

**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
Brandy Merrweather, 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 BLCF 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 BLCF. 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