

# Buffalo Urban Development Corporation

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## Buffalo Urban Development Corporation Board of Directors Meeting

**Date: Tuesday, December 18<sup>th</sup>, 2018**

**Time: Noon**

**Place: BUDC/ECIDA Offices, 95 Perry Street, 5<sup>th</sup> Floor Conference Room  
Buffalo, New York 14203**

### **1.0 CALL TO ORDER**

**2.0 READING OF THE MINUTES** *(Action) (Enclosure)*

**3.0 MONTHLY FINANCIAL REPORTS** *(Action) (Enclosure)*

### **4.0 NEW BUSINESS**

4.1 714 Northland Avenue

a.) Acquisition Approval *(Action) (Enclosure)*

b.) Financing Proposal Approval *(Action) (Enclosure)*

4.2 683 Northland Phase I Construction

a.) Additional Gilbane Shared Savings Split Approval *(Action) (Enclosure)*

b.) Gilbane Change Order #13 Approval *(Action) (Enclosure)*

4.3 683 Northland Phase I – GMP & Construction Update *(Information)*

4.4 683 Northland Phase II – GMP & Construction Update *(Information)*

4.5 Northland Beltline Project Update *(Information)*

4.6 Buffalo Building Reuse Project Update *(Information)*

4.7 Buffalo Lakeside Commerce Park Update *(Information)*

4.8 308 Crowley Project Update *(Information)*

4.9 Information Package *(Information)*

### **5.0 LATE FILES**

### **6.0 TABLED ITEMS**

### **7.0 EXECUTIVE SESSION**

### **8.0 ADJOURNMENT** *(Action)*

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

**95 Perry Street  
Buffalo, New York  
November 27, 2018  
12:00 p.m.**

Directors Present:

Mayor Byron W. Brown (Chair)  
Trina Burruss  
James Comerford  
Janique S. Curry  
Dennis W. Elsenbeck  
Darby Fishkin  
Dottie Gallagher  
Thomas R. Hersey, Jr.  
Thomas A. Kucharski  
Brendan R. Mehaffy  
Kimberley A. Minkel  
David J. Nasca  
Craig A. Slater  
Maria R. Whyte

Directors Absent:

Thomas Halligan  
Dennis M. Penman (Vice Chair)  
Darius G. Pridgen  
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: Dawn Boudreau, ECIDA; Evan Bussiere, Hurwitz & Fine, P.C.; John Cleary, Gilbane Building Company; Pamela Lent, Empire State Development; Terry LoConte, Gilbane Building Company and Brett Stiehler, Gilbane Building Company.

- 1.0** Roll Call – Mr. Mehaffy called the meeting to order at 12:12 p.m. The Secretary called the roll and a quorum of the Board was determined to be present. Ms. Whyte joined the meeting during the presentation of item 3.0. Mayor Brown joined the meeting during the presentation of item 4.4. The presentation of item 4.1 was deferred until the end of the meeting. Ms. Curry joined the meeting during the presentation of item 4.1.
- 2.0** Approval of Minutes – Meeting of October 30, 2018 – The minutes of the October 30, 2018 meeting of the Board of Directors were presented. Mr. Slater 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 consolidated financial statements for BUDC

and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending October 31, 2018. Mr. Nasca made a motion to accept the financial report. The motion was seconded by Mr. Hersey and unanimously carried.

#### **4.0 New Business**

**4.1 Northland and Buffalo Lakeside Commerce Park Real Estate Sales, Acquisition and Leasing Transactions** – Ms. Whyte made a motion to enter into executive session to discuss proposed real estate purchase, sales and leasing transactions at Buffalo Lakeside Commerce Park and 683 Northland on the basis that the discussion of the items in open session could substantially affect the value of the properties to be discussed. Ms. Whyte's motion was seconded by Mr. Kucharski and unanimously carried. At the conclusion of executive session, Mr. Nasca made a motion to exit executive session. The motion was seconded by Mr. Kucharski and unanimously carried. No votes were taken during executive session.

**4.2 683 Northland – Owner's Shared Savings and Use** – Mr. Stebbins presented his November 27, 2018 memorandum regarding a proposal to transfer \$210,000 of shared savings from Phase I of the 683 Northland project to the owner's contingency for the project. Mr. Stebbins explained that the transfer of these funds to the owner's contingency will cover additional expenses incurred by the project for temporary weather protection, HVAC and plumbing changes, access control revisions and emergency power expenses. He noted that this item was reviewed by the Real Estate Committee and recommended for approval by the Board. Mr. Slater made a motion to accept and transfer the \$210,000 in shared savings into the owner's contingency and for the president or Executive Vice President to execute and deliver the Gilbane authorization to proceed on behalf of 683 Northland LLC. The motion was seconded by Ms. Minkel and unanimously carried.

**4.3 683 Northland Phase I – GMP & Construction Update** – Mr. Stebbins reviewed with the Board the one-page 683 Northland Project Monthly Report prepared by Gilbane. Completion of the Phase I project is nearly complete and Gilbane is working at completing the remaining punch-list items. Mr. Stebbins stated that M/WBE utilization and workforce participation percentages are above the original goal amounts.

**4.4 683 Northland Phase II – GMP & Construction Update** – Mr. Stebbins presented a brief update on Phase II of the 683 Northland project. Select demolition and remediation work is ongoing and the 1964 section of the roof has been replaced. Underground plumbing and electrical work is underway and the Gilbane field office has been relocated from the exterior trailer to a temporary interior space. He also noted that the certificate of completion for the Brownfield Cleanup Program project is expected to be issued by the end of the year. Mr. Stebbins stated that WBE utilization percentages were at 14%, which is above goal.

**4.5 Northland Beltline Project Update** – Mr. Stebbins referred the Board to the Northland Corridor Redevelopment Project Update dated November 27, 2018, copies of which were circulated to the Board. He highlighted various points in the Project Update, including the multiple tours conducted by BUDC staff of the Northland Corridor and 683 Northland, including tours for outside economic development groups which are using the Northland Corridor Redevelopment Project as an example for projects in their respective communities. 95% of the paving of Northland Avenue has been completed, and work continues on signage, striping and intersection work for the street project. Mayor Brown also discussed the current student population demographics and noted the financial assistance that has been provided to the students. Mr. Stebbins also stated that project cash flow is positive.

- 4.6 Buffalo Building Reuse Project Update** – Ms. Merriweather reported that BUDC issued its fourth quarter request for proposals for the BBRP loan program. Responses are due on December 28<sup>th</sup>. Ms. Merriweather then updated the Board regarding downtown infrastructure matters. She noted that the Erie/Shelton Square project and the Chippewa Street improvements are underway. Ms. Merriweather also reported that the BUDC website redesign has commenced and that the Queen City Pop-up kick-off program at the Market Arcade was a success with Mayor Brown introducing the new vendors. She also stated that BUDC is seeking additional funds from National Grid to be used for marketing the downtown commercial corridor.
- 4.7 Buffalo Lakeside Commerce Park Update** – Mr. Cammarata presented a brief update regarding Buffalo Lakeside Commerce Park, including a report regarding the environmental easement for the Parcel 4 superfund site, which should be in place around the first of the year.
- 4.8 308 Crowley Project Update** – Mr. Cammarata presented that the two underground storage tanks had been registered with the NYSDEC and that the NYSDEC has been engaged regarding the potential waiver of the existing environmental lien on the property.
- 4.9 Information Package** – Mr. Cammarata reviewed the informational, marketing and media materials that were included in the monthly information package provided to the Board. Mr. Mehaffy also reported that the listing for the downtown police station was released and that there was substantial interest in the property.
- 5.0 Late File – Start-Up NY Affiliation Agreement.** Ms. Gallagher made a motion to accept a late file item relating to the proposed designation of 631 Northland and 683 Northland as Start-Up NY properties. The motion was seconded by Ms. Burruss and unanimously carried. Mr. Stebbins then presented his November 27, 2018 memorandum regarding the proposed designation, including an affiliation agreement between the University of Buffalo and NorDel II, LLC for the 631 Northland property. He explained that certain vacant space at 631 Northland will be designated as tax free areas under the Start-Up NY program, and that the designation will provide for increased marketing opportunities. There is no cost to BUDC to be part of the program. Mr. Nasca inquired about how the designations worked and Mr. Stebbins summarized the designation process. He also noted that UB will have to amend its current campus plan to include the areas to be designated. At the end of the discussion, Mr. Comerford made a motion to designate 631 Northland and 683 Northland as University at Buffalo Start-Up NY properties and to authorize the President or Executive Vice President to execute and deliver an affiliation agreement between NorDel II, LLC and UB for the 631 Northland property. The motion was seconded by Mr. Eisenbeck and unanimously carried.
- 6.0 Tabled Items** – None.
- 7.0 Executive Session** – Yes, see item 4.1.
- 8.0 Adjournment** – There being no further business to come before the Board, upon motion made by Mr. Comerford, seconded by Mr. Kucharski and unanimously carried, the November 27, 2018 meeting of the Board of Directors was adjourned at 1:25 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary

**Buffalo Urban Development Corporation**  
**Consolidated Financial Statements**  
November 30, 2018

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Consolidated Statements of Net Position**

<b>ASSETS</b>	<b>November 2018</b>	<b>October 2018</b>	<b>December 2017</b>
<b>Current assets:</b>			
Cash	\$ 5,943,595	\$ 7,343,241	\$ 11,307,516
Restricted cash	3,777,871	3,990,191	3,197,630
Grants receivable	27,816,663	29,475,645	14,261,804
Other current assets	8,072,588	8,081,880	472,826
<b>Total current assets</b>	<b>45,610,718</b>	<b>48,890,957</b>	<b>29,239,776</b>
<b>Noncurrent assets:</b>			
Loans receivable	12,107,158	10,416,400	10,416,400
Capital assets, net	7,802,099	7,749,368	6,862,723
Construction in process	69,394,503	65,309,361	15,334,049
Land and improvement held for sale, net	4,061,482	4,061,482	3,996,668
<b>Total noncurrent assets</b>	<b>93,365,241</b>	<b>87,536,610</b>	<b>36,609,840</b>
<b>Total assets</b>	<b>\$ 138,975,959</b>	<b>\$ 136,427,567</b>	<b>\$ 65,849,616</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 7,149,480	\$ 6,885,548	\$ 3,809,969
Unearned grant revenue	25,307,053	29,513,566	15,336,932
<b>Total current liabilities</b>	<b>32,456,533</b>	<b>36,399,114</b>	<b>19,146,901</b>
Note payable	257,381	257,381	257,381
Deferred developer fee	4,924,392	4,924,392	-
Loans payable	49,886,688	48,863,823	13,731,642
<b>Total noncurrent liabilities</b>	<b>55,068,461</b>	<b>54,045,596</b>	<b>13,989,023</b>
<b>NET POSITION</b>			
Net investment in capital assets	3,744,363	3,691,632	8,466,772
Restricted	4,861,278	4,856,983	5,254,198
Unrestricted	42,845,324	37,434,242	18,992,722
<b>Total net position</b>	<b>51,450,965</b>	<b>45,982,856</b>	<b>32,713,692</b>
<b>Total liabilities and net position</b>	<b>\$ 138,975,959</b>	<b>\$ 136,427,567</b>	<b>\$ 65,849,616</b>

Balance Sheet Notes:

- Cash decrease due to continued construction payments for 683 Northland Phase 1 and Phase 2
- Grants receivable decreased due to receipt of grant reimbursement in November
- CIP increased \$4.1 million due to ongoing construction of Workforce Training Center
- Deferred developer fee represents fee received by BUDC invested back into project
- Loans payable increased \$1.0 million due to second draw from \$10 million Phase 2 construction loan

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Consolidated Statements of Revenues, Expenses**  
**and Changes in Net Position**  
**Year to Date (with Comparative Data)**

	<u>November 2018</u>	<u>October 2018</u>	<u>December 2017</u>
<b>Operating revenues:</b>			
Grant revenue	\$ 21,277,006	\$ 17,071,573	\$ 16,895,680
Brownfield funds	285,773	285,773	501,294
Loan interest and commitment fees	37,813	34,375	125,787
Rental and other revenue	<u>17,557</u>	<u>16,257</u>	<u>74,806</u>
Total operating revenues	<u>21,618,148</u>	<u>17,407,978</u>	<u>17,597,567</u>
<b>Operating expenses:</b>			
Development costs	3,973,375	3,598,570	557,688
Adjustment to net realizable value	-	-	1,012,693
Salaries and benefits	401,545	364,469	444,407
General and administrative	160,762	142,625	193,486
Management fee	45,833	41,667	52,541
Depreciation	<u>1,100</u>	<u>1,000</u>	<u>5,275</u>
Total operating expenses	<u>4,582,615</u>	<u>4,148,330</u>	<u>2,266,090</u>
Operating income (loss)	<b>17,035,533</b>	<b>13,259,647</b>	<b>15,331,477</b>
<b>Non-operating revenues (expenses):</b>			
Grant expense	(2,049,294)	(2,049,294)	-
Interest income	10,984	9,521	14,470
In-kind revenue	-	-	730,348
Total non-operating revenues (expenses)	<u>(2,038,310)</u>	<u>(2,039,773)</u>	<u>744,818</u>
Change in net position	<b>14,997,223</b>	<b>11,219,874</b>	<b>16,076,295</b>
Net position - beginning of period	<u>32,713,692</u>	<u>32,713,692</u>	<u>16,637,397</u>
Add: Capital contribution	<b>3,740,053</b>	<b>2,049,294</b>	<b>-</b>
Net position - end of period	<u>\$ 51,450,968</u>	<u>\$ 45,982,860</u>	<u>\$ 32,713,692</u>

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Consolidating Statement of Net Position**  
**November 30, 2018**

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash	\$ 2,734,300	\$ -	\$ 3,209,295	\$ -	\$ 5,943,595
Restricted cash	3,777,871	-	-	-	3,777,871
Grants receivable	27,816,663	-	-	-	27,816,663
Other current assets	7,814,581	-	258,866	(859)	8,072,588
Total current assets	42,143,416	-	3,468,161	(859)	45,610,718
<b>Noncurrent assets:</b>					
Loans receivable	28,630,681	-	-	(16,523,523)	(1)
Equity investment	-	18,212,781	-	(18,212,781)	(1)
Capital assets, net	3,744,363	-	4,057,736	-	7,802,099
Construction in process	-	-	69,394,503	-	69,394,503
Land and improvement held for sale, net	4,061,482	-	-	-	4,061,482
Total noncurrent assets	36,436,525	18,212,781	73,452,239	(34,736,304)	93,365,241
Total assets	\$ 78,579,941	\$ 18,212,781	\$ 76,920,400	\$ (34,737,163)	\$ 138,975,959
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expense	\$ 381,219	\$ 859	\$ 6,768,261	\$ (859)	(1)\$ 7,149,480
Unearned grant revenue	25,307,053	-	-	-	25,307,053
Total liabilities	25,688,272	859	6,768,261	(859)	32,456,533
<b>Noncurrent liabilities:</b>					
Note payable	257,381	-	-	-	257,381
Deferred developer fee	4,924,392	-	-	-	4,924,392
Loans payable	-	18,214,281	50,085,048	(18,412,641)	(1) 49,886,688
Total noncurrent liabilities	5,181,773	18,214,281	50,085,048	(18,412,641)	55,068,461
<b>NET POSITION</b>					
Net investment in capital assets	3,744,363	-	-	-	3,744,363
Restricted	4,861,278	-	-	-	4,861,278
Unrestricted	39,104,255	(2,359)	20,067,091	(16,323,663)	(1) 42,845,324
Total net position	47,709,896	(2,359)	20,067,091	(16,323,663)	51,450,965
Total liabilities and net position	\$ 78,579,941	\$ 18,212,781	\$ 76,920,400	\$ (34,737,163)	\$ 138,975,959

(1) This represents activity between the entities to be eliminated for the consolidated financial statements.



**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Consolidating Statement of Revenues, Expenses and Changes in Net Position**  
**Year to Date November 30, 2018**

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations	Total
<b>Operating revenues:</b>					
Grant revenue	\$ 21,277,006	\$ -	\$ -	\$ -	\$ 21,277,006
Brownfield funds	285,773	-	-	-	285,773
Loan interest and commitment fees	37,813	-	-	-	37,813
Rental and other revenue	17,557	-	-	-	17,557
Total operating revenue	<u>21,618,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,618,148</u>
<b>Operating expenses:</b>					
Development costs	3,972,929	-	446	-	3,973,375
Salaries and benefits	401,545	-	-	-	401,545
General and administrative	159,262	1,500	-	-	160,762
Management fee	45,833	-	-	-	45,833
Depreciation	1,100	-	-	-	1,100
Total operating expenses	<u>4,580,669</u>	<u>1,500</u>	<u>446</u>	<u>-</u>	<u>4,582,615</u>
Operating income	17,037,479	(1,500)	(446)	-	17,035,533
<b>Non-operating revenues (expenses):</b>					
Grant to Buffalo Brownfield Restoration Corp.	(2,049,294)	-	-	-	(2,049,294)
Interest income	7,332	-	3,652	-	10,984
Total non-operating revenues (expenses)	<u>(2,041,962)</u>	<u>-</u>	<u>3,652</u>	<u>-</u>	<u>(2,038,310)</u>
Change in net position	14,995,517	(1,500)	3,206	-	14,997,223
Net position - beginning of year	32,714,379	(859)	10,249,066	(10,248,894)	32,713,692
Add: capital contributions	-	-	9,814,819	(6,074,766)	3,740,053
Net position - end of period	<u>\$ 47,709,896</u>	<u>\$ (2,359)</u>	<u>\$ 20,067,091</u>	<u>\$ (16,323,660)</u>	<u>\$ 51,450,968</u>

(1) This represents activity between the entities to be eliminated for the consolidated financial statements.

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Budget to Actual Comparison**  
**Year to Date November 30, 2018**

	<u>YTD November 2018</u>	<u>YTD Budget 2018</u>	<u>Variance</u>
<b>Operating revenues:</b>			
Grant revenue	\$ 21,277,006	\$ 2,442,917	\$ 18,834,089
Brownfield funds	285,773	428,083	(142,311)
Loan interest and commitment fees	37,813	261,250	(223,438)
Rental and other revenue	17,557	27,867	(10,310)
Total operating revenues	<u>21,618,148</u>	<u>3,160,117</u>	<u>18,458,031</u>
<b>Operating expenses:</b>			
Development costs	3,973,375	2,451,625	1,521,750
Salaries and benefits	401,545	480,519	(78,973)
General and administrative	160,762	148,042	12,720
Management fee	45,833	44,000	1,833
Depreciation	1,100	917	183
Total operating expenses	<u>4,582,615</u>	<u>3,125,102</u>	<u>1,457,513</u>
Operating income (loss)	<u>17,035,533</u>	<u>35,015</u>	<u>17,000,518</u>
<b>Non-operating revenues (expenses):</b>			
Grant expense	(2,049,294)	-	(2,049,294)
Interest income	10,984	4,583	6,401
Proceeds from land sales	-	(39,261)	39,261
Total non-operating revenues (expenses)	<u>(2,038,310)</u>	<u>(34,678)</u>	<u>45,662</u>
Change in net position	<u>\$ 14,997,223</u>	<u>\$ 337</u>	<u>\$ 17,046,180</u>

**Budget variances:**

- Majority of revenue is grant revenue related to Northland (\$21.2 million) and BBRP (\$90,000). Northland grant revenue recognized from various ESD, NYPA, CDBG & Restore NY grants. Positive variance of \$18.8 million is due to assumption in budget that the majority of revenue related to older grants would have been recognized in 2017. With various funding sources in play due to tax credit investors, grant revenue has been recognized at a slower rate than in the prior year.
- Development costs consist of property/project-related costs (e.g. construction, operations and maintenance, legal and insurance costs). Recall that all development costs related to 683 Northland and the Workforce Training Center are currently being capitalized as construction in progress (CIP) on the balance sheet, and are not reflected here. Variance of \$1.5 million is due to higher than initially budgeted project costs.
- Salaries and benefits are \$79,000 below budget due to inclusion of a new employee in 2018 budget.
- Grant expense was unknown at the time the 2018 budget was approved, this is part of the overall tax credit model.

# Buffalo Urban Development Corporation

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## Item 4.1.a.

### MEMORANDUM

**TO: BUDC Board of Directors**

**FROM: Peter M. Cammarata, President**

**SUBJECT: Acquisition of 714 Northland Avenue**

**DATE: December 18, 2018**

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Earlier this year, the owner of the commercial building and property located at 714 Northland Avenue contacted BUDC regarding BUDC's interest in purchasing the property. The property consists of a 1.81+/- acre parcel improved by an 18,900 square foot industrial/manufacturing building. The building is fully leased to a single tenant - Well Worth Products, Inc. The tenant recently renewed its lease for an additional three-year period. Acquisition of this property will be a valuable addition to BUDC's existing holdings and consistent with BUDC's long-term strategy to create a manufacturing campus along the Northland Corridor. The 2-acre parcel also presents flexible options for future development and additional parking.

The BUDC executive team, with direction from the Real Estate Committee, commenced negotiations with the owner to purchase the property. The negotiated purchase price is \$425,000. An appraisal of the property was performed, which determined the fair market value to be \$425,000.

As part of its due diligence, BUDC retained LiRo Engineers to prepare a Phase I environmental site assessment of the property. The Phase I report identified environmental conditions which relate to prior industrial uses of the site, and which are typical for properties located in the Northland Beltline corridor. BUDC also arranged for an inspection of the building, including the mechanical and roofing systems. The inspection report indicates that the building is in good condition.

As noted in companion Board item 4.1.b., BUDC is proposing to fund the acquisition of the property with conventional bank financing. BUDC may also use funds from the Buffalo Brownfields Redevelopment Fund to cover a portion of the purchase price.

The property is under contract and acquisition/closing is expressly contingent upon Board approval and the completion of BUDC due diligence, with both contingencies to be satisfied or waived no later than December 27<sup>th</sup>. The Real Estate Committee reviewed this item at its December 11<sup>th</sup> meeting and is recommending that the Board of Directors approve the acquisition and waive the due diligence contingency.

**Action:**

We are requesting that the Board: (i) approve the acquisition of 714 Northland Avenue through a wholly-owned subsidiary limited liability company at a cost of \$425,000; (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.

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**Item 4.1.b.**

**MEMORANDUM**

**TO: Buffalo Urban Development Corporation Board of Directors**  
**FROM: David A. Stebbins, Executive Vice President**  
**SUBJECT: 714 Northland Avenue – Acquisition Financing Proposals**  
**DATE: December 18, 2018**

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On October 29, 2018, BUDC issued a Request for Proposals for financing in connection with BUDC’s proposed acquisition of the real property and improvements at 714 Northland Avenue. The RFP sought proposals with the following terms:

- Loan Request:** Up to \$425,000.00
- Term:**
  - Option 1: Fully-amortizing loan; 7-year term
  - Option 2: Interest-only; 5-year term
- Interest Rate:** Interest-only with a fixed spread over LIBOR or other benchmark

BUDC received term sheets from KeyBank, Evans Bank, Northwest Bank and M&T Bank, which were reviewed by BUDC executive staff and counsel. The term sheets were then reviewed with the Audit & Finance Committee at its December 5<sup>th</sup> meeting.

A final recommendation will be presented to the Board of Directors at the December 18<sup>th</sup> meeting.

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Item 4.2 a)

**MEMORANDUM**

**TO: Buffalo Urban Development Corporation Board of Directors**  
**FROM: David A. Stebbins, Executive Vice President**  
**SUBJECT: 683 Northland – Additional Owner’s Shared Savings and Use**  
**DATE: December 18, 2018**

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The Guaranteed Maximum Price (GMP) Contract with Gilbane Building Company includes a provision that requires Gilbane to share with the Owner any savings they realized under the contract for their Contractor’s Contingency on a 60/40 basis. The first part of that shared savings was presented at the November Board meeting.

Gilbane is ready to implement the second portion of the Shared Savings. The second estimated savings amount is \$275,000. BUDC/683 Northland LLC’s share is \$165,000. As was originally intended, the Owner’s Savings will be applied to the Owner’s Contingency within the GMP. A copy of the Authorization to Proceed (ATP) to authorize this transfer is attached to this Memorandum.

These savings will be used for several contingency items, including additional costs for masonry restoration, modified kitchen requirements, additional unsuitable soils found on-site and additional electrical services for HVAC modifications. A list suggesting the use of this additional contingency is also attached to this Memorandum.

This proposed authorization to accept and transfer \$165,000 in shared savings was reviewed with the Real Estate Committee at their meeting of December 11, 2018 and recommended for approval by the Board of Directors.

**ACTION:**

We are requesting Board authorization to accept and transfer an additional \$165,000 in shared savings into the Owner’s Contingency within the GMP; and to authorize the President or Executive Vice President to execute and deliver the attached Authorization to Proceed to Gilbane Building Company on behalf of 683 Northland LLC.

**Gilbane Building Company  
Authorization To Proceed**



**CONTRACT FOR:** Northland Corridor Redevelopment And Workforce Training Center  
**OWNER:** 683 Northland, LLC c/o BUDC  
**ADDRESS:** 95 Perry Street Suite 404  
 Buffalo , NY, 14203

**PROJECT NUMBER:** J07451.000  
**ATP NO:** ATP-0015  
**ATP VERSION:** 0  
**DATE OF ISSUANCE:**  
**SUBMITTED BY:** Gilbane Building Company  
**ALTERNATE TRACKING#:**

**ARCHITECT:** Watts Architecture & Engineering, D.P.C., Edward Watts, Jr.

Gilbane Building Company submits herein its request to expend funds within the current Contract Sum/Project Budget for the work as described below. Upon your approval of this request, contractor amendments and/or purchase orders will be issued for the amounts indicated. Supporting documentation is attached as listed in Attachments below. Owner authorization is for cost of the work and does not constitute a change in the Contract Sum/Project Budget or Contract Time.

**TITLE:** Phase 1 Shared Saving split 2

**DESCRIPTION:**

**Attachments:**

Number	Description:	PCI	Change Date	Revision

The Following information is provided by Gilbane Building Company  
**Method of determining change in Contract:**

- Guaranteed Maximum Price       Cost Plus Fee       Unit Price       Lump Sum  
 Other

**ATP Amount**  
 Dollar Amount: \$.00

- Fixed       Maximum       Estimated       Time and Material

**Change In Contract Time**  
 Time (Days): 0

- Fixed       Maximum       Estimated

Job	PCI No.	Description	Phase Code	SubContractor	Amount	Accept?
J07451.000	BT-00032	Fee	00.001.999000.Z		\$110,000.00	<input type="checkbox"/> Yes <input type="checkbox"/> No
J07451.000	BT-00032	Owner's Shared Savings	92.985.899800.X		\$165,000.00	<input type="checkbox"/> Yes <input type="checkbox"/> No

Job	PCI No.	Description	Phase Code	SubContractor	Amount	Accept?
J07451.000	BT-00032	Contingency	92.985.899900.X		-\$275,000.00	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
TOTAL FOR PCI No. BT-00032					\$0.00	

Submitted Amt: \$0.00



### **Split 1 Expenditures**

Temp Protection	\$120,000.00
Miscellaneous metals Changes	\$44,156.87
Plumbing Changes	\$9,347.00
HVAC Changes	\$20,108.00
Access Control revisions	\$6,335.00
Emergency power for BMS	\$9,431.00
	<hr/>
	\$209,377.87

### **Split 2 Expenditures**

Additional Masonry Resoration	\$65,120.00
additional Kitchen requirements	\$38,303.00
Unsuitable soils	\$34,689.00
Additional Electrical For HVAC Equipment	\$27,215.00
	<hr/>
	\$165,327.00

**Buffalo Urban Development Corporation**

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



Item 4.2 b).

**MEMORANDUM**

**TO: BUDC Board of Directors**  
**FROM: David A. Stebbins, Executive Vice President**  
**SUBJECT: 683 Northland Phase I: Change Order #13 – Additional Training Center Improvements & Other Work**  
**DATE: December 18, 2018**

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Final completion of Phase I of the project at 683 Northland will be achieved at the end of December. After occupancy of the Northland Workforce Training Center (NWTC) and start of classes, NWTC staff and the academic providers from SUNY Erie and Alfred State College identified several additional building needs to meet their curriculum requirements. These include:

- Creation of a student lunch area;
- Additional carpeting in office areas and computer labs;
- Additional office space for instructors;
- Safety modifications to the Welding Labs;
- Refrigerators for the kitchenettes.

In addition, the cost for the installation of new water meters and a Wall Mural dedicated to the New York Power Authority are also included.

Therefore, we are requesting the transfer of approximately \$150,375 from the Owner’s remaining “Outside” Contingency of \$387,789. to the GMP to cover the costs of additional tenant-driven design and construction changes and other miscellaneous items. This will increase the GMP from \$46,156,443.58 to \$46,306,819.04 and leave a balance of \$234,414.07 in the Owner’s “Outside” Contingency.

This proposal was reviewed with the Real Estate Committee at its December 11, 2018 meeting and recommended for approval by the Board.

**ACTION:**

We are requesting Board authorization to amend the existing construction management agreement with Gilbane Building Company to cover additional tenant-driven changes to training labs and other miscellaneous items for 683 Northland Avenue project at an estimated cost of \$150,375, and to authorize the President or Executive Vice President to execute and deliver the amendment to the construction management agreement on behalf of 683 Northland LLC.

**Owner Change Order (OCO)  
Draft**



Project Name: Northland Corridor  
Redevelopment And Workforce  
Training Center

Gilbane Job No.: J07451.000

OCO: OCO-0013

PCI: OS-00014, OS-00015, OS-  
00016, OS-00018

Alternate Tracking #:

**Attention:**

Owner: 683 Northland, LLC c/o BUDC

Address: 95 Perry Street  
Suite 404  
Buffalo, NY 14203 US

Architect: Watts Architecture & Engineering, D.P.C., Edward Watts,  
Jr.

**Date Issued:**

Gilbane Building Company submits herein a request for Change Order in the total amount indicated below for Work included in the Gilbane Building Company Potential Change Items (PCI) identified below. Contractor's quotations have been reviewed and found to be fair and reasonable for the work involved. Refer to the attached documentation for specific pricing information. Upon Owner approval, Gilbane Building Company will incorporate this amount in a final Owner Change Order document, which when executed by all parties, will change the Contract Sum and Contract Time as applicable.

Scope Of Changes: Day 2 Items

Description: Provide a Overhead door for the Tenant space  
Provide Water meters  
Provide refrigerators for kitchenettes  
Provide Student lunch area  
Provide Additional Carpeting  
Provide New office space for instructors  
Repaint Beginners Welding due to possible safety issues  
Provide NYPA Mural/ Wall art

**Additional Description**

**Attachments:**

Number	Title	PCI	Change Date	Revision
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Number	Title	PCI	Change Date	Revision
Sort Attachments				

Job	PCI Code	Phase Code	Description	Subcontractor	Basis	Amount	Accept
J07451.000		00.001.999000.Z	Fee			\$198.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		01.01A.024000.X	Demolition			\$2,971.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		01.05B.050000.S	Misc. Metals			\$1,200.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		01.08E.083000.E	Overhead Doors			\$4,600.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		01.09B.092000.X	Drywall, Carpentry & Ceilings			\$1,147.13	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		99.970.950050.Z	Gen & Excess Liability Insurance			\$142.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		99.975.996000.Z	Contractor Default Insurance			\$119.00	<input type="radio"/> Yes <input type="radio"/> No
TOTAL FOR PCI No. OS-00014						\$10,377.13	
J07451.000		00.001.999000.Z	Fee			\$476.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		01.09B.092000.X	Drywall, Carpentry & Ceilings			\$6,931.33	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		01.12A.120000.X	NYPA Signage			\$16,866.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		99.970.950050.Z	Gen & Excess Liability Insurance			\$341.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		99.975.996000.Z	Contractor Default Insurance			\$286.00	<input type="radio"/> Yes <input type="radio"/> No
TOTAL FOR PCI No. OS-00015						\$24,900.33	
J07451.000		00.001.999000.Z	Fee			\$1,905.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		01.06A.062000.I	Millwork			\$10,000.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		01.09B.092000.X	Drywall, Carpentry & Ceilings			\$34,000.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		01.09C.099000.X	Painting			\$12,650.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		01.09E.096500.X	Resilient Flooring & Carpeting			\$35,000.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		01.10A.102100.X	Toilet Partitions & Accessories			\$8,500.00	<input type="radio"/> Yes <input type="radio"/> No
J07451.000		01.11A.114000.X	Kitchen Equipment			\$2,727.00	<input type="radio"/> Yes <input type="radio"/> No

J07451.000		99.970.950050.Z	Gen & Excess Liability Insurance			\$1,365.00	<input type="radio"/> Yes <input checked="" type="radio"/> No
J07451.000		99.975.996000.Z	Contractor Default Insurance			\$1,143.00	<input type="radio"/> Yes <input checked="" type="radio"/> No
TOTAL FOR PCI No. OS-00016						\$107,290.00	
J07451.000		00.001.999000.Z	Fee			\$149.00	<input type="radio"/> Yes <input checked="" type="radio"/> No
J07451.000		01.22B.220010.X	Plumbing - Above Ground			\$7,462.00	<input type="radio"/> Yes <input checked="" type="radio"/> No
J07451.000		99.970.950050.Z	Gen & Excess Liability Insurance			\$107.00	<input type="radio"/> Yes <input checked="" type="radio"/> No
J07451.000		99.975.996000.Z	Contractor Default Insurance			\$90.00	<input type="radio"/> Yes <input checked="" type="radio"/> No
TOTAL FOR PCI No. OS-00018						\$7,808.00	

**Submitted Amt: \$150,375.46    App Amt: \$150,375.46**