



Buffalo Urban Development Corporation

95 Perry Street, Suite 404

Buffalo, New York 14203

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**Buffalo Urban Development Corporation
MEETING NOTICE**

*Meeting of the BUDC Real Estate Committee Meeting
is scheduled for:*

Monday, April 21, 2014

at

12:00 p.m.

at the New Offices of

BUDC/ECIDA

95 Perry Street

4th Floor - Vista Room

Buffalo, New York 14203

Please confirm your attendance plans with Carrie Hocieniec (362-8367) or e-mail:
chocieni@ecidany.com as soon as possible.

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Real Estate Committee Meeting

Monday, April 21, 2014 at Noon
BUDC-ECIDA Vista Room
95 Perry Street, 4th Floor
Buffalo, NY 14203

Agenda

- 1) Approval of Minutes – Meeting of 3/13/2014 (*Action*) (*Enclosure*)
- 2) RiverBend (*Information*)
 - a. Fort Schuyler Management Corp. / RiverBend LLC Purchase Agreement
 - b. Property Owners Association – Declaration
 - c. Riverkeeper Phase II Shoreline Restoration Project
 - d. Adjacent Property Opportunity – 1390 South Park Avenue
- 3) Buffalo Lakeside Commerce Park Updates (*Information*)
 - a. Parcel 3 Contract(s) Close-Out
 - b. Ladle Project Spring Close-Out
 - c. Parcel 4 NYSDEC Superfund Project
- 4) South Buffalo BOA Project Updates (*Information*)
 - a. Overall Step 3 Coordination
 - b. Golf Course Feasibility Study
 - c. Recreational Needs Assessment
- 5.) General Items (*Information*)
 - a. Environmental Conditions Analysis – 537 Delavan
 - b. NPCR Albany Brownfields Summit
- 6) Adjournment (*Action*)

Minutes of the Real Estate Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
Buffalo, New York
March 13, 2014
12:00 p.m.

Call to Order

Committee Members Present:

Thomas A. Kucharski
Kimberley A. Minkel
Dennis M. Penman
Craig A. Slater (Committee Chair)
Richard M. Tobe

Committee Members Absent:

Brendan R. Mehaffy

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Vice President
Andrew Schoeppich, Treasurer
Kevin J. Zanner, Esq., Secretary
Theresa Carpenter, Assistant Treasurer

Others Present: Elizabeth Burakowski, Special Assistant to the Deputy County Executive;
Brandye Merriweather, BUDC Project Coordinator; and Steven Weathers, ECIDA CEO.

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

- 1.0 Approval of Meeting Minutes – February 11, 2014** – The minutes of the February 11, 2014 meeting of the Real Estate Committee were presented. Upon motion made by Mr. Tobe, seconded by Ms. Minkel and unanimously carried, the minutes of the February 11, 2014 meeting of the Real Estate Committee were approved.

2.0 General Items

(a) 2014 Property Disposition Guidelines – Mr. Cammarata circulated copies of the 2014 BUDC Property Disposition Guidelines. No changes are being proposed to the guidelines. The guidelines will be presented to the Board of Directors for re-adoption at the March meeting of the Board.

(b) Property Report (12/31/2013) – Mr. Cammarata presented the real property report for 2013. This report is part of the annual report that will be submitted to the Authorities Budget Office. Mr. Cammarata noted that some adjustments were made to the estimated fair market value of certain properties based on recent appraisals received for Area I of the RiverBend property and 255 Ship Canal Parkway. He also noted that a downward adjustment was made to the estimated fair market value of two parcels at RiverBend where the containment cell and wastewater treatment facility are located.

(c) Environmental Condition Analysis – 537 East Delavan – Mr. Cammarata informed the Committee that GZA Environmental has collected all of the environmental reports for this property and is working on an initial draft report.

3.0 RiverBend Updates

(a) **Out-of-Scope Emergency Maintenance Invoice** – Mr. Cammarata circulated copies of an invoice issued by TurnKey Environmental Restoration relating to emergency maintenance services provided at RiverBend. Mr. Cammarata reviewed the scope of work performed by the consultant and noted that the invoice amount of \$4,221.25 is lower than the consultant's initial estimate. The cost is eligible for reimbursement from the Buffalo Brownfields Redevelopment Fund, and staff will present a request to the Board to authorize the reimbursement.

(b) **Schedule of Revenue and Expenses (12/31/2013)** – Mr. Schoeppich presented the 2013 schedule of revenue and expenses for RiverBend property. Total expenses for 2013 were \$159,939, which exceeded budget by approximately \$18,000. The principal expense at RiverBend relates to the environmental operations, monitoring and maintenance (OM&M) obligations at the site. Mr. Schoeppich noted that these are long-term obligations, and that BUDC is not in a position to continue paying these obligations indefinitely. Mr. Stebbins noted that BUDC has attempted to address this issue by including the property owners association concept as part of the Alita/Hydro-Air and FSMC negotiations, but that the buyers in both instances have thus far been resistant to any sharing of OM&M costs. The Committee expressed concern regarding the impact of the OM&M obligation on the financial stability of BUDC. The Committee discussed options for addressing the OM&M obligation, which included the potential establishment of a sinking fund with proceeds from RiverBend land sales, and the potential transfer of obligations to the Buffalo Sewer Authority.

(c) **Fort Schuyler Management Corp./RiverBend LLC Purchase Agreement** – Mr. Cammarata reported that BUDC submitted a proposed real estate purchase agreement to FSMC last week and is waiting for feedback from FSMC counsel.

(d) **Alita/Hydro-Air Project** – Mr. Cammarata updated the Committee regarding the Alita/Hydro-Air project. He noted that there are continued differences between Hydro-Air and Alita regarding the proposed land swap. Hydro-Air wants the land swap to be on an "apples to apples" basis, which has proven difficult given the differing characteristics of the parcels. Mr. Cammarata commented that at this time it appears unlikely that the Alita project will proceed at RiverBend.

(e) **Riverkeeper Phase II Shoreline Restoration Project** – Mr. Cammarata reported that Riverkeeper has obtained a permit from NYSDEC for the project and is moving forward with final design work. He also noted that Riverkeeper is still reviewing the proposed access agreement submitted by BUDC.

4.0 Buffalo Lakeside Commerce Park Updates

(a) **Parcel 3 Contract(s) Close-Out** – Mr. Stebbins circulated copies of the February 25, 2014 letter from The Hanover Insurance Company which authorizes BUDC to utilize a portion of the retention to pay for consultant expenses incurred by BUDC as a result of the contract close-out process. Mr. Stebbins noted that the consultant (Arcadis) has submitted an additional work order in an amount not to exceed \$10,000, and that the expectation is that The Hanover will reimburse these costs as well. He also noted that The Hanover is reviewing BUDC legal costs and will make an offer on the payment of those expenses. Mr. Stebbins then reviewed with the Committee the remaining deliverables to be provided by Man O' Trees /The Hanover with respect to the Parcel 3 project.

(b) **Schedule of Revenue and Expenses (12/31/2013)** – Mr. Schoeppich presented the 2013 schedule of revenue and expenses for Buffalo Lakeside Commerce Park. Total expenses for 2013 were \$126,626, which exceeded budget by approximately \$56,000. Mr. Schoeppich reviewed the budget variance items with the Committee. There was discussion regarding the ongoing costs associated with BUDC's property maintenance agreement with the City of Buffalo, and the unsuccessful efforts to have Cobey and Sonwil sign the Declaration of Covenants to form a

property owners association.

(c) **193 Ship Canal Parkway Designated Developer Agreement** – Mr. Cammarata reported that The Krog Corp. has elected not to move forward with the developer designation for this property. Krog had been working with a prospect for this property, but the prospect elected to locate its project elsewhere.

(d) **Parcel 4 NYSDEC Superfund Project** – Mr. Cammarata reported that BUDC has signed off on the NYSDEC access requirements and will have the opportunity to review preliminary plans for the project.

5.0 **South Buffalo BOA Project Updates**

(a) **Overall Step 3 Coordination** – Mr. Stebbins reported that the final draft master plan is expected to be completed later this month. He then reviewed with the Committee the master plan approval process, which will be included as part of a single omnibus approval of a number of planning initiatives, including the Green Code and all other BOAs located in the City of Buffalo.

(b) **Golf Course Feasibility Study** – Mr. Stebbins reported that the golf course feasibility study has been completed. The consultant team determined that an eighteen-hole golf course is not feasible. It also determined that a nine-hole golf course is feasible, but that there are questions regarding the ongoing costs of maintaining the golf course once constructed.

(c) **Recreational Needs Assessment** – Mr. Stebbins noted that the recreational needs assessment study is underway, and that a further update will be available at the next meeting of the Committee.

5.0 **Adjournment** – There being no further business to come before the Real Estate Committee, upon motion made by Mr. Penman, seconded by Mr. Kucharski and unanimously carried, the March 13, 2014 meeting of the Real Estate Committee was adjourned at 1:10 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary