

Minutes of the Real Estate Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
Buffalo, New York 14203
June 22, 2016
12:00 p.m.

Call to Order

Committee Members Present:

Janique S. Curry
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
Dennis M. Penman
Craig A. Slater (Chair)

Committee Members Absent:

Christopher J. Schoepflin
Maria R. Whyte

Officers Present:

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

Others Present: Bradley Bach, ECIDA; Dawn Boudreau, ECIDA; David Carswell, McGuire Development; Jonathan Epstein, *The Buffalo News*; Timmon Favaro, Esq., Cannon, Heyman & Weiss LLP; Christopher J. Hurley, Hurwitz & Fine, P.C.; Dennis Sutton, City of Buffalo; and Edward Watts, Jr., Watts Architecture and Engineering.

Roll Call – The meeting was called to order at 1:00 p.m. The roll was called and a quorum was determined to be present.

- 1.0 Approval of Meeting Minutes** – The minutes of the May 24, 2016 meeting of the Real Estate Committee were presented. Ms. Minkel made a motion to approve the meeting minutes. The motion was seconded by Mr. Mehaffy and unanimously carried.
- 2.0 Brownfield Property Opportunities** – This matter was deferred until after the presentation of items 3.0 and 4.0.
- 3.0 Northland Corridor Updates**
 - (a) Final Design & Renovation Service Orders (Watts)** - Mr. Stebbins presented his June 22, 2016 memorandum to the Board regarding proposed Service Orders 06-09. Mr. Stebbins provided the Board with an overview of each of the Service Orders from Watts Architecture & Engineering detailed in his memorandum. There was a general consensus that the prices quoted by the consultant, which had been heavily negotiated by staff, were favorable to BUDC. Mr. Mehaffy requested that in the future a “running budget” be added to the presentation. Mr. Kucharski requested that information be assembled with regard to the “green” nature of the project, for use in marketing the project and the region. Mr. Penman suggested that information with regard to the sustainable design of the project be separated by category. At the conclusion of the discussion, Mr. Kucharski made a motion to recommend that the Board of Directors

approve the Service Orders as outlined in Mr. Stebbins' memorandum. The motion was seconded by Ms. Curry and unanimously carried.

- (b) **577 Northland – Pre-development Services Contract** - Mr. Cammarata distributed an email proposal received from LaBella Associates, DPC for a change order covering the excavation, transport and outside disposal of petroleum impacted soil at 577 Northland Avenue. Mr. Cammarata indicated that the work covered by the change order would lead to closure of the NYSDEC spill file. Mr. Penman requested some clarification with regard to the savings related to backfill, and the costs involved in testing of recycled concrete. There ensued a general discussion in which it was agreed that staff should have some latitude in negotiating the final amount of the change order, should unforeseen circumstances arise. At the end of the discussion, Ms. Minkel made a motion to approve a change order with LaBella Associates DPC for the work outlined in the email proposal in an amount not to exceed \$12,000.00. The motion was seconded by Mr. Penman and unanimously carried.
- (c) **683 Northland – Construction Management RFQ** - Mr. Stebbins updated the Committee, advising that based on the responses to the RFQ, a short list of qualified construction management firms will be developed, and that the short listed firms would be asked to submit written proposals to provide CM services for the project.
- (d) **683 Northland – NYSERDA Energy Modeling - Pathfinder** - Mr. Stebbins updated the Committee with regard to this matter, indicating that staff had attended a kick-off meeting with NYSERDA on June 28, 2016.
- (e) **683 Northland –Tax Credit Modeling** - Mr. Stebbins reminded the Committee that the law firm of Cannon Heyman & Weiss and the accounting firm of Rubin Brown had been asked to research the economic viability of the use of historic tax credits to help finance this project. Mr. Favaro then addressed the Committee, indicating that his firm had determined that a financing model utilizing historic tax credits, acceptable to potential investors, was available. Mr. Favaro stressed that there would need to be great care taken in structuring any financing, but from a legal and financial perspective, the use of historic tax credits was a viable option. Mr. Stebbins indicated that based on very rough preliminary calculations, up to \$9,000,000 might be available to the project through the use of historic tax credits. Mr. Penman cautioned that Brownfields Cleanup Program (BCP) tax credits are taxable at the federal level, and that some care should be taken in the structuring of the historic tax credits in order to appropriately account for this. Mr. Favaro indicated that the taxability of the BCP tax credits was reflected in the projected pricing of the historic tax credits. Mr. Penman suggested that National Grid and/or National Fuel Gas might be willing tax credit investors for this project. Mr. Stebbins indicated that an RFP would be issued with regard to the next step of this process in July 2016.
- (f) **683 Northland – Asbestos & HazMat Removal** - Mr. Stebbins advised that since CDBG Funding will be utilized for the removal of asbestos and other hazardous materials, the City of Buffalo had originally intended to contract directly for this work. However, since tax credits are now part of the proposed project financing, BUDC will need to contract for the work directly.
- (g) **683 Northland – Training Center RFP & SUNY Partners** - Mr. Cammarata confirmed to the Committee that the time period for responding to the RFP for this matter has been extended.
- (h) **537 East Delavan – NYSDEC Order on Consent** - Mr. Cammarata distributed a letter dated June 16, 2016 from NYSDEC, indicating that the classification of this site would be changed from Class 4 to Class 2 effective July 4, 2016. Mr. Cammarata stated that after

the classification is changed, the Order on Consent will be presented to the Board for final approval.

- (i) **537 East Delavan – Partial Demolition** - Mr. Stebbins advised that the City of Buffalo would contract directly for the demolition work and that a demolition permit would be required. Prior to demolition, consultation with the City of Buffalo Preservation Board and Site Plan approval from the City of Buffalo Planning Board would be required. Mr. Stebbins then distributed a copy of an email from Phillips Lytle, LLP, setting forth their quote for services in connection with obtaining the requisite approvals. Mr. Penman made a motion to approve engaging Phillips Lytle, LLP for a fee not to exceed \$8,800 to perform the services set forth in the referenced email. The motion was seconded by Ms. Minkel and unanimously carried.
- (j) **537 East Delavan – CCLR Event Recap** - Mr. Cammarata reported that staff had made a presentation with regard to this project to potential funders and had received helpful feedback.
- (k) **SHPO & Federal Section 106 Compliance** - Mr. Stebbins reported that the consultants are working on completing the consultation process.
- (l) **BCP & NEPA Applications** - Mr. Slater reviewed the status of the BCP application with regard to 683 Northland and the NEPA application for the entire Northland Corridor project. There was then a discussion of the proposal of LiRo Engineers to prepare the BCP application for 683 Northland for a fee of approximately \$2,497, which Mr. Slater indicated was a favorable price. Mr. Slater also reviewed the public comment process for both applications, which will proceed on parallel tracks to save time and should be concluded in August, 2016. Mr. Kucharski then made a motion to approve the LiRo proposal, which is within its original budget for the project, to perform work in connection with the BCP application, as outlined in the proposal. The motion was seconded by Ms. Minkel and unanimously carried.
- (m) **Road & ROW Infrastructure Design** - Mr. Stebbins stated that the design consultant has started work on this project with a goal of commencing construction in 2017. Mr. Cammarata then reviewed ingress and egress details for this project on the site plan.
- (n) **ESD Grant Disbursement Agreement II** - Mr. Cammarata indicated that all approvals for this matter had been received and that the paperwork was in process.
- (o) **Community & Business Outreach/Neighborhood Plan** - Mr. Cammarata referred the Committee to the copy of the draft Northland Neighborhood Strategy contained in the meeting package, indicating that the draft had been presented last month to the stakeholders, with feedback expected in July, 2016. Further, Mr. Cammarata further advised the Committee that a letter has been sent to all stakeholders providing them with contact information for the appropriate City officials.
- (p) **M/WBE and Workforce Participation** - Mr. Cammarata indicated that there was nothing new to report on this matter. Mr. Mehaffy requested real time reports with regard to M/WBE and workforce participation compliance, and Mr. Cammarata confirmed that this would be done after the end of June, 2016.

4.0 Buffalo Lakeside Commerce Park Updates

- (a) **193 Ship Canal Parkway – BCP** – There was no update for this item.
- (b) **Parcel 3 ERP Close-out** – Mr. Cammarata reviewed with the Committee a copy of the NYSDEC's June 1, 2016 letter to BUDC regarding the Parcel 3 ERP. Mr. Cammarata

stated that the soil borings and core samples outlined in the letter should be all that is required in order to close out the matter.

(c) **Parcel 4 Superfund Site** - There was no update for this item.

(e) **Development Prospects** – There was no update for this item.

Brownfield Property Opportunities – Mr. Penman made a motion for the Committee to enter into executive session to discuss matters pertaining to the potential acquisition of real property on the basis that public discussion of the proposed acquisition could substantially affect the value of the property. The motion was seconded by Ms. Minkel and unanimously carried. Ms. Curry and Mr. Penman left the meeting during the executive session discussion. At the conclusion of the discussion, Mr. Kucharski made a motion to exit executive session. The motion was seconded by Mr. Mehaffy and unanimously carried. No votes were taken during executive session.

5.0 Adjournment – Upon motion made by Mr. Kucharski, seconded by Mr. Mehaffy and unanimously carried, the June 22, 2016 meeting of the BUDC Real Estate Committee was adjourned at 2:00 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary