

**Minutes of the Meeting
of the
Board of Directors
of
Buffalo Urban Development Corporation**

**95 Perry Street
Buffalo, New York
February 26, 2019
12:00 p.m.**

Directors Present:

Mayor Byron W. Brown (Chair)
Trina Burruss
James Comerford
Janique S. Curry
Dennis W. Elsenbeck
Darby Fishkin
Dottie Gallagher
Thomas Halligan
Thomas A. Kucharski
Amanda Mays
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Dennis M. Penman (Vice Chair)
Maria R. Whyte

Directors Absent:

Thomas R. Hersey, Jr.
Darius G. Pridgen
Craig A. Slater

Officers Present:

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

Guests Present: Dawn Boudreau, ECIDA; Evan Y. Bussiere, Esq., Hurwitz & Fine, P.C.; John Cleary, Gilbane Building Company; Jonathan Epstein, *The Buffalo News*; James Fink, *Buffalo Business First*; Rebecca Gandour, City of Buffalo Office of Strategic Planning; Robert Sanders, Watts Architecture & Engineering; Stephen Tucker, Northland Workforce Training Center; and Edward Watts, Jr., Watts Architecture & Engineering.

- 1.0** **Roll Call** – The Vice Chair called the meeting to order at 12:10 p.m. The Secretary called the roll and a quorum of the Board was determined to be present. Mayor Brown joined the meeting during the presentation of item 3.0 and chaired the meeting. Ms. Whyte also joined the meeting during the presentation of item 3.0. Ms. Curry joined the meeting during the presentation of item 4.0.
- 2.0** **Approval of Minutes – Meeting of January 11, 2019** – The minutes of the January 11, 2019 special meeting of the Board of Directors were presented. Ms. Minkel made a motion to approve the meeting minutes. The motion was seconded by Mr. Mehaffy and unanimously carried.

3.0 Monthly Financial Report – Ms. Profic presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending January 31, 2019. Ms. Profic also updated the Board regarding the status of the year-end financial audit, the results of which will be presented at the March Board meeting. Mr. Nasca made a motion to accept the financial report. The motion was seconded by Mr. Comerford and unanimously carried.

4.0 New Business – Mayor Brown introduced Stephen Tucker, President of the Northland Workforce Training Center. Mr. Tucker presented an update regarding the NWTC, with a focus on its academic programming. He reported on the academic advancement support program, which is designed to help applicants and potential applicants accomplish the baseline academic standards required for enrollment in NWTC programs. A question and answer session followed. Mayor Brown praised Mr. Tucker for efforts at NWTC, including the development of the academic advancement support program.

4.1 683 Northland Phase I Change Order – Lightning Strike – Mr. Cammarata presented his February 26, 2019 memorandum regarding costs relating to damage caused by a lightning strike that occurred on September 18, 2018. The lightning strike caused damage to the electrical, telephone and data and security systems, resulting in the need for a change order in the amount of \$25,942.74 to repair the damage. Mr. Cammarata stated that an insurance claim will be filed for the damage and that the insurance policy includes a \$5,000 deductible. He also noted that a lightning rod will be installed at the project as part of Phase II. The change order was reviewed by the Real Estate Committee and recommended for approval by the Board of Directors. Ms. Minkel made a motion to approve the change order in the amount of \$25,942.74 and to authorize the President or Executive Vice President to execute and deliver the change order on behalf of 683 Northland LLC. The motion was seconded by Mr. Penman and (with Ms. Mays abstaining) carried with fifteen affirmative votes (15-0-1).

4.2 683 Northland Phase I Change Order – NWTC Equipment – Mr. Stebbins presented his February 26, 2019 memorandum regarding a proposed change order for additional training equipment for the NWTC. The proposed change order work would be funded from the \$6 million dollar ESD equipment grant. Mr. Stebbins noted that the change order was reviewed by the Real Estate Committee and recommended for approval by the Board of Directors. Ms. Gallagher made a motion to approve the change order in the amount of \$17,939.35 and to authorize the President or Executive Vice President to execute and deliver the change order on behalf of 683 Northland LLC. The motion was seconded by Mr. Eisenbeck and carried with fourteen affirmative votes (14-0-1). Ms. Whyte stepped out of the meeting and was not present for this vote; Ms. Mays abstained. Ms. Whyte returned to the meeting during the presentation of item 4.3.

4.3 683 Northland Phase I Change Order – Prentice Office Environments – Mr. Stebbins presented his February 26, 2019 memorandum regarding a change order relating to the Prentice Office Environments furniture contract. Mr. Stebbins explained that the \$8,000 change order was needed to cover additional labor costs associated with relocating furniture to accommodate construction and build-out work. The change order was reviewed by the Real Estate Committee and recommended for approval by the Board of Directors. Mr. Nasca made a motion to approve the change order at a cost of \$8,000 and to authorize the President or Executive Vice President to execute and deliver the change order on behalf of 683 Northland LLC. The motion was seconded by Mr. Comerford and (with Ms. Mays abstaining) carried with fifteen affirmative votes (15-0-1).

4.4 683 Northland Phase I BCP Additional Costs - LiRo – Mr. Stebbins presented his February 26, 2019 memorandum regarding a proposal to retain LiRo Engineers for environmental

compliance work required under the Brownfield Cleanup Program (BCP) site management plan applicable to the 683 Northland site. Mr. Stebbins first reported on the status of the environmental work. The NYSDEC issued a certificate of completion for the BCP work prior to the end of 2018, which allows for BCP tax credits to be claimed for the 2018 tax year. A copy of the certificate of completion was circulated to the Board. He also reported on additional costs that were incurred to complete the BCP work by the December 31st, 2018 deadline, which were reviewed with the Real Estate Committee and outlined in the Board memorandum.

He then reviewed the January 18, 2019 proposal from LiRo Engineers to perform compliance work relating to the site management plan. The cost of this work is \$64,371.00. Mr. Stebbins noted that LiRo would be retained pursuant to the single source provisions of the BUDC procurement policy. Mr. Cammarata added that once the Phase II construction work is completed, BUDC will solicit proposals for ongoing site management plan compliance work. In response to a question from Mr. Kucharski, Mr. Zanner confirmed that the retention of LiRo is consistent with the single source provisions of the procurement policy. Mr. Stebbins noted that the proposal was reviewed by the Real Estate Committee and recommended for approval by the Board of Directors. Mr. Kucharski made a motion to approve the January 18, 2019 proposal from LiRo Engineers for environmental compliance work under the site management plan in the amount of \$64,371 and to authorize the President or Executive Vice President to execute and deliver the proposal on behalf of 683 Northland LLC. The motion was seconded by Ms. Curry and carried with fourteen affirmative votes (14-0-1). Mr. Mehaffy left the meeting during the presentation and prior to the vote and did not return. Ms. Mays abstained.

4.5 683 Northland Phase II – GMP & Construction Update – Mr. Stebbins reviewed the February 19, 2019 one-page monthly project report prepared by Gilbane for Phase II of the 683 Northland project. Mr. Cleary stated that approximately 30% of Phase II has been completed to date, including floor and wall construction. Mr. Stebbins reported that M/WBE enterprise and workforce participation utilization is on track and trending slightly above project goals.

4.6 631 Northland – Watts Scoping & Cost Estimating Proposal – Mr. Stebbins presented his February 26, 2019 memorandum regarding Service Order No. 27 for Watts Architecture & Engineering to provide a building conditions and recommendations report for the renovation of the 631 Northland building. Mr. Stebbins stated that BUDC has marketed the 42,000+/- square foot building on an “as-is” basis and has not received serious interest due to the extent of the renovations required. BUDC plans to move forward with core and shell renovations at the property (including roof replacement, exterior wall and window work, bathroom installation and HVAC installation) so that the building is ready for tenant-specific improvements. He noted that the Watts proposal includes a feasibility study and conceptual level cost estimate for the renovation work. Mr. Stebbins indicated that the project may be eligible for historic and new markets tax credits. The source of funding for the Service Order work is the Buffalo Brownfields Redevelopment Fund (BBRF). Mr. Stebbins noted that the proposal was reviewed by the Real Estate Committee and recommended for approval by the Board of Directors. Mr. Kucharski commented that there is a significant need for tenant-ready space. Mr. Kucharski then made a motion to approve Service Order No. 27 from Watts to complete an updated building conditions and recommendations report for a lump sum cost of \$27,050 and to authorize the President or Executive Vice President to execute the Service Order on behalf of BUDC. The motion was seconded by Ms. Whyte and unanimously carried (15-0-0).

4.7 777 Northland – Watts Demo, Scoping & Cost Estimating Proposal – Mr. Stebbins presented his February 26, 2019 memorandum regarding Service Order No. 28 for Watts Architecture & Engineering to provide a demolition/building conditions survey and recommendations report in connection with the demolition and renovation of 777 Northland. He noted that SHPO is requiring that BUDC preserve certain historic elements of the existing

structure, including the first 3 bays, the saw-tooth roof, the façade and portions of the perimeter exterior wall. This work will help identify re-use options for the portion of the building that will not be demolished and will include a conceptual cost estimate. The cost of this work is \$23,350 and will be paid with Restore NY V grant funds. In response to a question from Mr. Penman, Mr. Stebbins confirmed that Phase I and Phase II environmental assessments were performed with respect to this property. Ms. Minkel made a motion to approve Watts Service Order No. 28 for a lump sum cost of \$23,350 and to authorize the President or Executive Vice President to execute the Service Order on behalf of BUDC. The motion was seconded by Mr. Halligan and carried with thirteen affirmative votes (13-0-1). Ms. Gallagher left the meeting during the presentation and prior to the vote and did not return. Ms. Mays abstained from the vote.

4.8 Northland Beltline Project Update – Mr. Stebbins referred Board members to the February 26, 2019 Northland Corridor Redevelopment Project Update, copies of which were circulated at the meeting. Mr. Stebbins then commented on the grand opening of GiGi's restaurant at 683 Northland, which took place yesterday. There was a very substantial customer turn-out for the grand opening, so much that the restaurant eventually sold out of food.

4.9 Buffalo Building Reuse Update – Ms. Merriweather reported that BUDC issued its first quarter request for proposals for the BBRP loan program. Responses are due on March 30th. She updated the Board regarding a joint meeting of the Downtown and Loan Committees, which generated a lot of feedback regarding potential modifications to the loan program. Ms. Merriweather then reported on downtown infrastructure matters, including a stakeholders meeting that was well attended. Work on the BUDC website update is nearly complete. Ms. Merriweather completed her report with an update regarding Queen City Pop-Up, and noted that BUDC is working with Buffalo Place to secure the location for the next session of Queen City Pop-Up.

4.10 Buffalo Lakeside Commerce Park Sale & Prospects Update - Mr. Cammarata updated the Board regarding the land sale to Zephyr Investors. The land sale agreement has been executed and Zephyr is conducting its due diligence. BUDC and its counsel have supplied due diligence documentation as required under the land sale agreement. He noted that Zephyr is working with the City of Buffalo Planning Board to obtain requisite approvals. Mr. Cammarata also stated that negotiations continue with two other prospective land purchasers for other sites at BLCP.

4.11 308 Crowley Update – Mr. Cammarata reported that BUDC counsel successfully negotiated with the Attorney General's Office a reduction of the environmental lien from in excess of \$75,000 to \$5,000. Mr. Cammarata stated that BUDC is now in a position to proceed with the sale of the portion of the property to Enterprise Folding Box Company, the adjacent business. The demolition bid process will also move forward, with BURA assistance.

4.12 Information Package - Mr. Cammarata reviewed the informational, marketing and media materials that were included in the monthly information package provided to the Board.

5.0 Late Files – None.

6.0 Tabled Items – None.

7.0 Executive Session – None.

8.0 **Adjournment** – There being no further business to come before the Board, upon motion made by Mr. Elsenbeck, seconded by Ms. Curry and unanimously carried, the February 26, 2019 meeting of the Board of Directors was adjourned at 1:20 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kevin J. Zanier', written over a horizontal line.

Kevin J. Zanier, Secretary