

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

95 Perry Street
Buffalo, New York
April 17, 2018
12:00 p.m.

Committee Members Present:

Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
Craig A. Slater (Chair)

Committee Members Absent:

Janique S. Curry
Dennis M. Penman
Maria R. Whyte

Officers Present:

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

Guests Present: Thomas Mancuso, Mancuso Business Development Group; Robert Sanders, Watts Architecture and Engineering; and Brett Stiehler, Gilbane Building Company.

Roll Call – The Secretary called the roll at 12:10 p.m. and a quorum was determined to be present.

1.0 Approval of Minutes – Meeting of March 20, 2018 – The minutes of the March 20, 2018 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 Northland Beltline Project

(a) **Northland Road & ROW Construction Cost Update** – Mr. Stebbins circulated the sources and uses report for the Northland Avenue road and right-of-way improvements project. BUDC previously authorized grant funding for this project in the amount of \$3,400,000. There is a funding gap of approximately \$500,000 to complete certain parts of the work that were previously postponed. Approximately \$200,000 of the postponed work relates to landscape and amenities for 577 Northland, which is owned by a BUDC subsidiary. In addition, it was determined by the DPW and the City's consultant, Clark Patterson Lee, that a full-depth reconstruction of the road from Fillmore to Longview is required, increasing the cost of the work by \$156,542.57. Mr. Stebbins asked DPW to contribute a portion of funding, but has not received a response to date. He noted that there is urgency to authorize the increased funding at the April Board meeting now that the spring construction season is underway. The Committee discussed several approaches to the grant increase request, including re-bidding the work and authorizing payment of only the costs relating to the full-depth reconstruction work. In response to a question from Ms. Minkel, Mr. Stebbins indicated that the additional funding would be paid from ESD grant funds allocated toward the owner's contingency for the 683 Northland project. At the conclusion of the

discussion, Mr. Kucharski made a motion to increase the grant amount by \$653,050.57, conditioned upon further engagement with the City regarding contributions from the City and other project funding partners (Buffalo Sewer Authority and Buffalo Water Board) toward the increased cost. The motion was seconded by Ms. Minkel and unanimously carried.

- (b) **Northland Grass Cutting Contract Award** – Mr. Mancuso reviewed the materials in the meeting packet relating to the solicitation for mowing and landscaping services at Northland. Three proposals were received. The current provider, Citizens Action Alliance, submitted the lowest cost proposal in the amount of \$14,000. Ms. Minkel made a motion to approve a contract with Citizens Action Alliance for mowing and landscaping services in the amount of \$14,000. The motion was seconded by Mr. Kucharski and unanimously carried.

(c) **612 Northland – Northland Construction Work Awards**

- i. **Masonry Work** – Mr. Stebbins reviewed a proposed contract award for additional masonry work at 612 Northland. This work is required primarily for the north façade of the “B” building. The current masonry contractor, Pepe Construction, is on-site and is the recommended contractor to perform the additional masonry work at a cost of \$33,522.06. The Committee discussed the proposed contract award, which would qualify as a single-source procurement under the BUDC procurement policy. Mr. Mancuso commented on the significant shortage of masonry contractors, which impacts the opportunity to procure multiple proposals. Ms. Minkel noted that the request could be processed as a change order. At the conclusion of the discussion, Ms. Minkel made a motion to approve the retention of Pepe Construction to perform additional masonry work at 612 Northland Avenue for the lump sum amount of \$33,522.06. The motion was seconded by Mr. Kucharski and unanimously carried.
- ii. **HVAC Work** - Mr. Stebbins reviewed a proposed contract award for HVAC work for 612 Northland. Three proposals were received, as follows: (i) Clean Water Mechanical & Construction, LLC (\$18,888); (ii) Belknap Heating and Cooling, Inc. (\$17,995); and (iii) Matthews Heating and Cooling (\$19,500). The recommendation is to retain Clean Water Mechanical & Construction, LLC, an MBE firm, for this work. Mr. Stebbins noted that BUDC’s procurement policy permits awarding the work to other than the lowest bidder. Following a brief discussion, Mr. Kucharski made a motion to approve the retention of Clean Water Mechanical & Construction, LLC to perform HVAC work at 612 Northland Avenue for the lump sum amount of \$18,888. The motion was seconded by Ms. Minkel and unanimously carried.
- iii. **Plumbing Work** - Mr. Stebbins reviewed a proposed contract award for plumbing work for 612 Northland. Three proposals were received, as follows: (i) Clean Water Mechanical & Construction, LLC (\$44,553); (ii) Zirpoli Plumbing \$38,000; and (iii) Day & Night Plumbing Co., Inc. (\$49,000). Mr. Stebbins indicated that the recommendation is to award the work to Clean Water Mechanical & Construction, LLC as the sole MBE firm that submitted a proposal. The Committee discussed the cost differential between the Clean Water and Zirpoli proposals. At the conclusion of the discussion, Ms. Minkel made a motion to recommend that the Board of Directors approve a contract with Clean Water Mechanical & Construction, LLC if the contractor is willing to reduce its price to \$41,800; otherwise to award the contract to Zirpoli Plumbing in the amount of \$38,000. The motion was seconded by Mr. Kucharski and unanimously carried.
- iv. **Temporary Protection Work** – Mr. Stebbins introduced a late file item relating to temporary protection work at 612 Northland. Mr. Kucharski made a motion to accept the late file, which was seconded by Ms. Minkel and unanimously carried. Mr. Stebbins then reviewed

the item with the Committee, explaining the purpose and scope of the temporary protection work. Two proposals were received for this work. The cost proposal submitted by Oneida Sales and Service in the amount of \$10,975 was the lower of the two proposals and is recommended for award. Mr. Kucharski made a motion to approve the retention of Oneida Sales and Service to perform temporary protection work at 612 Northland Avenue for the lump sum amount of \$10,975. The motion was seconded by Ms. Minkel and unanimously carried.

- (d) **541 East Delavan – Watts Service Order – Phase I Construction Documents** – Mr. Stebbins presented the April 17, 2018 construction documents proposal submitted by Watts Architecture & Engineering for Phase I of the 541 East Delavan renovation project. The cost of these services is \$217,140. Robert Sanders from Watts reviewed the deliverables for the work and answered questions from the Committee regarding the proposal. In response to a question from Ms. Minkel, Mr. Stebbins indicated that ESD project architect Dennis Conroy would provide a peer review of the proposal, and that he expects to have the peer review completed prior to next week’s Board meeting. Mr. Stebbins also noted that this work will be paid with Restore NY grant funds, with a 10% match from the Buffalo Brownfields Redevelopment Fund. Ms. Minkel made a motion to recommend that the Board approve the proposed service order with Watts, contingent upon completion of the peer review from ESD. The motion was seconded by Mr. Mehaffy and unanimously carried.
- (e) **683 Northland – WTC Equipment Bid/Purchase Awards** – Mr. Stebbins reported that additional time has been granted until Friday, April 20th for the submission of bids in response to the solicitation for WTC equipment.
- (f) **683 Northland Phase 2 PLA** – Mr. Cammarata reported that there are ongoing negotiations with respect to a project labor agreement for phase 2 of the 683 Northland project. Assistant Corporation Counsel Anna Falicov is assisting with the negotiations. It is anticipated that the trades will vote on the proposed PLA soon, and that the PLA will be presented thereafter for Board approval or ratification. Mr. Kucharski made a motion to recommend that the Board of Directors approve the PLA for Phase 2 of the 683 Northland project. The motion was seconded by Ms. Minkel and unanimously carried.
- (g) **683 Northland – Watts Service Order – Phase 2 Construction Documents** – Mr. Stebbins presented proposed Service Order No. 22 from Watts Architecture & Engineering for construction documents services for the Phase 2 of the 683 Northland project. As described in the Service Order, Watts will provide the following services and deliverables: (i) detailed construction drawings in electronic format; (ii) full design and products specifications; (iii) building code compliance; and (iv) coordination and design review with Gilbane. Watts will also provide historic preservation consulting services (through Barbara A. Campagna), construction cost estimates and commissioning services for LEED certification. The proposed cost of this work is \$692,255.00. Mr. Stebbins indicated that the proposed cost is within industry standards for this type of project. The Committee reviewed the proposed Service Order. Mr. Stebbins indicated that BUDC has not yet received peer review responses regarding this service order from ESD or Gilbane, but expects to prior to the Board of Directors meeting. At the conclusion of the discussion, Ms. Minkel made a motion to recommend that the Board of Directors approve Service Order No. 22 in the amount of \$692,255.00, contingent upon receipt of peer review responses from ESD and Gilbane. The motion was seconded by Mr. Kucharski and unanimously carried.
- (h) **683 Northland Phase 2 – Early Work Recommendations to Award** – Mr. Stebbins circulated proposed early work recommendations from Gilbane for demolition, roof panels, roofing and structural steel work for Phase 2 of the 683 Northland project. Similar to Phase I of the project, these early work authorizations are being advanced prior to the establishment of a guaranteed

maximum price, with the cost for this work to be accounted for in the GMP calculation. The Committee reviewed the proposed early work recommendations and Mr. Stiehler responded to Committee questions. It was noted that the recommended contractors were not selected through a solicitation process. Mr. Slater expressed the Committee's reluctance to recommend Board approval of this work in the absence of quotes from other contractors for the work. Mr. Mehaffy made a motion to table the item. The motion was seconded by Mr. Kucharski and unanimously carried.

- (i) **683 Northland – ISP Provider** – Mr. Stebbins reported that SmartEdge, a subcontractor to Gilbane, is soliciting proposals for internet service providers for 683 Northland. Three companies were contacted; Verizon declined to submit a proposal. The remaining two companies (Spectrum and Cogent) submitted proposals, copies of which were included in the meeting agenda packet. Both primary tenants (Northland Workforce Training Center and Buffalo Manufacturing Works) have been involved in the process, as the cost of ISP services will be passed through to 683 Northland tenants. BMW has not yet expressed its preference with respect to the two providers, so this item is being presented to the Committee for information purposes only. Mr. Stebbins indicated that the item will be presented for approval at next week's Board of Directors meeting.
- (j) **683 Northland – EDG/WTC Lease Amendment Update** – Mr. Cammarata reported that the lease amendment has been executed, which will facilitate release of the remaining NYPA grant funding in the amount of three million dollars.
- (k) **683 Northland – NYSERDA Grant Award** – Mr. Stebbins reviewed with the Committee the March 15, 2018 letter from NYSERDA for the award of \$119,232 in grant funding for the Workforce Training Center.
- (l) **683 Northland – Construction & GMP Update** – Mr. Stiehler presented the 683 Northland construction update, referring the Committee to highlights in the one-page summary circulated to the members.
- (m) **683 Northland – Plesh Negotiations Update** – There was no update for this item.
- (n) **683 Northland BCP Update** – Mr. Cammarata reviewed the April 5, 2018 letter from the NYSDEC acknowledging receipt of the Remedial Investigation Report, Alternatives Analysis and Remedial Action Work Plan for 683 Northland. The NYSDEC will issue a fact sheet to summarize the report and announce a 45-day public comment period.
- (o) **683 Northland Tax Credits Update** – Mr. Stebbins reported that most of the requirements necessary to make a draw from the historic tax credits investor have been completed. He also reviewed the April 3, 2018 letter regarding the listing of 631 and 683 Northland on the National Register of Historic Places.
- (p) **537 E. Delavan Avenue NYSDEC Superfund Project Update** – Mr. Stebbins reported that NYSDEC has commenced investigatory/testing work for the Superfund project at 537 East Delavan. The NYSDEC is receptive to permitting BUDC to subdivide clean portions of the property.
- (q) **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 Restore NY 5 grant and the CDBG grant.
- (r) **NorDel II (BUDC)/City of Buffalo Land Swap Update** – Mr. Zanner reported that surveys are being prepared to subdivide the properties that will be transferred from NorDel II, LLC to the City

of Buffalo or BURA.

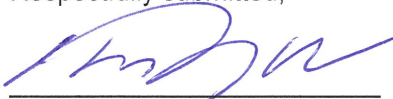
3.0 Buffalo Lakeside Commerce Park

- (a) **Prospects Update** – Mr. Cammarata updated the Committee regarding two potential prospects interested in locating at Buffalo Lakeside Commerce Park.
- (b) **Brochure Update** – Mr. Cammarata reported that Invest Buffalo Niagara is preparing to release the final version of the updated BLCP brochure.

4.0 C.O.B. Brownfield Opportunities Update – Ms. Minkel made a motion for the Committee to enter executive session to discuss a proposed acquisition of a brownfield property on the basis that the value of the property would be substantially affected if publicly discussed. The motion was seconded by Mr. Kucharski and unanimously carried. At the conclusion of executive session, Mr. Mehaffy made a motion to exit executive session, which was seconded by Ms. Minkel and unanimously carried. No votes were taken during executive session.

5.0 Adjournment – Upon motion made by Mr. Mehaffy, seconded by Ms. Minkel and unanimously carried, the April 17, 2018 meeting of the Real Estate Committee was adjourned at 1:48 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary