

**Minutes of the Real Estate Committee Meeting**  
**Buffalo Urban Development Corporation**  
**95 Perry Street**  
**Buffalo, New York 14203**  
**February 16, 2016**  
**12:00 p.m.**

**Call to Order**

Committee Members Present:

Janique S. Curry  
Thomas A. Kucharski  
Brendan R. Mehaffy  
Kimberley A. Minkel  
Craig A. Slater (Chair)  
Maria R. Whyte

Committee Members Absent:

Dennis M. Penman  
Christopher J. Schoepflin

Officers Present:

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

Others Present: Lisa Hicks, BUDC Intern; Phil Riggs, ECIDA Project Inspector; and Paul Tronolone, Empire State Development.

**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 3(a) of the agenda.

- 1.0 Approval of Meeting Minutes** – The minutes of the January 19, 2016 meeting of the Real Estate Committee were presented. Mr. Kucharski made a motion to approve the meeting minutes. The motion was seconded by Ms. Minkel and unanimously carried.
- 2.0 Brownfield Property Opportunities** – Ms. Minkel made a motion for the Committee to enter into executive session to discuss potential brownfield acquisition and sale opportunities on the basis that public discussion of the proposed acquisition and sale could substantially affect the value of the properties. The motion was seconded by Mr. Mehaffy and unanimously carried. At the conclusion of the executive session, Ms. Minkel made a motion to exit executive session. The motion was seconded by Ms. Whyte and unanimously carried. No votes were taken during executive session.
- 3.0 Northland Corridor Updates**
  - (a) Redevelopment Strategy Update** – Mr. Stebbins informed the Committee that the City of Buffalo Planning Board approved the preliminary site plan for the redevelopment of 683 Northland and issued a negative declaration under SEQRA for the overall redevelopment plan for the Northland Corridor project. He also reported that LiRo Engineers is wrapping up its final work on the redevelopment strategy and complimented the company for its work on the project.
  - (b) Community & Business Outreach** – Mr. Cammarata reported that the next public meeting for the Northland Corridor project will take place at the Delavan-Grider community center at 6:00 p.m. on February 24<sup>th</sup>. Notice of the meeting has been widely

circulated, particularly among the local neighborhood residents. In response to a question from Ms. Whyte, Mr. Cammarata indicated that the meeting agenda will include an update on the redevelopment strategy, an update on the workforce training center and responses to community input that was provided at the first public meeting. Mr. Cammarata also noted that a separate meeting of neighborhood businesses will take place on February 18<sup>th</sup>.

- (c) **Fair Market Rent Studies** –Mr. Cammarata reported on the updated fair market rental studies that were prepared by Lester Appraisal. The “as-is” and upon completion fair rental values for all of the properties were adjusted based on additional information provided to the appraiser.
- (d) **577 Northland – Pre-development Services Contract** – Mr. Cammarata indicated that the contract with LaBella Associates to perform pre-development services at 577 Northland has been fully executed. Work will begin on February 22<sup>nd</sup> and completed by the end of June.
- (e) **537 East Delavan – NYSDEC Order on Consent** – Mr. Cammarata reported that the NYSDEC is expected to issue the final version of the Order on Consent in March.
- (f) **Final Design and Renovation RFQ** – Mr. Stebbins indicated that responses to the RFQ for the final design and renovation of 683 Northland are due on February 17<sup>th</sup>. Two walk-through tours of the property were provided to prospective bidders. The responses will be reviewed and a recommendation will be presented at the March meeting of the Committee.
- (g) **City Funding/NEPA** – Mr. Stebbins updated the Committee regarding the Mayor’s commitment of four million dollars in federal CDBG funds for the Northland Corridor. It is anticipated that these funds will be used to pay for asbestos and hazardous material abatement at 683 Northland and the demolition of the building located at 537 East Delavan Avenue. A federal National Environmental Policy Act (NEPA) review is required as part of the receipt by BUDC of this funding. Mr. Cammarata suggested that Mr. Slater provide this service as this is a discrete task and requires quick turnaround. The Committee discussed the issue of having a Board member perform the work. Mr. Zanner was asked to examine the implications and requirements for proceeding with the arrangement under applicable BUDC policies.
- (h) **Brownfield & Historic Tax Credits** – Mr. Cammarata informed the Committee that BUDC has been engaged in initial discussions regarding the potential utilization of brownfield and historic preservation tax credits for the Northland Corridor project. Mr. Stebbins noted that the cost of the overall project will exceed initial estimates, and that BUDC needs to explore additional funding sources for the project, including the availability of tax credits. He indicated that he has spoken with representatives from Freed Maxick and Rubin Brown regarding the preparation of a financial model for a historic tax credits transaction. He noted that legal issues relating to BUDC’s eligibility as a tax-exempt entity to participate in a historic tax credits transaction require further exploration. He also reported on similar discussions regarding the availability tax credits through the NYS Brownfield Cleanup Program. Mr. Slater briefly outlined BCP program requirements and indicated that BCP tax credits transactions can be structured with a tax-exempt entity. It was noted that a Brownfield Cleanup Program application should be filed as soon as possible, since it will take up to 90 days for NYSDEC to process the application and confirm acceptance into the program. It was suggested that Mr. Slater could be retained to process the application quickly, subject to confirmation that the proposed arrangement is consistent with applicable BUDC policies.
- (i) **Construction Management** –Mr. Cammarata informed the Committee that BUDC is exploring the retention of a construction manager on an “at-risk” basis to manage construction of the improvements to 683 Northland. He noted that this type of contracting arrangement involves a guaranteed maximum price, which provides a level of cost certainty. Mr. Stebbins noted that using a construction manager to manage the project

will reduce BUDC staff workload and should facilitate greater M/WBE compliance and reporting.

- (j) **Workforce Training Center/MOU** – Mr. Zanner reported on recent discussions with ESD counsel. He indicated that NYPA is considering additional modifications to the proposed memorandum of understanding for the workforce training center.
- (k) **683 Northland – Asbestos & Hazardous Material Abatement** – Mr. Stebbins updated the Committee regarding asbestos and hazardous material abatement activities at 683 Northland. It was noted that these activities would be eligible for tax credits under the NYS Brownfield Cleanup Program.
- (l) **777 Northland – NYSDEC Spill Report & EPA Inquiry** – There was no update on this item.
- (m) **Third Party Property Management** – Mr. Cammarata updated the Committee regarding marketing and management activities of Mancuso Property Management.
- (n) **Road & ROW Infrastructure Design** – There was no update on this item.
- (o) **Start-Up New York** – There was no update on this item.

#### 4.0 **Buffalo Lakeside Commerce Park Updates**

- (a) **193 Ship Canal Parkway - BCP** – Mr. Cammarata presented a brief update regarding the Brownfield Cleanup Program project at 193 Ship Canal Parkway, noting that BUDC recently received comments from NYSDEC regarding the remedial investigation work plan that was prepared by BUDC's consultant for the project.
- (b) **ECIDA Net Zero Project** – Mr. Cammarata referred to a map of Buffalo Lakeside Commerce Park to show the Committee the potential location of ECIDA's net zero energy facility. Buffalo Lakeside Commerce Park is one of the finalists for the location of this project.
- (c) **Property Owners Association** – Mr. Cammarata reported that BUDC will meet with CertainTeed representatives next week to discuss CertainTeed making a monetary contribution toward the cost of maintaining of Ship Canal Commons. He noted that Sonwil recently agreed to make a voluntary contribution.
- (d) **General Property Maintenance/Repair Issues** – Mr. Cammarata reported that the cost to repair the brick entrance sign at Buffalo Lakeside Commerce Park was partially covered by insurance. In response to a question from Ms. Curry, Mr. Cammarata indicated that Lawley Services serves as BUDC's broker for insurance policy procurements.
- (e) **Parcel 4 Superfund Site** – Mr. Cammarata reported that NYSDEC site work on this project will begin in the spring, and that NYSDEC is expected release bid documents for the project soon. He also reported that NYSDEC's contractor conducted some preliminary sampling work related to the project in late January.
- (f) **Parcel 3 ERP Close-out** – There was no update on this item.
- (g) **Development Prospects** – Mr. Cammarata presented a brief update regarding discussions with two development prospects for sites at Buffalo Lakeside Commerce Park.

- 5.0** **Adjournment** – Upon motion made by Mr. Kucharski, seconded by Mr. Mehaffy and unanimously carried, the February 16, 2016 meeting of the Real Estate Committee was adjourned at 1:20 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kevin J. Zanner", written over a horizontal line.

Kevin J. Zanner, Secretary