

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

**95 Perry Street
Buffalo, New York
August 21, 2018
12:00 p.m.**

Committee Members Present:

Janique S. Curry
Thomas A. Kucharski
Dennis M. Penman
Maria R. Whyte

Committee Members Absent:

Brendan R. Mehaffy
Kimberley A. Minkel
Craig A. Slater (Chair)

Officers Present:

Peter M. Cammarata, President
David Stebbins, Executive Vice President
Brandye Merriweather, Vice President
Kevin J. Zanner, Secretary

Guests Present: Dawn Boudreau, ECIDA Compliance Officer; Evan Y. Bussiere; Hurwitz & Fine, P.C.; Terry LoConte, Gilbane Building Company; Thomas Mancuso, Mancuso Business Development, Inc.; Robert Sanders, Watts Architecture & Engineering; and Brett Stiehler, Gilbane Building Company.

Roll Call – The Secretary called the roll at 12:15 p.m. A quorum of the Committee was not present. Item 2(a) was presented in the absence of a quorum. Ms. Curry joined the meeting during the presentation of item 2(a), at which time a quorum of the Committee was present. The Committee agreed to re-order the agenda to address agenda items in the following order: 1.0, 2(b), 3(c), 2(d), 2(l) and 2(m). Following the vote on item 2(m), Ms. Whyte left the meeting, at which time a quorum of the Committee was no longer present.

1.0 Approval of Minutes – Meeting of July 24, 2018 – The minutes of the July 24, 2018 meeting of the Real Estate Committee were presented. Mr. Penman made a motion to approve the meeting minutes. The motion was seconded by Ms. Whyte and unanimously carried.

2.0 Northland Beltline Project

(a) **683 Northland Phase I – Gilbane Change Order No. 7 Update** - Mr. Cammarata reviewed with the Committee a one-page report regarding project expenditures made pursuant to Change Order No. 7. The total budget for the Change Order items is an amount not-to-exceed \$600,000 as approved by the Board of Directors at the June Board of Directors meeting. Gilbane is soliciting proposals for the exterior signage and temporary protection work, which are the final two work items to be priced under the Change Order. It is anticipated that the total dollar amount of the Change Order items will be less than the \$600,000 maximum dollar amount authorized by the Board.

(b) **683 Northland Phase I – GMP & Construction Update** – Mr. Stiehler reviewed the one-page

Project Monthly Report dated August 20, 2018. The Phase I project is on track to receive a temporary certificate of occupancy this month. Final completion remains on target for September 28th. M/WBE utilization is at 28% and 7% respectively. Minority workforce participation is 25% and women workforce participation is 7%. Mr. Stebbins reported that equipment installation continues on a tight schedule but on time for the 1st day of classes on September 10th. He also indicated that some of the contingency savings under the Gilbane contract may need to be used for temporary protection work.

(c) **683 Northland Phase II – Guaranteed Maximum Price Amendment Proposal** – Mr. Stebbins presented a proposed recommendation for the approval of a guaranteed maximum price (GMP) amendment to the Gilbane construction management agreement for Phase II of the 683 Northland project. He circulated a two-page summary of the proposed GMP along with a sources and uses worksheet for the project. Mr. LoConte then led the Committee through a detailed review of the proposed guaranteed maximum price (GMP) summary document, explaining the CM holds, the early bid work and the owner allowances and contingencies. The proposed total GMP value is \$33,462,684. Mr. Stebbins noted that Gilbane's fee for the Phase II project is 1.95%, which is lower than the CM industry standard of 2.5%. The Committee next reviewed the sources and uses worksheet, which shows a surplus of nearly 1.5 million dollars. Mr. Stebbins indicated that the surplus will be held as a reserve for taxes. Mr. Penman suggested that BUDC explore the federal Qualified Opportunity Zones legislation for additional funding for Northland projects. Mr. Stebbins indicated that staff is considering pursuit of a Brownfield Opportunity Area designation for the Northland Beltline Corridor, which would provide enhanced Brownfield Cleanup Program tax credits. The Committee then returned to a discussion of the proposed GMP, with Mr. Kucharski commenting favorably on Gilbane's value engineering process. At the conclusion of the discussion, Mr. Penman made a motion to recommend that the Board of Directors approve a guaranteed maximum price amendment to the BUDC-Gilbane construction management agreement in the amount of \$33,462,684. The motion was seconded by Ms. Curry and unanimously carried.

(d) **683 Northland Phase II – LiRo Additional BCP Cost Proposal** – Mr. Cammarata circulated the August 20, 2018 proposal from LiRo Engineers to perform additional Brownfield Cleanup Program remediation work at 683 Northland at a cost of \$86,064.75. This proposal will cover the consultant's work through the issuance of a certificate of completion for the BCP project. Ms. Whyte made a motion to recommend that the Board of Directors approve the additional remediation work in the amount of \$86,064.75. The motion was seconded by Mr. Penman and unanimously carried.

Mr. Stebbins then introduced a late file item to regarding the proposed retention of SJB Services, Inc. to perform constructing testing and inspection services. Mr. Stebbins noted that the contractor is currently on site and had performed similar services for Phase I of the project in response to an RFP issued by BUDC. In response to a question from Mr. Penman, Mr. Stebbins indicated that BUDC had not solicited new proposals for this work. After further discussion, Mr. Penman made a motion to approve the retention of SJB Services subject to ESD approval and BUDC legal counsel review for compliance with BUDC procurement policy requirements. The motion was seconded by Ms. Whyte and unanimously carried.

(e) **683 Northland Phase II – Watts CA/CI Service Proposal Update** – Mr. Cammarata reported that ESD completed its peer review of the Watts proposal and recommended that three conditions be added to the proposal.

(f) **683 Northland Phase II – Construction Update** – Mr. Cammarata reported that the early bid work for Phase II of the 683 Northland project is underway, including select demolition work. The construction schedule calls for the roof to be in place by January.

- (g) **683 Northland – BMW & Other Leasing Updates** – Mr. Cammarata reviewed with the Committee the letter of intent for the Buffalo Manufacturing Works lease, which was previously approved by the Board. A lease agreement has been prepared consistent with the terms of the letter of intent and will be executed soon.
- (h) **683 Northland – NWTC Expansion** – Mr. Cammarata reported that The Economic Development Group, Inc. (EDG), which operates the workforce training center, has expressed a desire to lease additional space next year to accommodate additional WTC programming. Mr. Cammarata indicated that one option being considered is a build-out of the east shed building. He also noted that market-rate rent for the additional space would be required. Mr. Penman suggested that BUDC invite EDG to make a presentation to the BUDC Board of Directors regarding the workforce training center.
- (i) **683 Northland – BCP Update** – Mr. Cammarata reported on the dig and haul remediation work, which is on track for completion by October 1st.
- (j) **683 Northland – Facility Staffing Update** – Mr. Mancuso informed the Committee that Mancuso Business Development recently hired Robert Sitek, who will serve as the facilities operator for Northland. Mr. Mancuso noted that Mr. Sitek was one of fifty applicants for the position, twelve of whom were asked to interview.
- (k) **612 Northland – Construction & Contracting & C.O. Update** – Mr. Cammarata updated the Committee regarding the 612 Northland renovation project. The roofing work is complete. Contracts are in place with the window installation contractor. Windows have been ordered and will be installed by December 31st.
- (l) **577 Northland – Public Art Proposal** – Mr. Cammarata presented a proposal relating to a public art project for 577 Northland. The modified budget for this project is \$45,000. The Committee discussed the proposal. Ms. Whyte made a motion to recommend that the Board of Directors approve the public art proposal in the amount of \$45,000. The motion was seconded by Mr. Penman and unanimously carried.
- (m) **LISC Grant/Work Plan** – Mr. Stebbins reported that BUDC has been approached by the Local Initiatives Support Corporation (LISC) to plan and prepare a business district strategy to attract new businesses in the Northland Beltline Corridor. LISC is proposing to provide BUDC with grant funding in the amount of \$50,000 which BUDC would utilize to pay for staff costs related to a Northland district coordinator and to pay for a third-party consultant to update and refine the redevelopment plans previously prepared by BUDC and its partners. After a brief discussion, Ms. Whyte made a motion to recommend that the Board of Directors accept the grant funding from LISC. The motion was seconded by Mr. Penman and unanimously carried.
- (n) **Restore NY IV – COB-BUDC Sub-Grant Agreement** – Mr. Stebbins and Mr. Zanner reported on the sub-grant agreement for the Restore NY IV grant. A final version of the sub-grant agreement was submitted to the City Corporation Counsel's Office for approval on August 17th.
- (o) **Northland Beltline Funding Updates (ESD, NYPA, CDBG, Restore NY)** – Mr. Cammarata reported on the receipt of the final three million dollars in NYPA grant funding. Mr. Stebbins commented that ESD has been expeditiously processing BUDC payment requisitions for the WTC equipment purchases.
- (p) **Northland Avenue Road & ROW Construction Update** – Mr. Cammarata reported on discussions among City DPW, the road contractor and the project engineer over the potential

need for a full-depth reconstruction of the entire Northland Avenue roadway.

- (q) **Nordel II (BUDC)/City of Buffalo Land Swap Update** – Mr. Zanner updated the Committee regarding the land swap, including recent communications with BURA counsel.
- (r) **Plesh Gate & Land Swap Issues** – Mr. Cammarata reviewed with the Committee the status of discussions with the neighboring business, Plesh Contract Packaging, to relocate the gate located on the former Chelsea Street between the 683 Northland and 701 Northland properties.
- (s) **START-UP NY Update** – Mr. Stebbins presented a brief update regarding the Start-Up NY program designations for multiple buildings owned by BUDC in the Northland Beltline corridor. University at Buffalo, Buffalo State and Erie Community College each will have designated space.
- (t) **Northland Energy/Solar Concepts** – Presentation of this item was deferred.
- (u) **Northland Marketing (National Night Out, “From the Ground Up”, Newsletter)** – Mr. Cammarata reported on the successful National Night Out programming at 541 East Delavan and thanked Gilbane and Watts for their support. He also commented on the upcoming Business First publication “From the Ground Up”, which will feature the workforce training center project.

3.0 Buffalo Lakeside Commerce Park

- (a) **Property Owners Association Common Area Maintenance Billings** – Mr. Cammarata reported that BUDC received payment from CertainTeed for common area maintenance charges for Buffalo Lakeside Commerce Park. He will follow up with Sonwil on its invoice.
- (b) **Prospects Update** – Mr. Cammarata informed the Committee that a non-binding letter of intent has been signed for the sale of the 20 acre site between Sonwil and CertainTeed. An access agreement has been prepared, and work is underway to prepare and negotiate a land disposition agreement.

4.0 308 Crowley General Items - Mr. Cammarata presented a brief update on the 308 Crowley property, including continuing efforts to obtain satisfactions and/or waivers of the liens and judgments filed against the property.

5.0 C.O.B. Brownfield Opportunities Update

- (a) **Northland** – Mr. Cammarata updated the Committee regarding a potential acquisition in the Northland Beltline project area. A term sheet for the transaction has been drafted and submitted to the seller.

6.0 Adjournment – Upon motion made by Ms. Curry, seconded by Mr. Penman and unanimously carried, the August 21, 2018 meeting of the Real Estate Committee was adjourned at 1:50 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary