

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

**95 Perry Street
Buffalo, New York
September 18, 2018
12:00 p.m.**

Committee Members Present:

Janique S. Curry
Thomas A. Kucharski
Brendan R. Mehaffy
Craig A. Slater (Chair)

Committee Members Absent:

Kimberley A. Minkel
Dennis M. Penman
Maria R. Whyte

Officers Present:

David Stebbins, Executive Vice President
Brandye Merriweather, Vice President
Mollie Profic, Treasurer
Kevin J. Zanner, Secretary

Guests Present: Dawn Boudreau, ECIDA Compliance Officer; Evan Y. Bussiere; Hurwitz & Fine, P.C.; 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 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.

1.0 Approval of Minutes – Meeting of August 21, 2018 – The minutes of the August 21, 2018 meeting of the Real Estate Committee were presented. Mr. Mehaffy made a motion to approve the meeting minutes. The motion was seconded by Mr. Kucharski and unanimously carried.

2.0 Northland Beltline Project

(a) **Northland Energy/Solar Concepts** – Mr. Elsenbeck circulated copies of the Northland Workforce Training Center Solar PV System Financial Analysis prepared by Taitem Engineering, PC. The report summarized the potential benefits for installing and integrating a 1001 kW DC solar photovoltaic system at the NWTC. Three financing options for the installation (cash purchase model, power purchase agreement and an operating lease) were reviewed, including the cost and benefits for each. Mr. Elsenbeck noted that the Northland neighborhood has some of the oldest utility infrastructure in the United States and that power disruptions caused by aging infrastructure can be a deterrent to attracting potential commercial end-users to Northland. The various Eaton products could result in allowing for power storage (and potential sale) through the 644 Northland. Mr. Elsenbeck noted that BUDC is in the unique position of owning a substation (at 644 Northland), which creates opportunities for BUDC to sell power to end users within the campus footprint. The cost of the integration of the Eaton products would likely be covered by NYPA and/or NYSERDA grant funds. The presentation concluded with Mr. Elsenbeck presenting

the multi-phased process plan for upgrading, storing and distribution of electric power on the campus.

- (b) **683 Northland Phase I – Gilbane Change Order No. 7 Update** - Mr. Stebbins updated the Committee 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. \$486,774 for change order items has been committed to date. 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.
- (c) **683 Northland Phase I – GMP & Construction Update** – Mr. Stebbins reviewed the one-page Project Monthly Report dated August 2018. The Phase I project has received a temporary certificate of occupancy. School classes began on September 10th. Continued progress has been made on the paving work, and the concrete work has been completed. Roofing installations, exterior entryway, skylights and glass panel installations are completed. The pattern art mural in the entryway has been completed and has been well received.
- (d) **683 Northland Phase II – Watts Commissioning Proposal** – Mr. Stebbins presented the September 13, 2018 proposal submitted by Watts Architecture & Engineering for commissioning services for Phase II of the Northland project. Watts is proposing to retain C.J. Brown Energy & Engineering to provide building commissioning services. Watts sought proposals from three companies for the work. C.J. Brown submitted the lowest cost proposal. The total cost of the work is \$39,775.00. Mr. Kucharski made a motion to recommend that the Board of Directors approve the Watts commissioning proposal in the amount of \$39,775.00. The motion was seconded by Ms. Curry and unanimously carried.
- (e) **683 Northland Phase II – Construction Testing Proposals** – Mr. Stebbins reported on the results of BUDC's request for proposals for Phase II construction testing services. Three companies submitted proposals. Of the three submissions received, SJB Services, Inc. presented the best value over the multiple categories of services required. Mr. Kucharski made a motion to recommend that the Board of Directors contract with SJB Services to provide construction testing services for Phase II in an amount not to exceed \$65,000. The motion was seconded by Mr. Mehaffy and unanimously carried.
- (f) **683 Northland Phase II – GMP & Construction Update** – Mr. Stiehler reported that the early bid work for Phase II of the 683 Northland project is still underway, including select demolition work. Work on the roof is underway and the project is on schedule to have BMW move into their space by July. The GMP contract amendment is fully executed.
- (g) **683 Northland – BMW, GiGi's & Other Leasing Updates** – Mr. Stebbins presented leasing updates to the Committee. The commencement date for the opening of GiGi's has been moved to November 1, 2018 and there has been potential interest in leasing of additional commercial space at the project by Albright-Knox and Project Chardonnay.
- (h) **683 Northland – BCP Update** – Mr. Stebbins and Mr. Stiehler reported on the dig and haul remediation work, which should be completed by October 1st.
- (i) **612 Northland – Construction, Contracting & Change Order Update** – Mr. Stebbins circulated a handout and updated the Committee regarding the 612 Northland renovation project. Contracts are in place with the window installation contractor. Windows have been ordered and will be installed by December 31st. Mr. Stebbins noted that 72% of the total value of all contracts for the 612 Northland project have been awarded to MBE-certified firms and firms seeking certification.

- (j) **Restore NY IV – COB-BUDC Sub-Grant Agreement** – Mr. Stebbins reported that BUDC submitted an executed copy of the sub-grant agreement to City Corporation Counsel's Office for approval and signature.
- (k) **Northland Beltline Funding Updates (ESD, NYPA, CDBG, Restore NY)** – Mr. Stebbins reported that ESD has continued to expeditiously process BUDC payment requisitions for the WTC equipment purchases. All CDBG funds have now been spent.
- (l) **Northland Avenue Road & ROW Construction Update** – Mr. Stebbins reported that the road construction is currently slightly behind schedule, but progressing well. The binder coat is down on Northland Avenue immediately in front of 683 Northland building.
- (m) **Nordel II (BUDC)/City of Buffalo Land Swap Update** – Mr. Zanner updated the Committee regarding the land swap, including recent communications with BURA counsel. Appraisals have been ordered and are expected in early October.
- (n) **Plesh Gate & Land Swap Issues** – Mr. Stebbins reviewed 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. BUDC counsel has conducted a site visit to the contested areas and will be providing a counter offer to Plesh counsel regarding the land swap area and gate relocation.
- (o) **Northland Brownfield Opportunity Area** – Mr. Stebbins indicated that BUDC is exploring the submission of Brownfield Opportunity Area (BOA) Program application for Northland. BUDC will coordinate with the City to engage a consultant for this work.
- (p) **Northland Marketing ("From the Ground Up", Newsletter)** – Mr. Stebbins circulated the September 2018 issue of Northland News and updated the Committee on the upcoming "From the Ground Up" publication. He also reported that Invest Buffalo Niagara held its Board meeting at 683 Northland on September 14th.

3.0 Buffalo Lakeside Commerce Park

- (a) **Prospects Update** – Mr. Stebbins reported 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 and draft land disposition agreement have been prepared, and work is underway to negotiate the land disposition agreement. He also stated there may be an additional prospect for the purchase of multiple parcels.
- (b) **Parcel 4 Superfund Project** – Mr. Stebbins presented the August 21, 2018 letter from the NYSDEC, which confirmed that the remediation work for Parcel 4 has been satisfactorily completed under the terms of the contract for the site.

4.0 308 Crowley General Items - Mr. Stebbins 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. Stebbins updated the Committee regarding a potential acquisition in the Northland Beltline project area. A term sheet for the transaction was submitted to the seller and the terms have been mutually approved. The next step is for BUDC to negotiate a purchase

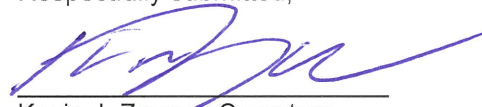
agreement with the seller. The purchase will be contingent upon BUDC Board approval.

(b) **Broadway/Fillmore Area** – Mr. Stebbins reported that there is still interest in pursuing acquisitions in the Broadway/Fillmore area and that many parcels in the area will likely be eligible for the NYS brownfield tax credit program.

6.0 Late File: Renewal of Sub-Sublease with ECIDA – Ms. Profic presented her September 18, 2018 memorandum regarding BUDC’s proposed renewal of the sub-sublease with ECIDA at 95 Perry Street for an additional five year term. Ms. Profic noted that the rent will increase from \$12.25 to \$16.50 per sq.ft. The Committee discussed the extension of the sub-sublease. Mr. Stebbins noted that a significant benefit of the co-location arrangement with ECIDA is the shared services agreement between BUDC and ECIDA. It was also noted that BUDC retains the right to terminate the sub-sublease on ninety days’ notice. Mr. Kucharski made a motion to recommend that the Board of Directors approve the five-year sub-sublease renewal. The motion was seconded by Mr. Mehaffy and unanimously carried.

7.0 Adjournment – Upon motion made by Mr. Kucharski, seconded by Ms. Curry and unanimously carried, the September 18, 2018 meeting of the Real Estate Committee was adjourned at 1:30 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary