

Minutes of the Real Estate Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
Buffalo, New York 14203
September 19, 2017
12:00 p.m.

Call to Order

Committee Members Present:

Janique S. Curry
Brendan R. Mehaffy
Kimberley A. Minkel
Craig A. Slater (Chair)
Maria R. Whyte

Committee Members Absent:

Thomas A. Kucharski
Dennis M. Penman

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Brandy Merriweather, Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Bradley Bach, Assistant Treasurer

Others Present: Dawn Boudreau, ECIDA; Marie Carone, Watts Architecture & Engineering; Terry LoConte, Gilbane Building Company; Thomas Mancuso, Mancuso Business Development, Inc.; and Brett Stiehler, Gilbane Building Company.

Roll Call – The Secretary called the roll at 12:05 p.m. and reported that a quorum of the Committee was present. Ms. Curry joined the meeting during the presentation of item 2(c). Ms. Whyte left the meeting during the presentation of item 2(l).

1.0 Presentation of Meeting Minutes – The minutes of the August 22, 2017 meeting of the Real Estate Committee were presented. Ms. Minkel made a motion to approve the meeting minutes. The motion was seconded by Ms. Whyte and unanimously carried.

2.0 Northland Beltline Project

(a) 683 Northland – Gilbane Early Bid Packages

- (i) Tele/Data – Mr. Stebbins presented the September 15, 2017 Award Recommendation letter issued by Gilbane regarding the proposed award of tele/data and communications work for the 683 Northland project. Gilbane solicited proposals from eleven contractors and received proposals from three contractors for the work. Weydman Electric Inc., a local MBE, submitted the lowest cost proposal in the amount of \$544,000. Ms. Whyte made a motion to recommend that the Board approve Gilbane's proposed award of the tele/data and communications contract to Weydman Electric Inc. in the amount of \$544,000. The motion was seconded by Ms. Minkel and unanimously carried.
- (ii) Site Utilities and Remediation - Mr. Stebbins presented the September 15, 2017 Award Recommendation letter issued by Gilbane regarding the proposed award of site utilities and remediation work for the 683 Northland project. Gilbane solicited proposals from six contractors and received proposals from three

contractors for the work. Total Wrecking & Environmental, LLC, a local contractor, submitted the lowest cost proposal in the amount of \$2,578,420. The contractor submitted an M/WBE utilization plan that includes 25% MBE and 5% WBE utilization. Ms. Whyte made a motion to recommend that the Board approve Gilbane's proposed award of the site utilities and remediation contract to Total Wrecking & Environmental, LLC in the amount of \$2,578,420. The motion was seconded by Ms. Minkel and unanimously carried.

(iii) Dry Wall Carpentry - Mr. Stebbins presented the September 15, 2017 Award Recommendation letter issued by Gilbane regarding the proposed award of drywall, carpentry and ceiling work for the 683 Northland project. Gilbane solicited proposals from twelve contractors and received proposals from four contractors for the work. Mader Construction Company, Inc., a local contractor, submitted the lowest cost proposal in the amount of \$1,727,015. The contractor submitted an M/WBE utilization plan that includes 25% MBE and 5% WBE utilization. Ms. Whyte made a motion to recommend that the Board approve Gilbane's proposed award of the drywall, carpentry and ceiling contract to Mader Construction Company, Inc. in the amount of \$1,727,015. The motion was seconded by Ms. Minkel and unanimously carried.

(iv) Interior Masonry - Mr. Stebbins presented the September 15, 2017 Award Recommendation letter issued by Gilbane regarding the proposed award of interior masonry work for the 683 Northland project. Gilbane solicited proposals from nine contractors and received a single proposal in response. Thomas Johnson Inc., a local contractor, submitted a cost proposal in the amount of \$1,180,000. The contractor submitted an M/WBE utilization plan that includes 12% MBE and 3% WBE utilization. In response to a question from Mr. Slater, Mr. Stiehler indicated that the shortage of masonry contractors contributed to the lack of other proposals for the work. Ms. Whyte made a motion to recommend that the Board approve Gilbane's proposed award of the interior masonry contract to Thomas Johnson Inc. in the amount of \$1,180,000. The motion was seconded by Ms. Minkel and unanimously carried.

(b) **683 Northland – Construction & Gilbane GMP Update** – Mr. Stebbins circulated two handouts prepared by Gilbane Building Company regarding the guaranteed maximum price (GMP) for the 683 Northland project. Mr. Stebbins indicated that Gilbane plans to circulate to BUDC an internal draft GMP document by the end of this week. He then asked Terry LoConte to address the Committee regarding the GMP process and to review the GMP handouts. Mr. LoConte began by explaining the difference between a traditional lump sum bid contract and a cost-plus contract with a guaranteed maximum price. He noted that in the traditional lump sum bid contract, 100% of the design is completed first, and then the work is bid out. In the cost plus/GMP contract model being used for this project, the design is developed to a point where a guaranteed maximum price can be agreed to by the parties. The GMP model allows for projects to be completed on aggressive time schedules without a lot of change orders. Mr. Stiehler commented that if BUDC had utilized the traditional lump sum bid approach, the project would only now be seeking construction bids for the work. Instead, construction work is already underway, and a number of contractors have been retained through the early bid process. Mr. LoConte then provided an overview of the GMP process, including contingencies, allowances and the sharing of project cost savings between BUDC and Gilbane. Mr. Slater asked about the role of the Real Estate Committee in reviewing the GMP. Mr. Stebbins indicated that executive staff is meeting with Gilbane on Monday, September 25th and will ask a Committee member to participate in the meeting. The GMP proposal will be reviewed and presented at the October meeting of the Committee for a recommendation. The GMP will then be presented to the full Board for approval. Mr. Stebbins also noted that Gilbane will provide a similar presentation at the September Board meeting.

- (c) **683 Northland – NMTC Transaction Recap** – Mr. Cammarata reviewed Exhibit A to the draft Board of Directors resolutions, which detail the multiple transactions required in order for the 683 Northland/WNY Workforce Training Center project to qualify for federal state historic preservation tax credits and federal New Markets Tax Credits (the “Tax Credits Transaction”). He also circulated the organizational chart, which identifies the various entities that will be involved in the Tax Credits Transaction. The Committee engaged in an extended discussion regarding the Tax Credits Transaction. It was noted that the proposed structure has been developed and vetted by BUDC’s tax credits consulting team.
- (d) **683 Northland – NMTC Draft Resolution** – Mr. Cammarata reviewed the proposed resolutions to authorize the Tax Credits Transaction. Following a discussion, Ms. Curry made a motion to recommend that the Board of Directors adopt the draft resolutions, subject to the review and recommendation of tax credits counsel. The motion was seconded by Ms. Minkel and unanimously carried.
- (e) **683 Northland – BCP Update** – Mr. Slater updated the Committee regarding Brownfield Cleanup Program site remediation activities. The final remedy will involve a cap.
- (f) **683 Northland – Building Name** – Mr. Cammarata reported that BUDC asked Block Club to assist with naming the 683 Northland building. He noted that the building has been referred to as the workforce training center, but the center is only one aspect of the building’s use. The goal is to select a name that more reflective of the varied uses of the building.
- (g) **Purchase of Various COB Properties** – Mr. Cammarata indicated that the City of Buffalo is working through its property disposition approval process. Mr. Zanner commented that BUDC would utilize an existing limited liability company or form a new LLC for the purpose of acquiring and holding title to the properties.
- (h) **612 Northland – Builder’s Risk Insurance Policy** – Mr. Cammarata informed the Committee that BUDC and NorDel I, LLC are working with Lawley to secure builders risk insurance coverage for the renovation work at 612 Northland.
- (i) **612 Northland – Phase I Renovation Update** – Mr. Stebbins reported that debris removal and asbestos abatement work is underway at 612 Northland. He also advised the Committee that BUDC is reevaluating the type of windows to be installed at the building. The plan was to install polycarbonate windows, but SHPO has objected to that plan as not in keeping with the historic nature of the building.
- (j) **Electrical Substation – Emergency Repair** – Mr. Cammarata reported that BUDC is pursuing through insurance a property damage claim relating to a utility subcontractor severing an electrical line at Northland. BUDC retained Ferguson Electric on an emergency basis for the repair work, and the resulting \$37,000+ invoice has been submitted to insurance company as part of the claim.
- (k) **Restore NY Funding Update** – Mr. Stebbins reported that Empire State Development will seek formal authorization from its Board of Directors in November for the Restore New York grant to the City of Buffalo for the Northland Corridor project. BUDC is working with an Assistant Corporation Counsel for the City of Buffalo on a sub-grant agreement to facilitate the flow of grant funds from the City to BUDC. Mr. Stebbins noted that the Buffalo Brownfield Redevelopment Fund (BBRF) will provide the matching funds required by the Restore New York grant.
- (l) **537 E. Delevan – Demolition/Superfund Update** – Mr. Stebbins updated the Committee regarding the completion of the demolition at 537 East Delavan and the

NYSDEC Superfund remediation work. The NYSDEC may be willing to release a portion of the property from Superfund parcel, once it determines the boundaries of the contamination.

- (m) **COB DPW Road & ROW Project** – Mr. Stebbins reported that BUDC entered into a short-term lease with Scott Lawn Yard, Inc. to use a portion of 741 Northland as a lay-down yard/staging area for the Northland Avenue road and right-of-way construction project. The roadwork is underway.
- (n) **Art in Public Spaces Committee** – Mr. Stebbins informed the Committee that BUDC submitted its recommendation to the Art in Public Spaces Committee, which is meeting this week to review proposals.
- (o) **Community Outreach Update** – There was no update regarding this item.

3.0 **Buffalo Lakeside Commerce Park Updates**

- (a) **24 Laborers Way Prospect** – Mr. Cammarata reported that BUDC recently submitted a proposed land disposition agreement to a prospect that is interested in purchasing 24 Laborer's Way.
- (b) **Lawn Care, Landscaping & Snow Plowing Services RFP** – Mr. Cammarata informed the Committee that BUDC recently issued a request for proposals for lawn care, landscaping and snowplowing services at Buffalo Lakeside Commerce Park.
- (c) **Parcel 4 Superfund Site – NYSDEC/CDM Smith** – Mr. Cammarata reported that NYSDEC's contractor has completed the removal of nearly all of the flue ash pile at the Superfund site.

4.0 **Other C.O.B. Brownfield Opportunities** – There was no update regarding this item.

5.0 **2018 BUDC Real Estate Committee Meeting Schedule** – Mr. Cammarata referred to the 2018 Real Estate Committee meeting schedule, a copy of which was included in the meeting agenda packet.

6.0 **Adjournment** – Upon motion made by Ms. Minkel, seconded by Mr. Mehaffy and unanimously carried, the September 19, 2017 meeting of the BUDC Real Estate Committee was adjourned at 1:15 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary