

Buffalo Urban Development Corporation

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Real Estate Committee Meeting Tuesday, February 21, 2017 at Noon BUDC - ECIDA Vista Room 95 Perry Street, 4th Floor, Buffalo, NY 14203

Agenda

- 1) Approval of Minutes – Meeting of 10/18/2016 (*Action*) (*Enclosure*)
- 2) Reimbursement of 2016 Brownfield Expenses from BBRF (*Recommendation*) (*Enclosure*)
- 3) Northland Corridor
 - a) 683 Northland - Proposal for Assessment of Tenant Space (*Recommendation*) (*Enclosure*)
 - b) 683 Northland - Construction Loan RFP Responses (*Discussion*)
 - c) 683 Northland - Construction Management/Value Engineering (*Information*)
 - d) 683 Northland – Geotechnical Engineering Services Consultant (*Information*)
 - e) 683 Northland – Rehabilitation Tax Credits (*Information*)
 - f) 683 Northland – BCP Application (*Information*)
 - g) 683 Northland – NYSERDA Energy Modeling (*Information*)
 - h) 537 East Delavan - Demolition (*Information*)
 - i) 777 Northland – NYSDEC Spill Report (*Information*) (*Enclosure*)
 - j) Restore NY Grant (*Information*)
 - k) SHPO & Federal Section 106 Compliance (NEPA) (*Information*)
 - l) Northland Avenue Road & ROW Infrastructure Design (*Information*)
 - m) Campus Branding Consultant (*Information*)
 - n) Art in Public Spaces Committee (*Information*)
 - o) Community Outreach (*Information*)
- 3) Buffalo Lakeside Commerce Park Updates (*Information*)
 - a) Parcel 4 Superfund Site – NYSDEC/CDM Smith
 - b) Parcel 3 Cap Verification – Arcadis
 - c) 193 Ship Canal Parkway BCP - LaBella
- 4) South Buffalo Brownfield Opportunity Area Update (*Information*)
- 5) Adjournment (*Action*)

Minutes of the Real Estate Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
Buffalo, New York 14203
October 18, 2016
12:00 p.m.

Call to Order

Committee Members Present:

Janique S. Curry
Brendan R. Mehaffy
Kimberley A. Minkel
Dennis M. Penman
Christopher J. Schoepflin
Craig A. Slater (Chair)

Committee Members Absent:

Thomas A. Kucharski
Maria R. Whyte

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Brandy Merriweather, Vice President
Kevin J. Zanner, Secretary
Bradley Bach, Assistant Treasurer

Others Present: Dawn Boudreau, ECIDA; Thomas Mancuso, Mancuso Business Development Group, Inc.; Dennis Sutton, City of Buffalo; and Edward O. Watts, Jr., Watts Architecture & Engineering.

Roll Call – The Secretary called the roll at 12:10 p.m. and reported that a quorum of the Committee was present. Ms. Curry joined the meeting during the presentation of item 2.0(c).

1.0 Presentation of Meeting Minutes – The minutes of the September 20, 2016 meeting of the Real Estate Committee were presented. Mr. Penman made a motion to approve the meeting minutes. The motion was seconded by Ms. Minkel and unanimously carried.

2.0 Northland Corridor Updates

(a) **Snow Removal Service Contract** – Mr. Mancuso updated the Committee regarding the snow removal service contract. Three companies located in the immediate Northland neighborhood submitted proposals to perform snow removal at the Northland properties, as identified in a summary circulated to the Committee. Mr. Mancuso commented that the lowest bidder may not have the full complement of equipment necessary to perform the work during major snowfall events. The Committee discussed this concern, and Mr. Cammarata noted that supplemental services could be accessed through HLM Services for such events. At the conclusion of the discussion, Mr. Mehaffy made a motion to approve the Outsource Center/CAO of Erie County for snow removal services, with supplemental services to be provided by HLM Services on an as-needed basis. The motion was seconded by Ms. Minkel and unanimously carried.

(b) **683 Northland – Schematic Design Services** – Mr. Stebbins presented the October 12, 2016 schematic design services proposal submitted by Watts Architecture & Engineering

for the 683 Northland building. Mr. Stebbins reviewed the specific deliverables under the service order and noted that Mr. Watts was in attendance and available to answer the questions regarding the service order. The total cost of the schematic design services is \$478,200.00. Mr. Stebbins also circulated to the Committee reference materials relating to the pricing of architect services. He noted that the pricing proposed by Watts is within the average percentage design cost for a project of 5% to 7% of the total cost. In response to a question from Ms. Minkel, Mr. Stebbins indicated that BUDC consulted with ESD project architect Dennis Conroy with respect to Watts' proposed fee and that Mr. Conroy confirmed that it was within the appropriate range. The general consensus of the Committee members was to forward this item to the Board of Directors for approval. Mr. Schoepflin recused himself from the discussion regarding this item.

- (c) **683 Northland – Construction Management** – Mr. Stebbins informed the Board that a kickoff meeting with the Gilbane construction management team was held earlier this week. The construction management contract is being finalized with Gilbane.
- (d) **683 Northland – Rehabilitation Tax Credit Consultants** – Mr. Stebbins reported that BUDC is finalizing the engagement letters to retain the tax credits consultants for the 683 Northland project. One of the first action items is to form new subsidiary companies to hold the 683 Northland property and serve as managing-member of the real estate LLC.
- (e) **683 Northland – BCP Application** – Mr. Stebbins reviewed with the Committee the October 6, 2016 letters from LiRo Engineers to the NYSDEC regarding the submission of the Brownfield Cleanup Program application and the remedial investigation work plan for 683 Northland. He also reported on a recent meeting with NYSDEC regarding the BCP application. Mr. Slater indicated that the BCP agreement is on track to be finalized and executed in ninety days.
- (f) **683 Northland – ESD Training Center Operator & SUNY Partners** – Mr. Stebbins updated the Committee regarding the ESD's process for selecting an operator for the workforce training center. Mr. Schoepflin indicated that the appointment of an operator is expected to be on the agenda for the November meeting of the ESD Board of Directors.
- (g) **683 Northland – Space Planning Process** – Mr. Stebbins provided an update regarding space planning activities for 683 Northland. It has been determined that the upper two floors of the building will not be needed for the ESD workforce training center. Possible other uses include incubator space and other types of workforce training. Mr. Penman commented that the space should be utilized to maximize jobs and training opportunities for the local neighborhood. Ms. Minkel suggested that the space could be utilized to train for transportation-related work.
- (h) **Building Re-Use and Site Redevelopment Plan - LiRo** – Mr. Cammarata briefly reviewed the final Building Re-use and Site Redevelopment Plan document prepared by LiRo Engineers, a copy of which was included in the meeting agenda packet circulated in advance of the meeting. LiRo's work under this contract has been completed.
- (i) **SHPO & Federal Section 106 Compliance (NEPA)** – Mr. Stebbins referred the Committee to the September 29, 2016 minutes of the Section 106 consulting parties meeting, which was held at Mt. Olive Baptist Church. He indicated that the Section 106 process should be completed by the end of the calendar year, and that the asbestos abatement and demolition work will follow from there.
- (j) **Substation Service Consultant** – Mr. Cammarata reported that Ferguson Electric completed its review of the substation and found it to be in operating order, except for the battery back-up system. No major repair or replacement of the substation will be necessary.

- (k) **Restore NY Application** – Mr. Stebbins updated the Committee regarding the Restore NY application that was submitted earlier this month. If awarded, Restore NY funding will be utilized for work to be performed at 537 East Delavan and the demolition of 777 Northland.
- (l) **777 Northland – Spill Report Resolution** – Mr. Cammarata circulated copies of a communication with NYSDEC regarding the 777 Northland spill report and the October 17, 2016 proposal from LiRo Engineers to complete the remedial work at 777 Northland to resolve the spill issue. The total cost of this work is \$12,750 and was previously authorized by BUDC in accordance with the BUDC procurement policy.
- (m) **537 E. Delavan – Project Rainfall/Invest Health** – Mr. Stebbins provided an update regarding the Project Rainfall/Invest Health project. Watts was recently hired by the project principals to prepare a design report for the project. The project principals are also in the process of hiring a business consultant to help prepare a business plan.
- (n) **Northland Avenue Road & ROW Infrastructure Design** – Mr. Cammarata reported that BUDC continues to work with the City Department of Public Works on this project, which will be bid out in the spring of 2017. A utility coordination meeting is scheduled to take place during the week of October 24th. Mr. Cammarata noted that conduit will be installed for future utility uses.
- (o) **Community & Business Outreach/Neighborhood Plan** – Mr. Stebbins referred the Committee to a handout in the meeting agenda packet which identifies the vision, goals and land use and open space concepts for the Northland Corridor neighborhood district.
- (p) **M/WBE and Workforce Participation** – Mr. Stebbins reported that a focus of the Gilbane construction management kick-off meeting was the M/WBE and workforce participation requirements for the project.

3.0 **Buffalo Lakeside Commerce Park Updates**

- (a) **Parcel 3 Cap Verification – Arcadis** – Mr. Cammarata reported that BUDC will seek an amendment to the NYSDEC Record of Decision to change the cap requirement for the Parcel 3 project from two feet to one foot.
- (b) **Parcel 4 Superfund Site – NYSDEC/CDM Smith** – Mr. Cammarata stated that the NYSDEC will bid the first phase of this Superfund project (for the two westerly parcels) this winter.
- (c) **193 Ship Canal Parkway BCP - LaBella** – There was no update on this item.
- (d) **Development Prospects** – Mr. Cammarata provided a brief update regarding development prospects.

4.0 **Adjournment** – Upon motion made by Mr. Penman, seconded by Ms. Minkel and unanimously carried, the October 18, 2016 meeting of the BUDC Real Estate Committee was adjourned at 1:10 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary

Item 4.

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors
FROM: Mollie Profic, Controller & Treasurer
SUBJECT: Reimbursement of Brownfield Expenses from Brownfield Fund
DATE: February 28, 2017

The Buffalo Brownfields Redevelopment Fund (“BBRF” or the “Fund”) allows certain third party expenses incurred by BUDC in connection with the development of Buffalo Lakeside Commerce Park (“BLCP”) to be reimbursed. Under the Fund Administration Agreement, these out-of-pocket third party costs “include, but are not limited to, land acquisition, site investigations, site planning, remediation, road and utility construction and related legal costs”.

On September 26, 2012, the BUDC Board designated the BLCP project as complete, which allowed for the expansion of the use of BBRF funds to “other comparable projects” in the City of Buffalo. Riverbend and Northland were designated “comparable” projects by the BUDC Board beginning October 1, 2012 and January 1, 2015 respectively.

In 2011, BUDC received reimbursement of BLCP costs from the inception of the fund in July 2005 until November 2011. On December 17, 2013, the BUDC Board approved reimbursement of BLCP costs from December 1, 2011 until November 30, 2013 and Riverbend costs from October 1, 2012 until November 30, 2013. On March 31, 2015, the BUDC Board approved the reimbursement of Riverbend, Northland and BLCP costs from December 1, 2013 until December 31, 2014. On March 29, 2016, the BUDC Board approved the reimbursement of Riverbend, Northland and BLCP costs from January 1, 2015 until December 31, 2015. On August 30, 2016, the BUDC Board approved the reimbursement of a grant application fee for Northland.

We are now requesting reimbursement of BLCP, Riverbend & Northland costs incurred in 2016. Attachment 1 to this memorandum details the \$337,796 in eligible third party costs that have been incurred by BUDC and which are eligible for reimbursement by the Fund. After this reimbursement, the BBRF is anticipated to have a balance of \$1.96 million.

Action:

We are requesting that the Board approve the reimbursement to BUDC of \$337,796 in third party, BLCP, Riverbend and Northland costs, from the BBRF as outlined in Attachment 1 to this memorandum.

WATTS

ARCHITECTURE & ENGINEERING



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architecture | engineering | environmental

Transmitted via E-Mail: pcammarata@buffalourbandevelopment.com

February 15, 2017

Mr. Peter Cammarata, President
95 Perry Street, Suite 404
Buffalo, New York 14203

Re: **Buffalo Manufacturing Works**
683 Northland Avenue
Watts Proposal No. 17-094

Dear Mr. Cammarata:

Watts Architecture & Engineering (Watts) is pleased to submit this proposal to provide Professional Architectural and Engineering Services for the assessment of tenant space within 683 Northland. Our proposal is presented in the following sections: Firm Qualifications, Background, Scope of Services, Technical Assumptions, Schedule and Compensation.

FIRM QUALIFICATIONS

Watts, formed in 1986 by Edward O. Watts as its sole employee, specialized in environmental engineering and training. The firm has continually evolved and diversified its services to satisfy consulting needs in the marketplace. Today, Watts is a full service architecture and engineering (A/E) firm excelling in the fields of architecture, three-dimensional imaging, environmental engineering, hazardous waste site investigations/remediation, planning studies, environmental assessments, asbestos/lead consulting, civil/municipal/site development, traffic analysis and design, indoor air quality, HVAC engineering, plumbing and fire protection engineering, electrical engineering, and construction inspection. The firm currently supports a staff of over 95 employees consisting of licensed engineers, architects, scientists, technicians and specialty consultants. We have the ability to provide all required disciplines for this project under our own roof which will help to facilitate coordination between trades.

BACKGROUND

The building located at 683 Northland Avenue is comprised by a series of contiguous structures and site features that occupy approximately 7.3 acres of land. The previous occupancy was classified as a Factory (F-1, Moderate Hazard) occupancy, with an associated business (B) occupancy. It has been vacant since approximately 1999. The property is located in a mixed employment and residential area in the City of Buffalo, per Buffalo Green Code, Land Use Plan dated September 2016.

The WNY Workforce Training Center will be located in approximately 100,000 square feet of space within the building. The remainder of the complex will be used for a mix of commercial and industrial uses, consistent with zoning for this area of the City. Buffalo Manufacturing Works (BMW) has expressed interest in relocating from their existing space which they have outgrown, and have preliminarily identified the need for 45,000 square feet or more of rentable space.

SCOPE OF SERVICES

Watts will perform the described specific tasks and deliverables as follows:

Mr. Peter Cammarata
Buffalo Manufacturing Works
683 Northland Avenue
Watts Proposal No. 17-094

I. Programming

- A. Watts will attend two (2) information gathering meeting with stakeholders to understand the Center's needs and future growth plans.
- B. Watts will produce a draft programming document for review and comment.
- C. Watts will attend a third meeting to review the draft programming document.
- D. Comments received will be incorporated into the final programming document. The final report will include:
 - 1. Program required spaces and required square footage;
 - 2. Programmatic needs for each space;
 - 3. Spatial adjacencies; and
 - 4. Anticipated occupancy and use for each space.

II. Test Fits

- A. Based on the information gathered in the programming phase, Watts will develop "Test Fit" concept-level plans for the redevelopment of the property.
- B. Concept level cost estimates will be developed for each of the three (3) options.

III. Conceptual Design, Renderings

- A. Watts will attend one (1) meeting with the stakeholders to review and verify the program and design intent of the project.
- B. Watts will participate in a series of up to three (3) design meetings with project representatives to review and refine the progression of the conceptual design and the three dimensional imaging.
- C. Watts will provide a written project narrative that includes a scope of work associated with the project and a written program of spaces with associated functions and required equipment.
- D. Watts will provide a series of images for your use which will include up to three (3) interior images, a site plan and floor plans for the purposes of fund raising to finance the project.

TECHNICAL ASSUMPTIONS

Our proposal is based on the following technical assumptions:

- 1. Watts will have access to the building and site as necessary to confirm existing conditions. All areas that are considered part of the planned reuse will be accessible.
- 2. This proposal does not include the preparation of remediation design documents. A previous study carried out by LiRo Engineers and abatement of the space is intended to be carried out under separate contract in the spring of 2017.
- 3. This proposal excludes any other architectural and engineering services not specifically listed under scope of services.

Mr. Peter Cammarata
Buffalo Manufacturing Works
683 Northland Avenue
Watts Proposal No. 17-094

4. Services or tasks not specifically listed under scope of services, and/or amendments or changes to any deliverable that are requested by the Owner, shall constitute accepted cause for extra compensation, billed at our standard hourly rates, per the attached Rate Sheet.
5. Our proposed fees are based upon a timely execution of the design work, and upon the schedule that you have described to us. Should the project schedule be unreasonably delayed through no fault of Watts, such delay shall constitute accepted cause for extra compensation for any costs that are attributed to delays in the design schedule, such as repeat work, increases in standard hourly rates, and billable at our standard hourly rates that are in effect when the design work resumes.

SCHEDULE

We are able to begin the project upon your written notice to proceed and receipt of the retainer. We propose to complete the services identified in the proposal within eight (8) weeks of the written notice to proceed.

COMPENSATION

Compensation for the Scope of Services indicated above will be in accordance with the Lump Sum price quoted below and the attached Appendix A with terms of net 30 days. Any services required beyond the above described scope of services will be performed on a time-and-materials basis in accordance with the fees on the attached Rate Sheet up to the total fee as stated below. Your express written consent will be required prior to the commencement of any additional services. The prices in this proposal are firm for 30 days from the date shown, but thereafter subject to change without notice.

Total Lump Sum Fee.....\$12,800.00

If this proposal is acceptable to you, please indicate your acceptance by returning a signed copy at your earliest convenience and/or a purchase order. We appreciate the opportunity to present this proposal and look forward to working with you on this project. Should you have any questions or need additional information, please do not hesitate to contact me at 716.206.5149.

Sincerely,

WATTS ARCHITECTURE & ENGINEERING



Edward O. Watts, Jr., AIA
President

Mr. Peter Cammarata
Buffalo Manufacturing Works
683 Northland Avenue
Watts Proposal No. 17-094

PROPOSAL ACCEPTANCE

The above Scope of Services, Schedule, and Compensation, and the attached Appendix A and Rate Sheet are acceptable for Watts Proposal No. 17-094 – Architectural/Engineering Services for BUDC (CLIENT) in Buffalo, New York.

Agreed to and accepted this _____ day of _____, 2017.

Signed: _____

Name: _____
(please print)

Title: _____

Your Company Reference Number
to Appear on our Invoice(s): _____

NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Division of Environmental Remediation, Region 9
270 Michigan Avenue, Buffalo, NY 14203-2915
P: (716) 851-7220 | F: (716) 851-7226
www.dec.ny.gov

January 23, 2017

Mr. Peter Cammarata
Buffalo Urban Development Corporation
95 Perry St, Suite 404
Buffalo, New York 14203

Dear Mr. Cammarata:

Spill Number 1503832
777 Northland
Buffalo
Erie County

This office has reviewed the groundwater soil sample laboratory analysis results. The results exceed our New York State groundwater standards. However, based upon site conditions represented in your report, the Department will not require any further work at this time. The site will have a status of "inactive".

Please note, any soils generated during future site excavations from the contaminated area must be tested and analyzed by an approved laboratory from New York State's Environmental Laboratory Program (ELAP). If sample results exceed guidance values listed in the Department's CP-51 (Soil Cleanup Guidance Policy) or exhibit nuisance characteristics (e.g., petroleum odors or staining), the excavated material will require remediation and proper disposal. For further information, please refer to the Department's website at www.dec.ny.gov/regulations/2393.html.

Your cooperation is appreciated. If you have any questions, please call me at (716) 851-7220.

Sincerely,


Francine Gallego
Environmental Engineer I

FG/tm

Cc: Mr. David Stebbins, Buffalo Urban Development Corporation
Mr. Stephan Frank, Liro

