

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

**95 Perry Street  
Buffalo, New York  
June 19, 2018  
12:00 p.m.**

Committee Members Present:

Thomas A. Kucharski  
Brendan R. Mehaffy  
Dennis M. Penman  
Craig A. Slater (Chair)  
Maria R. Whyte

Committee Members Absent:

Janique S. Curry  
Kimberley A. Minkel

Officers Present:

Peter M. Cammarata, President  
David A. Stebbins, Executive Vice President  
Kevin J. Zanner, Secretary  
Atiqa Abidi, Assistant Treasurer

Guests Present: Terry LoConte; Gilbane Building Company; Robert Sanders, Watts Architecture & Engineering; and Brett Stiehler, Gilbane Building Company.

**Roll Call** – The Secretary called the roll at 12:10 p.m. A quorum of the Committee was present. Ms. Whyte joined the meeting during the presentation of item 2(a)(ii).

**1.0** **Approval of Minutes – Meeting of April 17, 2018** – The minutes of the May 22, 2018 meeting of the Real Estate Committee were presented. Mr. Kucharski made a motion to approve the meeting minutes. The motion was seconded by Mr. Mehaffy and unanimously carried.

**2.0** **Northland Beltline Project**

**(a)** **683 Northland Phase I – Gilbane Change Orders**

- i. **CO #5 – Gigi's Build-Out** – Mr. Stebbins presented proposed Change Order No. 5 to the guaranteed maximum price (GMP) construction management contract with Gilbane. This change order is in the amount of \$358,245.49, and is for furniture, fixtures and equipment (FF&E) and modifications to the GiGi's restaurant space. Mr. Stebbins noted that the construction budget includes \$300,000 for BUDC to purchase FF&E for the restaurant space, so this change order exceeds the overall construction budget by \$58,245.49. The change order provides for Gilbane to purchase the FF&E directly and modify the tenant space. He also noted that the amount of the change order may increase before it is presented to the Board for approval, as the pricing of certain items in the change order are estimates subject to change. Mr. Penman made a motion to recommend that the Board of Directors approve Change Order No. 5 in the amount of \$358,245.49. The motion was seconded by Mr. Kucharski and unanimously carried.

- ii. **CO #6 – Bookstore Relocation** – Mr. Stebbins presented proposed Change Order No. 6 to the GMP construction management contract with Gilbane. This change order is in the amount of \$37,871 and relates to the relocation of the bookstore space at 683 Northland. Mr. Stebbins indicated that the amount of the change order may increase before it is presented to the Board for approval, as the pricing of certain items in the change order are estimates subject to change. Mr. Mehaffy made a motion to recommend that the Board of Directors approve Change Order No. 6 in the amount of \$37,871. The motion was seconded by Mr. Kucharski and unanimously carried.
- (b) **683 Northland Phase I – GMP & Construction Update** – Mr. Stiehler updated the Committee regarding the progress of the construction work, which is on pace for the late August 2018 opening of the Workforce Training Center. Mr. LoConte then reviewed with the Committee a one-page detail of projected additional change orders for the project. The change orders primarily relate to tenant-driven design and construction changes. Mr. LoConte indicated that at this stage of the construction, it may become a challenge to deliver the project on time if additional change orders are needed and must await Board approval. He noted that on similar projects, owners have replenished the owner's contingency and/or delegated authority to approve change orders to executive staff. Committee members commented on the need for tenants to finalize all design and construction requirements quickly. The Committee then discussed the transfer of funds from the outside owner's contingency into the GMP contract to cover additional change orders. Mr. Penman made a motion to recommend that the Board of Directors transfer \$600,000 from the owner's outside contingency and authorize BUDC executive staff to process additional change orders in an amount not-to-exceed \$600,000. The motion was seconded by Ms. Whyte and unanimously carried.
- (c) **683 Northland Phase I – FF&E Procurement Update** – Mr. Stebbins reported that all nearly all of the furniture, fixtures and equipment for the Workforce Training Center has been ordered. While there have been some additions and deletions to FF&E requirements, the overall cost is within the budget established for FF&E.
- (d) **683 Northland Phase II – Early Bids – Gilbane Recommendations to Award (RTA)**
- i. **Skylight Framing Purchase** – Mr. Stebbins presented a proposed change order in the amount of \$94,710 for the direct purchase by Gilbane of skylight framing materials for Phase II of the 683 Northland project. Mr. Stiehler explained that having the skylights materials on hand will allow for the more efficient and timely installation of skylights for Phase II of the project. Gilbane obtained a quote from Wasco Skylights for the skylights extrusions. The Committee asked Gilbane to reformat the request as a recommendation to award. Mr. Penman then made a motion to recommend that the Board of Directors approve Gilbane's purchase of the skylights material in the amount of \$94,710. He motion was seconded by Mr. Kucharski and unanimously carried.
  - ii. **Roofing Membrane Work** – Mr. Stebbins and Mr. Stiehler presented the June 18, 2018 Award Recommendation letter issued by Gilbane regarding the proposed award of roofing work for Phase II of the 683 Northland project. Gilbane solicited proposals from seven contractors and received proposals from two contractors for the work. Jameson Roofing Co., Inc. submitted the lowest cost proposal to perform the work at a cost of \$1,583,321. The budget for this work was \$1,894,442. The contractor submitted an M/WBE utilization plan that includes 25% MBE and 5% WBE utilization. Mr. Kucharski made a motion to recommend that the Board approve Gilbane's proposed award of the roof work to Jameson Roofing Co., Inc. in the amount of \$1,583,321. The motion was seconded by Ms. Whyte and unanimously carried.

- (e) **683 Northland Phase II – GMP & Construction Update** – Mr. Stebbins reported on meetings with Gilbane and Buffalo Manufacturing Works (BMW) to finalize the construction budget for Phase II of the 683 Northland project. Mr. Cammarata indicated that a guaranteed maximum price for Phase II is expected to be presented at the July Board of Directors meeting.
- (f) **683 Northland – BCP Update** – Mr. Cammarata reported that LiRo Engineers will be submitting the interim remedial measures report to the regional NYSDEC office this Friday. It is anticipated that the decision document will be forwarded to NYSDEC's main office in Albany next week.
- (g) **683 Northland – Lease Updates** – Mr. Cammarata provided an update regarding 683 Northland leasing matters. Leases have been prepared and presented to BMW and GiGi's. Mr. Cammarata then reported on two new potential lease opportunities at 683 Northland. Mr. Cammarata indicated that BUDC is actively marketing 683 Northland and that in both instances, the prospective tenants approached BUDC to inquire about the space.
- (h) **683 Northland – Prospect Updates** – This item was covered as part of agenda item 2(g).
- (i) **683 Northland – Facility Staffing Update** – Mr. Cammarata reported that Mancuso Development is interviewing candidates for the full-time facilities operator and part-time site coordinator positions.
- (j) **612 Northland – Construction & Contracting Update** – Mr. Cammarata reported that the masonry and roofing contractors are finishing their work at 612 Northland. BUDC has decided to issue anew solicitation for the windows work at 612 Northland due to SHPO requirements.
- (k) **541 East Delevan – Design Update** – There was no update presented for this item.
- (l) **Northland Beltline Funding Updates (ESD, NYPA, CDBG, Restore NY)** – Mr. Cammarata and Mr. Stebbins updated the Committee regarding the status of various grant funding sources, including the ESD grants, the NYPA grant, the CDBG grant and the Restore NY IV and V grants. The last draw against the CDBG grant will be submitted in the next few days. The final three million dollars of NYPA grant funds are expected to be received by the end of this month. Mr. Stebbins noted that BUDC is working with the City of Buffalo on a sub-grant agreement for the Restore NY IV grant.
- (m) **Northland Beltline Property Tax Exemption Renewals** – Mr. Cammarata reported on the submission of renewal forms for the real property tax exemptions for the Northland Beltline properties owned by NorDel I, LLC and NorDel II, LLC.
- (n) **Northland Avenue Road & ROW Construction Update** – Mr. Cammarata presented a brief update on the road and right-of-way project, which is under construction and scheduled for completion later this summer.
- (o) **Nordel II (BUDC)/City of Buffalo Land Swap Update** – Mr. Zanner reported that updated title work has been completed for the properties that will be transferred from NorDel II, LLC to BURA. The transaction is expected to be structured as a property swap between BUDC and BURA.

### **3.0 Buffalo Lakeside Commerce Park**

- (a) **NYSDEC “Parcel” Property Access Agreement** – Mr. Cammarata reviewed with the Committee the June 13, 2018 letter and proposed right of entry form that NYSDEC has requested BUDC sign to permit NYSDEC to collect soil samples and install monitoring wells at a parcel located north of

Parcel 4 and Laborer's Way.

- (b) **Parcel 4 Superfund Cleanup** – Mr. Cammarata reported that the Parcel 4 Superfund cleanup work will be completed by August of this year.
- (c) **Prospects Update** – Mr. Cammarata reported on Project Chardonnay, a potential project at Buffalo Lakeside Commerce Park.

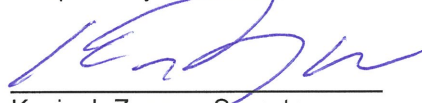
**4.0 308 Crowley Acquisition Update** - Mr. Cammarata informed the Committee that the closing of the acquisition of the 308 Crowley property is scheduled for this Thursday. BUDC will acquire the property through King Crow, LLC, a wholly-owned subsidiary that was formed for the acquisition.

**5.0 C.O.B. Brownfield Opportunities Update**

- (a) **Northland** – Mr. Stebbins and Mr. Cammarata reviewed with the Committee two recent brownfield opportunities in the Northland Beltline area, one involving the potential sale of a BUDC-controlled parcel, and the other a potential acquisition that BUDC may pursue.

**6.0 Adjournment** – Upon motion made by Ms. Whyte, seconded by Mr. Penman and unanimously carried, the June 19, 2018 meeting of the Real Estate Committee was adjourned at 1:35 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary