

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Board of Directors Meeting

Date: Tuesday, November 28, 2017

Time: 12:00 Noon

**Place: BUDC/ECIDA Offices, 95 Perry Street, 5th Floor Conference Room
Buffalo, New York 14203**

1.0 CALL TO ORDER

2.0 READING OF THE MINUTES *(Action) (Enclosure)*

3.0 MONTHLY FINANCIAL REPORTS *(Action) (Enclosure)*

4.0 NEW BUSINESS

4.1 City of Buffalo Pre-Apprentice Training Program Update *(Information)*

4.2 541 E. Delavan – Schematic Design Recommendation *(Information) (Enclosure)*

4.3 612 Northland – Construction Services (Architectural) Recommendation *(Info.) (Encl.)*

4.4 612 Northland – Construction Services (Masonry) Recommendation *(Info.) (Encl.)*

4.5 Northland Beltline Project Update *(Information)*

4.6 Buffalo Building Reuse Project Update *(Information)*

4.7 Buffalo Lakeside Commerce Park Update *(Information)*

4.8 Information Package *(Information)*

5.0 LATE FILES

6.0 TABLED ITEMS

7.0 EXECUTIVE SESSION

8.0 ADJOURNMENT *(Action)*

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

**95 Perry Street
Buffalo, New York 14203
October 31, 2017
12:00 p.m.**

1.0 Call to Order

Directors Present:

Thomas Beauford, Jr.
James W. Comerford
Dennis W. Elsenbeck
Darby Fishkin
Dottie Gallagher-Cohen
Thomas R. Hersey, Jr.
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Dennis M. Penman (Vice Chair)
Darius G. Pridgen
Craig A. Slater
Steven J. Stepniak

Directors Absent:

Hon. Byron W. Brown (Chair)
Christopher J. Schoepflin
Maria R. Whyte

Officers Present:

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

Others Present: Dawn Boudreau, ECIDA; James Fink, *Buffalo Business First*; Janique S. Curry, BUDC Board member (*via telephone*); Terry LoConte, Gilbane Building Company; Robert Sanders, Watts Architecture & Engineering; and Brett Stiehler, Gilbane Building Company.

Roll Call: Order of Business – The Secretary called the roll of directors at 12:10 p.m. and a quorum was determined to be present. Mr. Pridgen joined the meeting during the presentation of item 3.0 and left during the presentation of item 4.7. Mr. Nasca joined the meeting during the presentation of item 4.3.

2.0 Presentation of the Minutes – The minutes of the September 26, 2017 meeting of the Board of Directors were presented. Mr. Mehaffy made a motion to approve the meeting minutes. The motion was seconded by Mr. Beauford and unanimously carried.

3.0 Monthly Financial Reports – Ms. Profic presented the BUDC monthly financial report for the period ending September 30, 2017. The unrestricted cash balance at the end of the period was \$13,916,800 and the net position at the end of the period was \$20,124,009. Year-to-date revenue was \$5,326,553 and year-to-date expenses were \$1,839,942, resulting in year-to-date net income of

\$3,486,611. Ms. Profic then reviewed the monthly balance sheet and income statement for 683 Northland LLC for the period ending September 30, 2017. Mr. Kucharski made a motion to accept the financial reports. The motion was seconded by Ms. Gallagher-Cohen and unanimously carried.

4.0 New Business

- 4.1 Proposed BUDC 2018 Budget and 2019-2021 Forecast** – Ms. Profic presented her October 31, 2017 memorandum regarding the proposed 2018 budget and 2019-2021 forecast. She noted that the budget had been presented and discussed at the September Board meeting and that no changes have been made to the proposed budget since the September meeting. Mr. Comerford made a motion to approve the proposed 2018 budget and the 2019-2021 forecast in the form presented to the Board. The motion was seconded by Ms. Fishkin and unanimously carried.
- 4.2 Professional Auditing Services Recommendation for 2017-2021** – Ms. Profic presented her October 31, 2017 memorandum regarding the proposed award of a contract for professional auditing services. Ms. Profic reviewed the request for proposals process, which was undertaken jointly with ECIDA. The RFP sought proposals for a two year period commencing on January 1, 2018, with a BUDC option to renew for an additional three years. Five firms submitted responses to the RFP. A review team comprised of Mr. Cammarata, Ms. Profic and Mr. Bach evaluated the submissions and presented its recommendation to the Audit & Finance Committee to award the professional auditing services contract to Freed Maxick. The Audit & Finance Committee reviewed and adopted this recommendation at its September 18, 2017 meeting. Ms. Profic also indicated that ECIDA approved the retention of Freed Maxick at its September Board meeting. Mr. Elsenbeck made a motion to retain Freed Maxick for professional auditing services for the 2017 and 2018 audits, with a BUDC option to renew for an additional three years. The motion was seconded by Ms. Minkel and unanimously carried.
- 4.3 683 Northland – Gilbane Guaranteed Maximum Price Contract** – Mr. Stebbins presented his October 31, 2017 memorandum regarding a guaranteed maximum price (GMP) amendment to the construction management agreement between BUDC and Gilbane Building Company. The proposed total GMP value is \$44,110,517. Mr. Stebbins reviewed the color-coded GMP summary included in the Board packet that identifies work already awarded (green), work for which bids have been received (yellow) and work not yet bid or which will be performed directly by Gilbane (orange). He also reviewed the owner allowances and owner contingency items. The process of establishing the GMP included three working sessions with BUDC executive staff, Board member Tom Kucharski and Gilbane representatives. Value engineering was a significant focus in the meetings. The proposed GMP amendment was reviewed and recommended for approval by the Real Estate Committee. The Board discussed the proposed GMP amendment. In response to a question from Mr. Pridgen, Mr. Stebbins stated that the project is currently exceeding the 25% MBE/5%WBE goals for the project, and that Gilbane continues to seek opportunities to increase the current 28% MBE utilization. Mr. LoConte noted that Dollie Randle from CASNY is tracking M/WBE utilization for the project. Mr. Stebbins indicated that CASNY's work will include direct verification of utilization with the individual subcontractors. At the conclusion of the discussion, Mr. Kucharski made a motion to approve a guaranteed maximum price amendment to the BUDC-Gilbane construction management agreement in the amount of \$44,110,517 and to authorize the President or Executive Vice President to execute the GMP amendment. The motion was seconded by Mr. Comerford and unanimously carried.
- 4.4 683 Northland – Construction Testing Recommendation** – Mr. Stebbins presented his October 31, 2017 memorandum regarding a proposed award of a contract for third party field testing and construction inspections for the 683 Northland construction project. Mr. Stebbins noted that the third party inspection work must be conducted by an independent third party—as a result, neither Gilbane nor Watts Architecture & Engineering may retain the inspector. Mr.

Stebbins indicated that BUDC issued a written request for proposals and solicited three firms to provide the services. Two firms, SJB Services Inc. and CME Associates, submitted written proposals. Based on a review of the written proposals and input from Gilbane, executive staff is recommending a contract with SJB Services Inc. for a not-to-exceed amount of \$40,000. This recommendation was reviewed and approved by the Real Estate Committee. Ms. Minkel made a motion to approve a contract with SJB Services Inc. in an amount not to exceed \$40,000. The motion was seconded by Mr. Hersey and unanimously carried.

- 4.5 2017-2018 Northland Campus Snow Removal Recommendation** – Mr. Cammarata presented his October 31, 2017 memorandum regarding a proposed award of a contract for snow removal services at the Northland Beltline campus for the period from October 1, 2017 through April 30, 2018. Mr. Cammarata noted that BUDC has compiled an extensive list of MBE companies and elected to limit the circulation of this RFP to eight local MBE companies. Two proposals were received, with Rosecroft Property Maintenance submitting the lowest cost proposal in the amount of \$13,104. Mr. Cammarata noted that the October 1st start date for this work was intended to allow the contractor time to ramp up its operations. The Board discussed the proposed contract award. Mr. Pridgen commended staff for its approach in seeking MBE firms and helping to build a local business, and made a motion to approve the contract with Rosemont Property Maintenance. The motion was seconded by Mr. Nasca. On the question, Ms. Gallagher-Cohen asked whether BUDC may enter into a contract with a commencement date that precedes the date of the Board approval. Mr. Zanner indicated that the Board action would be in the form of a contract ratification. Ms. Gallagher-Cohen offered an amendment to the motion to reflect that the Board is ratifying the contract with Rosemont Property Maintenance. The motion was seconded by Mr. Nasca and unanimously carried.
- 4.6 2018-2020 BLCP Lawn Care, Landscaping & Snow Removal Recommendation** – Mr. Cammarata presented his October 31, 2017 memorandum regarding a proposed award of a three-year contract for lawn care, landscaping and snow removal services at Buffalo Lakeside Commerce Park commencing on November 1, 2017. A request for proposals was issued in September, and twelve companies were contacted. The RFP was also publicized on the BUDC website. Six proposals were received in response to the RFP with the lowest cost proposal submitted by T&R Seasonal Services at a cost of \$140,770. Mr. Cammarata noted that T&R Seasonal Services previously provided these services at BLCP. In response to a question from Mr. Slater, Mr. Cammarata indicated that CertainTeed and Sonwil contribute a total of \$10,000 annually toward property maintenance costs. There being no further discussion, Mr. Slater made a motion to approve a three-year contract with T&R Seasonal Services for lawn care, landscaping and snow removal services at Buffalo Lakeside Commerce Park at a cost of \$140,770. The motion was seconded by Ms. Gallagher-Cohen and unanimously carried.
- 4.7 Northland Beltline Project Update** – Mr. Stebbins circulated a written report/update regarding Northland Belt Line project. He then highlighted a few items from the report. The Buffalo Niagara Partnership is conducting a tour of the 683 Northland project on November 1st, and Board members are welcome to attend. Executive staff and the tax credits consulting team continue to work on due diligence activities relating to the tax credits transaction. SHPO has approved the amendment to the Part II application, which is now under review by the National Parks Service. Mr. Stebbins also reported that BUDC is working with KeyBank to finalize the terms of the commitment letter for the construction bridge financing. Mr. Nasca stated that Evans Bank has been asked by KeyBank to participate in the loan. Mr. Stebbins closed his report with an update on the progress of construction at 683 Northland.
- 4.8 Buffalo Building Reuse Project Update** – Ms. Merriweather presented an update regarding the Buffalo Building Reuse project. Earlier this month, the Downtown Committee reviewed proposals for BBRP loan funding submitted for the C.W. Miller Livery project and the McCarley Gardens project. The Committee tabled both items in order to seek input from the Loan Committee. A Loan Committee meeting will be scheduled to discuss these projects and

potential changes to BBRP loan program policies. Ms. Gallagher-Cohen commented that the BBRP loan fund has not been utilized to the extent that was originally anticipated, and that the Loan Committee may examine expanding the parameters of the loan program. Mr. Nasca noted that the potential reduction or elimination of the federal historic tax credits program in the federal tax reform bill would adversely impact the redevelopment of older buildings. Ms. Merriweather completed her report with updates regarding the residential housing study and the Erie/Shelton Square infrastructure project.

4.9 Buffalo Lakeside Commerce Park Update – Mr. Cammarata reported that the NYSDEC's contractor has made substantial progress on this project, with 75% of the clean-up work already completed. The contractor will shut down operations on November 15th until spring. The work is expected to be completed in June of 2018. Mr. Cammarata reported that BUDC is working with a prospect for 24 Laborer's Way, and he also commented on the ITGO logistics project that may locate at BLCP.

4.10 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 Ms. Fishkin, seconded by Mr. Nasca and unanimously carried, the October 31, 2017 meeting of the Board of Directors was adjourned at 1:20 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary

Buffalo Urban Development Corp
Financial Statements
October 31, 2017

Buffalo Urban Development Corporation (BUDC)

**Balance Sheet
October 31, 2017**

	October 2017	September 2017	December 2016
Assets			
Cash*	\$ 12,719,206	\$ 13,916,800	\$ 1,780,244
Cash - Downtown Revolving Loan Fund*	1,837,547	630,672	560,797
Cash - Buffalo Brownfields Redevelopment Fund **	2,247,239	2,247,048	2,287,283
Cash - Regionally Significant Project Fund ***	87,435	87,431	106,713
Loans Receivable - Downtown Revolving Loan Fund	1,500,000	1,500,000	1,500,000
Loans Receivable - 683 Northland LLC	5,429,400	3,963,300	-
Prepaid/Deferred Expenses	56,497	36,946	22,806
Grants Receivable	12,349,776	12,785,506	26,573,540
Other Receivables	40,821	35,301	72,883
Due from BBRC	20,000	20,000	20,000
Investment - 683 Northland LLC	4,002,121	4,002,121	-
Fixed Assets, net	8,707	8,820	10,157
Land/Buildings - Northland Corridor, net	1,654,022	1,654,022	5,656,143
Land & Improvements Held For Sale - BLCF	3,996,668	3,996,668	3,996,668
	<u>\$ 45,749,439</u>	<u>\$ 44,884,634</u>	<u>\$ 42,587,233</u>
Liabilities and Net Assets			
Liabilities:			
Accounts Payable and Accrued Expenses	\$ 175,145	\$ 75,566	\$ 397,432
Due to ECIDA	41,722	41,112	50,940
Promissory Note Payable	257,381	257,381	257,381
Unearned Grant Income	22,887,870	24,386,565	25,244,081
Total Liabilities	<u>23,362,118</u>	<u>24,760,625</u>	<u>25,949,835</u>
Net Assets	22,387,321	20,124,009	16,637,398
	<u>\$ 45,749,439</u>	<u>\$ 44,884,634</u>	<u>\$ 42,587,233</u>

Monthly Balance Sheet Notes:

Decrease in Cash and increase in Loan Receivable from 683 Northland LLC due to flow of cash for Workforce Training Center.
Increase in Downtown Revolving Loan Fund cash a result of receipt of final \$1 million from City of Buffalo funding.
Decrease in Unearned Grant Income a result of grant revenue recognized for the month.

Monthly Investment Report:

- * Cash is invested in interest-bearing accounts at KeyBank at a rate of 0.10%. (0% for Downtown and Northland accounts). The maximum FDIC insured amount is \$250,000, with the remainder collateralized (secured) with eligible securities by KeyBank.
- ** The Buffalo Brownfields Redevelopment Fund is held by the ECIDA on behalf of BUDC for Eligible Project Costs at Buffalo Lakeside Commerce Park & Northland. The fund is invested in an interest-bearing account at KeyBank at a rate of 0.10%. The maximum FDIC insured amount for this and the other ECIDA Key accounts is \$250,000, with the remainder collateralized (secured) with eligible securities by KeyBank.
- *** The Regionally Significant Project Fund is held by the ECIDA on behalf of BUDC for economic development and planning goals established by the BUDC Board. The fund is invested in an interest-bearing account at KeyBank at a rate of 0.05%. The maximum FDIC insured amount for this and the other ECIDA Key accounts is \$250,000, with the remainder collateralized (secured) with eligible securities by KeyBank.

Buffalo Urban Development Corporation (BUDC)
Income Statement
Month of October 2017

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUE			
Grant Revenue	\$ 2,498,695	\$ 2,500,000	\$ (1,305)
Gross Proceeds from Land Sales	-	-	-
Less: Cost of Land Sales	-	-	-
Buffalo Brownfields Fund Revenue (net)	-	-	-
Regionally Significant Project Fund (net)	-	-	-
Rental Income	1,100	1,100	-
Interest Income & Fees - Loans	12,395	16,250	(3,855)
Investment Interest Income	1,068	667	402
Other Income	-	-	-
Total	2,513,259	2,518,017	(4,758)
OPERATING EXPENSES			
Property Operations & Maintenance	\$ 71,553	\$ 7,417	\$ 64,136
Legal	6,076	9,583	(3,507)
Insurance	14,095	9,583	4,512
Marketing/Public Outreach	5,133	4,583	549
Utilities	1,303	2,500	(1,197)
Misc.	-	1,083	(1,083)
Consultants	510	500	10
General Development Expenses	108,570	-	108,570
Personnel Costs	35,550	35,533	16
Interns	914	1,667	(753)
Rent	1,600	1,567	32
ECIDA Management Fee	3,500	3,500	-
Audit	-	-	-
General & Administrative	1,033	2,500	(1,467)
Depreciation	112	440	(328)
Total	249,947	80,457	169,490
Net Income / (Loss)	\$ 2,263,312	\$ 2,437,559	\$ (174,248)

Monthly financial highlights:

Revenue was slightly below budget due to lower than anticipated interest income & fees

Expenses were over budget for the month by \$169,490

- Property Operations & Maintenance includes cost for repairs for underground electric supply damage (\$37,400) and cost for gas service to 631 Northland (\$22,500)
- The annual budget for General Development Expenses has been exceeded, a portion of these costs may be capitalized at year end.

Buffalo Urban Development Corporation (BUDC)
Income Statement
YTD October 31, 2017

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Yr.	Variance
REVENUE						
Grant Revenue	\$ 7,430,913	\$ 7,560,500	\$ (129,587)	\$ 7,430,913	\$ 2,109,552	\$ 5,321,361
Gross Proceeds from Land Sales	-	-	-	-	-	-
Less: Cost of Land Sales	-	-	-	-	-	-
Buffalo Brownfield Fund Revenue (net)	288,165	273,200	14,965	288,165	286,186	1,979
Regionally Significant Project Fund (net)	5,677	5,700	(23)	5,677	6,813	(1,136)
Rental Income	7,450	7,450	-	-	-	-
Interest Income & Fees - Loans	95,096	162,500	(67,404)	95,096	54,047	41,049
Investment Interest Income	12,511	6,667	5,844	12,511	4,999	7,512
Other Income	-	-	-	-	12,775	(12,775)
Total	7,839,812	8,016,017	(176,205)	7,832,362	2,474,372	5,357,990
OPERATING EXPENSES						
Property Operations & Maintenance	\$ 220,758	\$ 74,167	\$ 146,592	\$ 220,758	\$ 300,503	\$ (79,745)
Legal	120,139	95,833	24,306	120,139	89,916	30,223
Insurance	108,173	95,833	12,340	108,173	110,384	(2,211)
Marketing/Public Outreach	34,745	45,833	(11,088)	34,745	19,642	15,103
Utilities	14,188	25,000	(10,812)	14,188	17,765	(3,577)
Misc.	1,486	10,833	(9,347)	1,486	2,515	(1,029)
Consultants	200,814	223,700	(22,886)	200,814	696,623	(495,809)
General Development Expenses	927,245	505,000	422,245	927,245	26	927,219
Personnel Costs	357,526	355,333	2,193	357,526	336,995	20,531
Interns	18,943	16,667	2,276	18,943	17,997	946
Rent	15,299	15,674	(375)	15,299	15,657	(358)
ECIDA Management Fee	35,000	35,000	-	35,000	35,000	-
Audit	10,900	10,900	-	10,900	12,150	(1,250)
General & Administrative	23,222	25,000	(1,778)	23,222	32,467	(9,245)
Depreciation	1,449	4,400	(2,951)	1,449	121,937	(120,488)
Total	2,089,890	1,539,174	550,715	2,089,890	1,809,577	280,313
Net Income / (Loss)	\$ 5,749,922	\$ 6,476,843	\$ (726,920)	\$ 5,742,472	\$ 664,795	\$ 5,077,677

Financial highlights:

Majority of revenue is grant revenue related to Northland (\$6.4 million)
Total revenue below budget by \$176,000
Total expenses over budget by \$551,000
Net income is \$5.7 million, under budget by \$727,000

Buffalo Urban Development Corporation

Income Statement - by Project

YTD October 31, 2017

	BBRP -					Total
	BLCP*	BBRP**	Downtown Loan Fund	Northland	Corporate Operations	
REVENUE						
Grant Revenue						
NYPA				\$ 368,016		\$ 368,016
ESDC				3,413,044		3,413,044
National Grid						
ECIDA/Other		74,702	1,000,000	2,575,151		3,649,853
Gross Proceeds from Land Sales						
Less: Cost of Land Sales						
Buffalo Brownfield Fund Revenue (net)					288,165	288,165
Regionally Significant Project Fund (net)					5,677	5,677
Rental Income				7,450		7,450
Interest Income & Fees - Loans			76,750	15,821	2,525	95,096
Investment Interest Income					12,511	12,511
Other Income						
Total	-	74,702	1,076,750	6,379,482	308,878	7,839,812
OPERATING EXPENSES						
Property Operations & Maintenance				\$ 176,916		\$ 176,916
Legal	43,842					43,842
Insurance	3,200	7,320		50,816	58,803	65,328
Marketing	13,641			76,523	18,008	108,173
Utilities	44	8,027	385	14,895	11,394	34,745
Misc.	766			13,423		14,189
Consultants	850				1,486	2,336
General Development Expenses		25,000		174,964		200,814
Personnel Costs		540		926,705		927,245
Interns		81,863			275,664	357,526
Rent					18,943	18,943
ECIDA Management Fee					15,299	15,299
Audit					35,000	35,000
General & Administrative					10,900	10,900
Depreciation					23,222	23,222
Total	62,343	122,749	385	1,434,243	470,170	2,089,890
Net Income / (Loss)	\$ (62,343)	\$ (48,048)	\$ 1,076,365	\$ 4,945,239	\$ (161,291)	\$ 5,749,922

* Buffalo Lakeside Commerce Park
 ** Buffalo Building Reuse Project (Downtown Buffalo)

683 Northland LLC
Financial Statements
as of October 31, 2017

683 Northland LLC
Balance Sheet
October 31, 2017

	October 2017	September 2017
Assets		
Cash	\$ 99	\$ 87
Prepaid expenses	355,649	366,577
Building	4,002,121	4,002,121
	\$ 4,357,869	\$ 4,368,786
Liabilities and Owners' Equity / (Deficit)		
Liabilities:		
Accounts payable	\$ 2,023,764	\$ 1,305,161
Accrued interest	15,821	10,301
Loan payable	5,429,400	3,963,300
	7,468,985	5,278,762
Owners' Equity	(3,111,116)	(909,976)
	\$ 4,357,869	\$ 4,368,786

683 Northland LLC
Income Statement
October 31, 2017

	October 2017	September 2017
Revenue		
Investment interest	\$ 102	\$ 74
	102	74
Expenses		
General development	6,755,618	4,580,020
Environmental	126,499	126,499
Insurance	64,459	55,251
Professional services	66,917	56,075
Operations & maintenance	11,698	11,698
Finance charges	88,111	82,591
Miscellaneous	38	38
	7,113,340	4,912,172
Net Income/(Loss)	\$ (7,113,237)	\$ (4,912,098)

Buffalo Urban Development Corporation

95 Perry Street
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Item 4.2

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors
FROM: David A. Stebbins, Executive Vice President
SUBJECT: 541 E. Delavan Ave. – Watts Schematic Design Proposal
DATE: November 28, 2017

As per the March 29th, 2016 Board of Directors action approving the selection of and Master Services Agreement with Watts Architecture & Engineering (“Watts”) to provide complete design services for the Northland Corridor Project, each individual Service Order is to be considered by the Real Estate Committee for recommendation and then submitted to the Board for approval.

Watts has submitted a proposal for Service Order No. 20 for preparation of schematic design documents for 541 E. Delavan Avenue. 541 E. Delavan Avenue is a 41,000-square foot industrial building, one of the remaining buildings from the Houde Factory Complex (537 E. Delavan Avenue). It is also known as the Eastern Plant Building and was built in 1940. 541 E. Delavan is one of the buildings that is included in the Restore NY Round IV grants for the Northland Corridor. A budget of approximately \$1 million has been allocated for this building from that grant. This Schematic Design work will provide a design scheme for the complete renovation of this building, which is estimated at \$6.5 to \$7 million. Based on this schematic design analysis and cost estimate, we will select the most appropriate building system to spend the balance of the Restore NY Grant on, as well as for sequencing future work. Due to the lack of existing building information, extensive field measurements will be required. Watts will provide the following services and deliverables:

1. Field measurements and development of a Building Information Model (BIM);
2. Preparation of schematic design drawings and narratives, including plans, elevations and building sections and a general approach to mechanical systems;
3. Specifications in outline format;
4. Review of proposed improvements against State Historic Preservation Office (SHPO) requirements, as per the Memorandum of Agreement between BUDC & SHPO;
5. Preparation of a Project Design report, including a cost estimate;
6. Meetings and communications with BUDC and prospective tenants, as appropriate.

Watts’ proposed Lump Sum Fee for this work is \$109,030. The estimated cost for this phase of work is \$6.5 - \$7 million. As previously presented to the Board, total design fees typically range from 7-10%, with major building renovations and smaller projects towards the higher end of the range. Based on 8.5%, the total design fee should be approximately \$600,000. Schematic Design Services are typically 15-20% of the overall design cost, which would equate to between \$90,000 and \$120,000 for this phase of design. Therefore, Watts’ proposed fee is within the acceptable range based on industry standards.

As an initial step, BUDC executive staff and the project team reviewed the proposed Service Order with Watts and negotiated a 15% reduction in work scope and costs. As per the protocol established by the Board, staff has requested a third party/peer review from the Senior Architect for Empire State Development (Dennis Conroy), the results of which are expected to be received prior to the Board meeting. These costs are eligible for reimbursement from ESD as part of the Restore NY 4 Grant to the City of Buffalo.

This proposal was reviewed with the BUDC Real Estate Committee at its November 21, 2017 meeting and recommended for Board approval.

Action

We are requesting that the Board approve Service Order No. 20 for the Schematic Design for 541 E. Delavan Avenue from Watts Architecture & Engineering for design services related to the Northland Corridor Project at a lump sum cost of \$109,030; and to authorize the President or Executive Vice President to execute the Service Order on behalf of BUDC.



November 20, 2017

Mr. Peter Cammarata, President
Buffalo Urban Development Corp.
95 Perry Street, Suite 404
Buffalo, NY 14203

Re: Northland Corridor Redevelopment Project, BUDC 2016-1
Assignment 20: 541 East Delavan Avenue, Schematic Design Services
Proposal No. 17-714 – REV-1

Dear Mr. Cammarata:

Watts Architecture & Engineering (Watts) is pleased to submit this revised proposal to provide the above-referenced services. Our proposal is presented in the following sections: Scope, Detailed Scope, Deliverables, Team, Expected Schedule, Technical Assumptions and Exclusions, and Compensation.

SCOPE

The building located at "541 East Delavan" is a 1940 addition to the Houde Factory Complex located at 537 East Delavan. The majority of the original factory building has been demolished and site contamination is scheduled to be remediated by the State Department of Environmental Conservation. BUDC intends to separate this building and surrounding grounds from the 537 East Delavan Property as a unique industrial property for sale or lease at a future date following identification of logical site boundaries based in part on this Schematic Design and Report. The building has a footprint of 41,000 sq. ft. and is a single story with alternating high bays and clerestory monitors. The one and two-story factory has a rectangular plan, steel frame construction, reinforced concrete slab, brick-faced curtain walls and a raised roof. A receiving wing with concrete block construction, brick veneer and concrete floor is attached to the southern side.

The steel structure of the 1940 Main Plant Addition is in fair condition and will be retrofitted to meet today's code-compliance standards. The concrete plank roof decking is in poor condition and requires full replacement. The industrial steel windows in the factory areas are approximately 50% intact and require replacement. A full window survey is required. The concrete slab is expected to be slab on grade, but requires further study; it is assumed that a topping slab is required at minimum. Brick masonry is in fair to poor condition and some parapets will require rebuilding. Extensive repointing and brick replacement work is expected. Testing for environmental contaminants such as lead and asbestos has not yet been performed and is required in this phase.

Services will include: the documentation of decisions made during this phase of the project, the development of the Building Information Model (BIM), coordination and documentation of information into an initial drawing set; the development of outline specifications; and a cost estimate. Mechanical, electrical, plumbing, fire protection, building structural, and site design approaches will be developed. An estimate and a design report document will be submitted for review and comment prior to the close of this phase.

Construction is expected to be phased into a minimum of three phases with the following associated construction values:

- Phase 1: +/- \$850,000
- Phase 2: +/- \$1,850,000
- Phase 3: balance of work

The cost estimating will be used to develop phases to most effectively sequence the work of stabilizing and repairing the core & shell. This proposal is predicated on an estimated construction cost range of \$6.5 to \$7 Million dollars, at the conclusion of the three phases, for the core and shell development of 541 East Delavan and the preliminary site plan.

After researching documents available at City Hall and existing Owner provided files, we have come to understand that there is a lack of building documentation of the Eastern Plant Addition. It is anticipated that Watts will be required to field measure this structure to generate backgrounds in sufficient detail to document the required scope of work. For the Schematic Design Phase, fine detail is not required; it is anticipated that field measurements will be broad in nature.

Site survey maps are incomplete and require updating following demolition of the main manufacturing building at 537 East Delavan. Further, the boundary survey is not available in AutoCAD format and dimensionally tied to existing topographic and underground utility survey information. Existing survey information is adequate for a Schematic Design level of planning, however, the site and boundary survey will require updating prior to the Construction Documents Phase that will address site construction. This proposal includes 8 hours of field survey time to locate grades at the perimeter of the building and the floor elevation at each existing entrance and 4 hours of in-office computer time to update the existing survey.

Intensive, required field investigations such as soil borings to determine bearing capacity, closed-circuit television investigation of storm and sanitary sewers, location and investigation of the existing water connection, and underground electrical/gas location, if not previously identified, will be deferred to subsequent phases of the project on an as-needed basis.

DETAILED SCOPE

- I. **Schematic Design:** Prepare construction document package representing the established project scope.
 - A. Watts will coordinate a kick off meeting with the team to communicate schedule and review basic approaches.
 - B. The Watts Team will engage early in Building Code Compliance review and conformance with other regulatory requirements. Watts will coordinate and execute building and site investigations including:
 1. Structural steel sizing and evaluations.
 2. Existing window investigations and documentation for historic preservation purposes.
 3. Building asbestos and PCB-containing materials testing and reporting.

- C. Watts will identify major components and systems to conform to Owner-identified criteria and Building Code requirements. We will develop drawings and documents that illustrate the concepts of the design with detail to illustrate the scope of work and advance the cost estimate.
 - D. Prepare drawings and narratives delineating the scope of construction work.
 - 1. Project Drawings:
 - a. Watts will prepare drawings in electronic format in REVIT 2015.
 - b. The drawings will be marked with appropriate notes and symbols to understand and outline the specific scope of work and existing conditions in the proposed work areas.
 - 2. Project Design Report:
 - a. Watts will prepare associated supporting documentation to describe the design approach, document key decisions and calculations, document required equipment and cross-discipline requirements and prepare a schematic level cost estimate.
 - E. Prepare outline specifications delineating the scope of construction work:
 - 1. Outline specifications will be inclusive of:
 - a. Procurement and Contracting Requirements – Division 00.
 - b. General Requirements – Division 01.
 - c. Technical Specifications – Divisions 02 through 33.
 - d. Copy of the Hazardous Materials Testing Report – Appendix A.
 - e. Additional required Appendices, including copies of structural evaluations and calculations report.
 - F. Partial Topographic Survey Entrances & Floor:
 - 1. Watts will supplement and update existing topographic survey information with spot elevations at entrances and doorways to assist architectural and civil designers with decisions about grading and finish floor elevations.
- II. **Quality Management:** Watts will proactively manage quality and project coordination by incorporating the following measures into the design process:
- A. **Inter-Team Coordination Meetings:** Watts will assemble the Team up to five times during the design phase to confirm cross-discipline coordination.
 - B. **Owner Coordination Meetings:** Watts will present progress to the BUDC Team two times to assure the design team is on track with decisions.

- C. Agency Code Review: Watts will facilitate an early code compliance review meeting with the City of Buffalo to assure the feasibility of the design direction.
- D. Quality review of documentation: Prior to submission, senior staff will review documentation for certitude of standards of care and quality of representation.
- E. Historic Preservation: The proposed work will be reviewed against historic preservation standards since the project will need approval from SHPO at the Construction Documents phase.

III. Schematic Design Cost Estimate:

- A. The Watts Team will develop a cost estimate based on schematic level documentation. The cost estimate will be presented in CSI format and will be inclusive of documented removals, remediation, construction and building systems.
- B. The Watts Team will conduct up to two meetings to review the scope during development of the cost estimate to provide direction and insight.

DELIVERABLES

The following documents will comprise the product of Assignment 20: 541 East Delavan Avenue, Schematic Design Phase:

- A. Documents will be provided for review at approximately 30% completion. The documents will be inclusive of drawings, outline specifications, design reports and cost estimates:
 - 1. Drawings, including plans, elevations and building sections, will be provided:
 - a. Five sets of documents printed at half-scale.
 - b. Electronic documents provided either on recordable media or through an accessible file-sharing website will be submitted to the BUDC Team.
 - 2. Specifications will be provided in outline format:
 - a. Five project manuals will be printed and submitted to the BUDC Team.
 - b. Electronic documents provided either on recordable media or through an accessible file-sharing website will be submitted to the BUDC Team.
 - 3. Design Report:
 - a. Five design reports will be printed and submitted to the BUDC Team.
 - b. Electronic documents provided either on recordable media or through an accessible file-sharing website will be submitted to the BUDC Team.
 - c. The results and interpretations of site and building investigations will be included in the design report as attachments.

- d. The Cost Estimate, presented in CSI format, will be inclusive of documented construction and building systems, and will be included in the Design Report as an attachment.
4. Section 106 Submission to SHPO: photographs, Schematic Design documents, a written description of the project, and product cut sheets.

TEAM

We have assembled our team with the necessary expertise to handle all anticipated assignments. We intend to make available all of our in-house services in support of the term, as well as the support of our consultant team which provides specialty services within their disciplines.

Our subconsultant team will be engaged as follows:

- Barbara A. Campagna, Architecture + Planning P.C. (WBE) will provide historic preservation consulting services. Historic preservation services will be minimal and will include design review for Section 106 SHPO compliance.
- Baer and Associates will be responsible for construction cost estimating.
- LiRo Engineers will provide building asbestos abatement testing and reporting.
- Popli (MBE) will provide mechanical, plumbing and fire protection engineering services.
- Watts will provide project management; architectural services; and electrical, structural and civil engineering services. Watts' environmental group will provide report interpretations and recommendations to the Owner and design team regarding existing adjacent site contamination.

EXPECTED SCHEDULE

Watts will begin the work upon authorization and a mutually agreed upon start date, expected on or about November 29, 2017. We expect Assignment 20: 541 East Delavan Avenue, Schematic Design Services will be approximately eight weeks in duration.

TECHNICAL ASSUMPTIONS AND EXCLUSIONS

- A. This proposal excludes any other architectural and engineering services not specifically listed under Scope of Services.
- B. Our proposed fees are based upon the scope as outlined above. Should the project schedule be unreasonably delayed through no fault of Watts, such delay shall constitute accepted cause for additional compensation. Delays and changes to the scope will be billable at the standard hourly rates in effect when the services are performed.
- C. Additional boundary and topographic mapping is not included but will be required before the next design phase.
- D. Underground utility location and investigation, including closed circuit televised investigation of sewers is not included but will be required before the next design phase.
- E. Geotechnical investigation is not included but will be required before the next design phase.
- F. This project is not expected to pursue LEED® certification. LEED® related services are not part of the schematic design scope.
- G. Specialty consulting such as door hardware, acoustic performance evaluation, kitchen consultation, etc. is not included in the Schematic Design scope.
- H. The cost estimate does not include a value engineering process. Value engineering will be

- deferred to subsequent phases.
- I. The cost estimate does not include a phasing process to delineate work into construction phases for the Core and Shell work. Each phase will be estimated individually during delivery of Design Development and/or Construction Documents services. It is understood that Phase 1 will proceed directly to Construction Documents services.

COMPENSATION

Compensation required for the Scope of Services indicated above will be in accordance with the prices below and the attached staffing estimates. Any services required beyond the above described Scope of Services will be performed under a separate assignment. Our invoices will be submitted on a monthly basis with terms of net 30 days. The prices in this proposal are firm for 30 days from the date shown, but thereafter are subject to change without notice.

Schematic Design Services Total (Lump Sum)..... \$109,030.00

We appreciate the opportunity to present this proposal and look forward to working with you on this project. Should you have any questions or need additional information, please do not hesitate to contact me at (716) 206-5149.

Sincerely,

WATTS ARCHITECTURE & ENGINEERING



Edward O. Watts Jr., AIA
Principal

Attachments: Staffing Estimate – Watts Architecture & Engineering; dated 11/20/2017
Staffing Estimate – BAC|A+P; dated 11/17/2017
Staffing Estimate – Baer Associates; dated 11/20/2017
Staffing Estimate – LiRo Engineers; dated 11/14/2017
Staffing Estimate – Popli Design Group; dated 11/17/2017

Buffalo Urban Development Corporation

95 Perry Street
Suite 404
Buffalo, New York 14203
phone: 716-856-6525
fax: 716-856-6754
web: buffalourbandevelopment.com



Item 4.3

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors
FROM: David A. Stebbins, Executive Vice President
SUBJECT: 612 Northland – Construction Services - Architectural Work
DATE: November 28, 2017

At the March Board of Directors meeting, the Board authorized BUDC to retain Kathleen Kinan, R.A., a certified women-owned business (WBE), to provide construction management and construction inspection services for the renovation of 612 Northland Avenue.

As part of her work, Ms. Kinan requested written proposals for the construction of restrooms, conference room, entry doors and other architectural work for 612 Northland. In addition, a 5,100-sf section of interior floor was found to be composed of asphalt and requires replacement with concrete (Alt. #1). Proposals were received from:

- | | |
|--------------------------------------|-----------|
| 1. Santina Enterprises LLC | \$173,596 |
| 2. Lamparelli Construction Co., Inc. | \$173,425 |
| 3. Niagara Construction Co., Inc. | \$163,515 |

Niagara Construction Co. Inc. submitted the lowest cost proposal for this work. Ms. Kinan has reviewed this proposal with the proposed contractor and is recommending award of this contract to Niagara Construction.

This proposed award was reviewed with BUDC Real Estate Committee at their meeting of November 21st and recommended for award by the BUDC Board of Directors. This work is eligible for reimbursement through the Restore NY Grant for the Northland Corridor with a 10% BUDC match from the Buffalo Brownfield Redevelopment Fund.

Action

We are requesting that the Board approve the retention of Niagara Construction Co., Inc. to perform the architectural improvement work at 612 Northland Avenue for the lump sum amount of \$163,515; authorize the use of up to Ten Percent (10%) or \$16,352 of Buffalo Brownfield Restoration Funds for the local match; and to authorize the President or Executive Vice President to execute appropriate agreements with these contractors to perform the work.

NIAGARA CONSTRUCTION CO., INC.

BUILDING CONTRACTORS



126 EAST NIAGARA ST. P.O. BOX 188 TONAWANDA, NY14151-0188

(716) 693-4798 Fax (716) 693-7267

October 2, 2017

Ref. #17-66

\$121,200.00 - alt 2 deduct 3,000 = \$118,200.00 base bid

\$163,515.00 with concrete floor option

Ms. Kathleen Kinan, R.A.
289 Lexington Ave.
Buffalo, NY 14222

Re: 612 Northland Avenue

Kathy,
Niagara Construction Company is pleased to quote the sum of **One hundred twenty one thousand & 00/100 (\$121,200.00)** to complete all the work on Drawings 1 thru 8 dated September 11, 2017, spelled out in bold type for architectural contract.

ALT. #1 - Add \$45,315.00 - Remove and replace concrete in 5100 SF area mark out on drawing #2

ALT. #2 - Deduct \$3,000.00 - Delete 2 x 2 & MR Board, toilet partitions and install metal toilet partitions

Not included: New epoxy floor finish, masonry, demolition, structural steel, windows, roofing, electrical, plumbing, HVAC, permit & prevailing wage.

Please feel free to contact me with any questions.

Sincerely,
NIAGARA CONSTRUCTION CO., INC.

Guy Holler
President

Buffalo Urban Development Corporation

95 Perry Street
Suite 404
Buffalo, New York 14203
phone: 716-856-6525
fax: 716-856-6754
web: buffalourbandevelopment.com



Item 4.4

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors
FROM: David A. Stebbins, Executive Vice President
SUBJECT: 612 Northland – Construction Services - Masonry Work
DATE: November 28, 2017

At the March Board of Directors meeting, the Board authorized BUDC to retain Kathleen Kinan, R.A., a certified women-owned business (WBE), to provide construction management and construction inspection services for the renovation of 612 Northland Avenue.

As part of her work, Ms. Kinan requested written proposals for the masonry restoration and related work for 612 Northland. The work includes masonry removals and repairs on all four elevations; reduction of the chimney; repair and replacement of the cornice on the west elevation; and infill with glass block at various locations. Proposals were received from:

1. Kane Construction, Inc. \$51,279
2. Pyramid Masonry \$45,360
3. Pepe Construction Services, LLC \$44,000

Pepe Construction Services LLC submitted the lowest cost proposal for this work. Ms. Kinan has reviewed this proposal with the proposed contractor and is recommending award of this contract to Pepe Construction Services, LLC. Pepe is a WBE.

This proposed award was reviewed with BUDC Real Estate Committee at their meeting of November 21st and recommended for award by the BUDC Board of Directors. This work is eligible for reimbursement through the Restore NY Grant for the Northland Corridor with a 10% BUDC match from the Buffalo Brownfield Redevelopment Fund.

Action

We are requesting that the Board approve the retention of Pepe Construction Services, LLC to perform the masonry restoration and construction services at 612 Northland Avenue for the lump sum amount of \$44,000; authorize the use of up to Ten Percent (10%) or \$4,400 of Buffalo Brownfield Restoration Funds for the local match; and to authorize the President or Executive Vice President to execute appropriate agreements with these contractors to perform the work.



October 20, 2017

RE: 612 Northland Ave

Pepe Construction Services LLC is pleased to quote the following prices to provide all the labor and materials for the following:

Masonry	\$38,700.00
Option 1	Add \$5,300.00
	\$44,000.00 w option

Proposal Includes:

- Non - Prevailing wages
- Patch 1 concrete lintel
- Demo chimney & install new concrete cap
- Repair 20lf of window sills
- Grind and repoint +-830 lf of mortar joints
- C/T and patch 35 sf of brick
- Dumpsters
- Furnish and install glass block at 7 openings, openings by others

Proposal Excludes:

- Winter heat and protection
- Asbestos abatement and lead removal
- Tax

Any questions or comments feel free to call or email at msuto@pepeconst.com

Sincerely,

Michael Suto

4085 Seneca St. Suite #1 – West Seneca, NY 14224
Tel (716) 826-0400 – Fax (716) 826-0463



August 9, 2017

RE: 612 Northland Ave

Pepe Construction Services LLC is pleased to quote the following prices to provide all the labor and materials for the following:

Masonry	\$38,700.00
Option 1	Add \$5,300.00

Proposal Includes:

- Non - Prevailing wages
- Patch 1 concrete lintel
- Demo chimney install new concrete cap
- Repair 20lf of window sills
- Grind and repoint +-830 lf of mortar joints
- C/T and patch 35 sf of brick
- Furnish and install glass block at 7 openings, openings by others

Tax there is no tax on this project

response: took out tax + added dumpster = same price.
no caulk involved in scope. kmk

Proposal Excludes:

- Dumpster** there is no GC on this project. if you need a dumpster, adjust your price
- Winter heat and protection i want to talk to you about your expectations if you get a contract in a month
- Asbestos abatement and lead removal
- Caulk** again, there is no GC. if caulk provides a complete installation, you need to take care of it.

Any questions or comments feel free to call or email at msuto@pepeconst.com

Sincerely,

Michael Suto