of the areas to be swapped will be conducted in the next week or so.

3.0 **Buffalo Lakeside Commerce Park**

- (a) **BLCP – Project Flora Update & Request** – Mr. Zanner reported that the purchaser is seeking an extension of the due diligence period under the Land Sale Agreement through near

the end of June. A copy of the proposed amendment to extend the due diligence period was circulated to the Committee and will be executed by BUDC.

(b) **BLCP – 255 Ship Canal Parkway Land Sale Update** – Mr. Stebbins reported on the sale of 255 Ship Canal Parkway. The Land Sale Agreement has been executed and Uniland has delivered the deposit to BUDC. BUDC counsel is working with Uniland to provide due diligence documentation pursuant to the terms of the agreement. Mr. Stebbins also circulated a copy of the April 22, 2019 article published in *The Buffalo News* regarding the project.

(c) **BLCP – Parcel 4 Easement & Final Engineering Report Update** – Mr. Cammarata reported that the final engineering report for Parcel 4 is complete. BUDC counsel has provided NYSDEC with all required documents in order for NYSDEC to finalize the environmental easement.

(d) **BLCP – Landscaping Contract Update** – Mr. Cammarata provided a brief update and noted that a spring/summer season kickoff meeting with the landscape contractor will be held on April 24th.

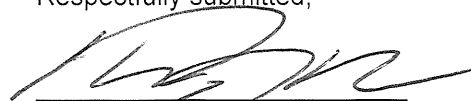
4.0 **308 Crowley Update** – Mr. Cammarata updated the Committee regarding the sale of 71 Isabelle and the remaining parcel located at 308 Crowley. He stated that the purchase contract for 71 Isabelle was circulated and is being reviewed by counsel for Enterprise Box. He also noted that the City of Buffalo had finished the pre-bidding for the demolition work and that he expects the pre-demolition work to commence sometime this summer.

5.0 **Ralph C. Wilson, Jr. Foundation Grant Update** – Mr. Stebbins updated the Committee regarding the RCWF grant and circulated an excerpt from the BUDC procurement policy. He noted that the Foundation utilizes the services of Jones, Lang LaSalle (JLL), a multi-disciplinary design firm for project development services and that the Foundation is requiring that BUDC utilize JLL for the Centennial Park project. The procurement policy provides that where the procurement of a specific service is to be accomplished using non-BUDC funds and the funding source specifies different or more restrictive procurement requirements, the requirements of the funding source will apply. Typically, BUDC would issue a solicitation or RFP for services, but in this instance, the funding source (the Foundation) is requiring that BUDC utilize a specific consultant.

6.0 **Regionally Significant Project Fund** – Ms. Merriweather updated the Committee on the proposed expenditure of \$30,000 from the RSP fund for BBRP initiatives. Options for the funds include engaging a consultant to provide a development plan for the flower/Ellicott entertainment district.

7.0 **Adjournment** – There being no further business to come before the Committee, upon motion made by Mr. Kucharski, seconded by Ms. Curry and unanimously carried, the April 23, 2019 meeting of the Real Estate Committee was adjourned at 1:35 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary