

**Buffalo Urban Development Corporation**

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

***Date: Tuesday, February 28, 2017***

***Time: Noon***

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

**1.0 CALL TO ORDER**

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

**3.0 MONTHLY FINANCIAL REPORT *(Information) (Enclosure)***

**4.0 NEW BUSINESS**

4.1 Northland Corridor Project Update *(Information)*

4.2 683 Northland – Proposal for Assessment of Tenant Space *(Action) (Enclosure)*

4.3 BBRP Loan Modification – Alexandre Apartments *(Action) (To Be Distributed At Meeting)*

4.4 Buffalo Building Reuse Project Update *(Information)*

4.5 Buffalo Lakeside Commerce Park Update *(Information)*

4.6 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  
January 31, 2017  
12:00 p.m.

**1.0 Call to Order**

Directors Present:

Hon. Byron W. Brown (Chair)  
James W. Comerford  
Dottie Gallagher-Cohen  
Janique S. Curry  
Dennis W. Elsenbeck  
Thomas R. Hersey, Jr.  
Brendan R. Mehaffy  
Benjamin N. Oblatz  
Dennis M. Penman (Vice Chair)  
Darius G. Pridgen  
Steven J. Stepniak  
Maria R. Whyte

Directors Absent:

Thomas Beauford, Jr.  
Thomas A. Kucharski  
Kimberley A. Minkel  
David J. Nasca  
Christopher J. Schoepflin  
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  
Bradley Bach, Assistant Treasurer

Others Present: Dawn Boudreau, ECIDA; Jonathan Epstein, *The Buffalo News*; James Fink, *Buffalo Business First*; John Lutz, Buffalo Niagara Riverkeeper; and Sahar Mirzaei, BUDC intern.

**Roll Call** – The Secretary called the roll of directors at 12:12 p.m. A quorum of the Board was not present. Information items 4.3, 4.4, 4.6 and 4.7 were presented first. The remaining agenda items were presented in the order set forth in the agenda packet. Ms. Whyte joined the meeting during the presentation of item 4.4. Ms. Curry joined the meeting during the presentation of item 4.6. Mayor Brown and Mr. Pridgen joined the meeting during the presentation of item 4.6. Roll was called following the presentation of item 4.7, and a quorum was determined to be present.

**2.0 Presentation of the Minutes** – The minutes of the December 20, 2016 meeting of the Board of Directors were presented. Ms. Gallagher-Cohen made a motion to approve the meeting minutes. The motion was seconded by Mr. Pridgen and unanimously carried.

**3.0 Monthly Financial Report** – Ms. Profic reported that BUDC's audit firm is working on 2016 year-end auditing matters, and that accordingly, no monthly financial report will be distributed this month.

#### 4.0 New Business

##### 4.1 683 Northland – Historic Preservation Part 2 Application Service Order Amendment

**Approval** – Mr. Stebbins presented his January 31, 2017 memorandum to the Board regarding a proposed amendment to Watts Service Order No. 12 to include additional work to be performed by the historic preservation consultant, Barbara Campagna. The additional work includes the preparation of tenant guidelines, as mandated by SHPO. The cost of the additional work is \$21,600. Mr. Comerford made a motion to approve the amendment to Service Order No. 12 as set forth in the January 31, 2017 memorandum. The motion was seconded by Mr. Stepniak and unanimously carried.

##### 4.2 NorDel II, LLC BCA Authorization

– Mr. Stebbins presented a proposed resolution for BUDC to authorize the President and Executive Vice President to act on behalf of BUDC's wholly-owned subsidiary, NorDel II, LLC, in connection with the Brownfield Cleanup Program project at 683 Northland Avenue. Mr. Stebbins noted that the BCP application will be submitted in the name of NorDel II, LLC. Once accepted, BUDC will apply to change the name on the BCP application to 683 Northland, LLC, a separate BUDC subsidiary which is the current owner of the property. Following Mr. Stebbins' presentation, the Board engaged in a broad discussion regarding the Northland Corridor project. Board members commented on project updates, and Mr. Pridgen requested that the Board be provided with a timeline to track progress on the project and respond to constituent inquiries. In response to a question from Ms. Gallagher-Cohen, Mr. Cammarata explained that BUDC subsidiaries will continue to own the properties after construction is completed and will lease the workforce training center space to the WTC operator. BUDC will also be responsible for leasing other tenant space at 683 Northland, and he noted that Buffalo Manufacturing Works is expected to relocate to 683 Northland and become a tenant. Mr. Stebbins indicated that BUDC mitigates its financial risk by involving other partners in the Northland Corridor project, and noted as an example the inclusion of the 537 East Delavan property in the NYS Superfund program, which will cover nearly all of the environmental cleanup costs associated with that property. Ms. Whyte noted that the BUDC executive staff provides detailed updates regarding the project at the Real Estate Committee meetings. Mayor Brown commented on the importance of continuing to involve the local community in the project.

There being no further discussion, upon motion made by Mr. Pridgen, seconded by Ms. Gallagher-Cohen and unanimously carried, the Board of Directors adopted the following resolution:

**RESOLUTIONS OF BUFFALO URBAN DEVELOPMENT  
CORPORATION AS THE SOLE MEMBER OF NORDEL II, LLC  
REGARDING THE BROWNFIELD CLEANUP PROGRAM  
PROJECT AT 683 NORTHLAND AVENUE**

**WHEREAS**, NorDel II, LLC, a wholly-owned subsidiary company of Buffalo Urban Development Corporation, was formed by BUDC for purposes relating to the Northland Corridor project, including the acquisition of certain parcels of real property in the Northland Corridor project area; and

**WHEREAS**, BUDC, through NorDel II, LLC, is undertaking a Brownfield Cleanup Program project at 683 Northland Avenue, the site at which the Western New York Workforce Training Center will be located; and

**WHEREAS**, BUDC desires to adopt the following resolutions in connection with the Brownfield Cleanup Program project at 683 Northland Avenue.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** as follows:

**Section 1.** Peter M. Cammarata, as President of BUDC and David A. Stebbins, as Executive Vice President of BUDC (each an "Authorized Person") are each hereby authorized, directed, and empowered, acting in the name of or on behalf of NorDel II, LLC (the "Company"), to execute the Brownfield Cleanup Program ("BCP") Application, the BCP Agreement, and any other documents or agreements necessary to enter and participate in the New York State Department of Environmental Conservation's Brownfield Cleanup Program (Environmental Conservation Law Article 27, Title 14), and to take any such actions in the name of or on behalf of the Company as may be necessary, appropriate or advisable in connection with the Brownfield Cleanup Program project at 683 Northland Avenue, Buffalo, New York.

**Section 2.** The Authorized Persons are each hereby authorized, empowered and directed to take all such action on behalf of the Company as the Authorized Persons may deem necessary, appropriate or advisable to carry out the intent and purposes of these resolutions.

**Section 3.** All actions heretofore taken by any officer of BUDC and of any persons designated to act by any such officer of BUDC relating to the Brownfield Cleanup Program project are hereby ratified, confirmed, approved and adopted as acts of the Company.

**Section 4.** These resolutions shall take effect immediately.

**4.3 537 East Delavan – Demolition Bid Status** – Mr. Stebbins reported that earlier this month the City of Buffalo Department of Public Works opened bids for the demolition work at 537 East Delavan. The lowest bid was submitted by Regional Environmental Demolition. The City's Law Department is reviewing the bids, and it is expected that a request for formal approval of the demolition contract with the lowest bidder will be submitted to the Common Council within the next several days.

**4.4 Buffalo Building Reuse Project Update** – Ms. Merriweather reported that BUDC issued a first quarter request for proposals for BBRP loan program funding and is working with a number of potential applicants. She also updated the Board regarding the Erie/Shelton Square project, which received CFA funding last year. A contract is being finalized with New York State, and a request for proposals for design services for the project will be issued soon. Ms. Merriweather closed her report with an update regarding the 2016 holiday edition of the Queen City Pop Up retail program. Three of the six retailers who participated in the program are actively pursuing permanent retail locations on Main Street.

**4.5 Northland Corridor Project Update** – Mr. Stebbins presented an update regarding the Northland Corridor project, as summarized below:

Community Outreach

- A public meeting was held on January 30<sup>th</sup> at the Delavan-Grider Community Center, with approximately 150 community members were in attendance. The Gilbane construction management team was introduced, and updates regarding the Northland Avenue street improvement project and historic preservation planning and mitigation for the Northland Corridor were provided. The new Workforce Training Center operator, Economic Development Group, was also introduced. The entire Gilbane team signed the Mayor's Opportunity Pledge at the meeting.
- Gilbane and CASNY team will hold their first M/WBE outreach meeting on January 31<sup>st</sup> at 6:00 PM at Mt. Olive Church.

Project Funding

- The federal Section 106 Historic and Cultural Resources consultation and NEPA requirements for CDBG funding is nearing completion. A Memorandum of Agreement for

impacted historic resources (537 E. Delavan and 777 Northland) is currently being reviewed by the federal Advisory Council for Historic Preservation.

- A \$1.9 million Restore NY grant for 537 E. Delavan, 777 Northland and 1681 Fillmore Avenue has been awarded to the City of Buffalo and BUDC.

#### 683 Northland Avenue

- Schematic design cost estimates are being reviewed and reconciled by the Watts and Gilbane teams.
- Design development for the Workforce Training Center is underway.
- The Gilbane construction management team continues to engage in pre-construction work, focusing on project schedule and outreach for M/WBE and workforce participation.
- Watts and Barbara Campagna have completed the SHPO Part I application for historic tax credits for submission to SHPO. Preparation of Part II has begun. An initial review meeting with SHPO officials in Albany on the Part II program was very productive.
- The Brownfield Cleanup Program Investigation work plan will be implemented shortly.
- The tax credits accounting and legal team are updating the tax credits model and working with potential tax credits investors.
- BUDC issued a request for financing proposals for a construction loan to bridge the tax credits.
- Construction/abatement documents and bid specifications for asbestos and HazMat removal are being coordinated with the Gilbane construction management team.
- The energy modeling program with NYSERDA consultants is underway.

#### Workforce Training Center

- ESD has approved the Economic Development Group as the WTC Operator.
- The WTC Operator and academic providers continue to assist space planning and other design issues.

#### 537 Delavan/Vibrattech

- It is anticipated that demolition work will start in early March upon completion of HUD Environmental Review/NEPA requirements.
- BUDC continues to work with Mancuso and a community group regarding interim building improvements for the 612 Northland.

#### Northland Avenue Road and ROW Improvement Project

- Design work is nearing completion; bidding is expected in March and construction is scheduled to begin in May or June 2017.
- The City's design engineer, Clark Patterson Lee, has prepared green infrastructure designs for 577 Northland in support of the storm water management for the street. A public art component will be included with the 577 Northland green infrastructure design.
- Project design continues to be coordinated with the Watts team, especially for utilities, curb cuts and storm water management/green infrastructure.

#### Property Management

- Marketing and leasing efforts continue.
- Contracts for snowplowing services have been executed and services have been satisfactorily delivered to-date.
- BUDC will issue an informal bid request for landscaping services for the complex in March.

Neighborhood Planning

- Buffalo Urban Renewal Agency completed the draft neighborhood strategy and reviewed it with the Stakeholder Advisory Committee.
- BURA is reviewing the Watts/SWBR Campus Plan for consistency with the neighborhood strategy.

**4.6 South Buffalo Brownfield Opportunity Area Update** – Mr. Stebbins reported that with the Common Council's recent approval of the South Buffalo Brownfield Opportunity Area, the final document for the BOA designation has been submitted to the New York State Department of State (NYSDOS). NYSDOS review is expected to be complete within 60 to 90 days. Mr. Stebbins noted that the BOA submission is available at the BUDC website for those wishing to review the document.

**4.7 Buffalo Lakeside Commerce Park Update** – Mr. Cammarata reported that BUDC has renewed all applicable insurance policies for Buffalo Lakeside Commerce Park as part of BUDC's overall insurance program for its operations. The Board then discussed coordination with Erie County regarding the development of the Bethlehem Steel site and the marketing of shovel-ready properties at Buffalo Lakeside Commerce Park and Bethlehem Steel. Mr. Cammarata noted that BUDC regularly communicates with Erie County staff and ECIDA and that leads for new brownfield projects are shared.

**4.8 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. Mehaffy, seconded by Mr. Stepniak and unanimously carried, the January 31, 2017 meeting of the Board of Directors was adjourned at 1:00 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary

**Buffalo Urban Development Corp**  
**Financial Statements**  
January 31, 2017

**Buffalo Urban Development Corporation (BUDC)**

**Balance Sheet**  
**January 31, 2017**

	January 2017	December 2016
<b>Assets</b>		
Cash*	\$ 13,287,398	\$ 1,780,244
Cash - Downtown Revolving Loan Fund*	567,672	560,797
Cash - Buffalo Brownfields Redevelopment Fund **	2,296,231	2,287,283
Cash - Regionally Significant Project Fund ***	106,718	106,713
Loans Receivable	1,500,000	1,500,000
Prepaid/Deferred Expenses	100,875	22,806
Grant Receivable	14,573,540	26,573,540
Due from BBRC	20,000	20,000
Fixed Assets, net	9,717	10,157
Land/Buildings - Northland Corridor, net	5,656,143	5,656,143
Land & Improvements Held For Sale - BLCF	3,996,668	3,996,668
	<u>\$ 42,114,961</u>	<u>\$ 42,587,233</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts Payable and Accrued Expenses	\$ 396,548	\$ 397,432
Due to ECIDA	5,000	50,940
Promissory Note Payable	257,381	257,381
Unearned Grant Income	24,899,820	25,244,081
Total Liabilities	<u>25,558,749</u>	<u>25,949,835</u>
<b>Net Assets</b>	16,556,213	16,637,398
	<u>\$ 42,114,961</u>	<u>\$ 42,587,233</u>

**Monthly Balance Sheet Notes:**

\$12 million received in grant funds from NYPA increased Cash and decreased Grants Receivable

**Monthly Investment Report:**

- \* Cash is invested in interest-bearing accounts at Key Bank at a rate of 0.10%. (0% for Downtown & Northland accounts). The maximum FDIC insured amount is \$250,000, with the remainder collateralized (secured) with eligible securities by Key Bank.
- \*\* The Buffalo Brownfields Redevelopment Fund is held by the ECIDA on behalf of BUDC for Eligible Costs at Buffalo Lakeside Commerce Park & Northland. The fund is invested in an interest-bearing account at Key Bank at a rate of 0.10%. The maximum FDIC insured amount for this and the other ECIDA accounts is \$250,000, with the remainder collateralized (secured) with eligible securities by Key Bank. Note: Rate was reduced effective March 2014 from 0.15%.
- \*\*\* 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 Key Bank at a rate of 0.05%. The maximum FDIC insured amount for this and the other ECIDA accounts is \$250,000, with the remainder collateralized (secured) with eligible securities by Key Bank.



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

	Actual vs. Budget		
	Actual	Budget	Variance
<b>REVENUE</b>			
Grant Revenue	\$ 344,261	\$ 344,000	\$ 261
Gross Proceeds from Land Sales	-	-	-
Less: Cost of Land Sales	-	-	-
Buffalo Brownfield Fund Revenue (net)	-	-	-
Regionally Significant Project Fund (net)	-	-	-
Rental Income	500	500	-
Interest Income & Fees - Loans	6,875	16,250	(9,375)
Investment Interest Income	1,225	667	558
Other Income	-	-	-
Total	352,861	361,417	(8,555)
<b>OPERATING EXPENSES</b>			
Property Operations & Maintenance	\$ 9,378	\$ 7,417	\$ 1,961
Legal	12,395	9,583	2,812
Insurance	11,343	9,583	1,760
Marketing/Public Outreach	4,107	4,583	(477)
Utilities	(1,227)	2,500	(3,727)
Misc.	0	1,083	(1,083)
Consultants	24,397	24,000	397
General Development Expenses	315,997	315,000	997
Personnel Costs	38,041	35,533	2,507
Interns	2,296	1,667	629
Rent	1,500	1,567	(67)
ECIDA Management Fee	3,500	3,500	-
Audit	-	-	-
General & Administrative	11,880	2,500	9,380
Depreciation	440	440	(0)
Total	434,047	418,957	15,089
<b>Net Income / (Loss)</b>	<b>\$ (81,185)</b>	<b>\$ (57,541)</b>	<b>\$ (23,645)</b>

Monthly financial highlights:

Revenue was under budget by \$8,555 due to lower than expected loan interest income.  
Expenses were over budget for the month by \$15,089:  
- G&A exceeded budget due to annual membership for Invest Buffalo Niagara (\$10k)

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

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Yr.	Variance
<b>REVENUE</b>						
Grant Revenue	\$ 344,261	\$ 344,000	\$ 261	\$ 344,261	\$ 7,552	\$ 336,709
Gross Proceeds from Land Sales	-	-	-	-	-	-
Less: Cost of Land Sales	-	-	-	-	-	-
Buffalo Brownfield Fund Revenue (net)	-	-	-	-	-	-
Regionally Significant Project Fund (net)	-	-	-	-	-	-
Rental Income	500	500	-	-	-	-
Interest Income & Fees - Loans	6,875	16,250	(9,375)	6,875	-	6,875
Investment Interest Income	1,225	667	558	1,225	389	836
Other Income	-	-	-	-	-	-
<b>Total</b>	<b>352,861</b>	<b>361,417</b>	<b>(8,555)</b>	<b>352,361</b>	<b>7,941</b>	<b>344,420</b>
<b>OPERATING EXPENSES</b>						
Property Operations & Maintenance	\$ 9,378	\$ 7,417	\$ 1,961	\$ 9,378	\$ 17,460	\$ (8,082)
Legal	12,395	9,583	2,812	12,395	5,180	7,215
Insurance	11,343	9,583	1,760	11,343	12,455	(1,112)
Marketing/Public Outreach	4,107	4,583	(477)	4,107	495	3,612
Utilities	(1,227)	2,500	(3,727)	(1,227)	106	(1,333)
Misc.	0	1,083	(1,083)	0	-	0
Consultants	24,397	24,000	397	24,397	200	24,197
General Development Expenses	315,997	315,000	997	315,997	-	315,997
Personnel Costs	38,041	35,533	2,507	38,041	33,071	4,970
Interns	2,296	1,667	629	2,296	910	1,386
Rent	1,500	1,567	(67)	1,500	1,550	(50)
ECIDA Management Fee	3,500	3,500	-	3,500	3,500	-
Audit	-	-	-	-	2,500	(2,500)
Grant to BBRC	-	-	-	-	-	-
General & Administrative	11,880	2,500	9,380	11,880	2,258	9,622
Repayment to City of Buffalo	-	-	-	-	-	-
Loan Loss Expense	-	-	-	-	-	-
Depreciation	440	440	(0)	440	12,194	(11,754)
<b>Total</b>	<b>434,047</b>	<b>418,957</b>	<b>15,089</b>	<b>434,047</b>	<b>91,879</b>	<b>342,168</b>
<b>Net Income / (Loss)</b>	<b>\$ (81,185)</b>	<b>\$ (57,541)</b>	<b>\$ (23,645)</b>	<b>\$ (81,685)</b>	<b>\$ (83,938)</b>	<b>\$ 2,253</b>

Financial highlights:

Majority of revenue is grant revenue related to Northland (\$344,000)  
Total revenue below budget by \$8,500  
Total expenses over budget by \$15,000  
Net loss is \$81,000, behind budget by \$24,000

**Buffalo Urban Development Corporation**  
 Income Statement - by Project  
YTD January 31, 2017

	BBRP -				Total
	BLCP*	BBRP**	Loan Fund	Corporate Operations	
<b>REVENUE</b>					
Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
NYPA	-	-	-	-	-
ESDC	-	-	344,261	-	344,261
National Grid	-	-	-	-	-
ECIDA/Other	-	-	-	-	-
Gross Proceeds from Land Sales	-	-	-	-	-
Less: Cost of Land Sales	-	-	-	-	-
Buffalo Brownfield Fund Revenue (net)	-	-	-	-	-
Regionally Significant Project Fund (net)	-	-	-	-	-
Rental Income	-	-	500	-	500
Interest Income & Fees - Loans	-	-	6,875	-	6,875
Investment Interest Income	-	-	-	1,225	1,225
Other Income	-	-	-	-	-
Total	-	-	6,875	344,761	352,861
<b>OPERATING EXPENSES</b>					
Property Operations & Maintenance	\$ 982	\$ -	\$ -	\$ 8,396	\$ 9,378
Legal	-	2,200	-	195	10,000
Insurance	1,364	-	-	8,178	1,801
Marketing	-	39	-	3,672	395
Utilities	-	-	-	(1,227)	(1,227)
Misc.	-	-	-	-	0
Consultants	-	-	-	24,397	24,397
General Development Expenses	-	-	-	315,997	315,997
Personnel Costs	-	8,186	-	-	29,854
Interns	-	-	-	-	2,296
Rent	-	-	-	-	1,500
ECIDA Management Fee	-	-	-	-	3,500
Audit	-	-	-	-	-
General & Administrative	-	-	-	-	11,880
Depreciation	-	-	-	-	440
Total	2,346	10,426	-	359,609	61,666
<b>Net Income / (Loss)</b>	<b>\$ (2,346)</b>	<b>\$ (10,426)</b>	<b>\$ 6,875</b>	<b>\$ (14,847)</b>	<b>\$ (60,441)</b>
					<b>\$ (81,185)</b>

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

# Buffalo Urban Development Corporation

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**Item 4.2**

## MEMORANDUM

**TO: Buffalo Urban Development Corporation Board of Directors**  
**FROM: David A. Stebbins, Executive Vice President**  
**SUBJECT: 683 Northland – Proposal for Assessment of Tenant Space**  
**DATE: February 28, 2017**

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Part of Governor Cuomo’s proposal for Buffalo Billion II includes funding for the relocation of Buffalo Manufacturing Works (BMW) to 683 Northland Avenue. Although the Buffalo Billion II proposal has not yet been approved by the State Legislature, the potential for BMW to relocate to 683 Northland has been a long-term goal of the Buffalo Billion economic development strategy. The synergies between the Workforce Training Center and Buffalo Manufacturing Works can create a dynamic economic development anchor for the Northland Corridor.

There are critical design decisions currently being made that would be impacted by BMW’s proposed move to 683 Northland. Therefore, we requested a proposal from Watts Architecture & Engineering for an initial assessment and space plan for Buffalo Manufacturing Works. Watts proposes to:

1. Produce a draft programming document that will include:
  - a. program required spaces and required square footage;
  - b. programmatic needs for each space;
  - c. spatial adjacencies; and
  - d. anticipated occupancy and use for each space.
2. Develop “Test Fit” concept-level plans for the redevelopment of the property.
3. Prepare concept-level cost estimates for each of the three (3) options.

The cost of the work is \$12,800. This work is an eligible project for which funds from the Regionally Significant Project Fund (RSP Fund) may be used, and we are proposing that the Board authorize the use of the RSP Fund to pay for this work.

The BUDC Real Estate Committee reviewed the scope of work at its February 21, 2017 meeting and adopted a recommendation that the Board of Directors approve the Service Order and authorize the use of RSP Fund to pay for the work.

### **Action**

We are requesting Board approval of a Service Order with Watts Architecture & Engineering to provide professional architectural and engineering services for the assessment of

prospective tenant space within 683 Northland for the lump sum cost of \$12,800; to pay for the cost of this work with funds from the Regionally Significant Project Fund and to authorize the President or Executive Vice President to execute the Service Order on behalf of BUDC.

**WATTS**  
ARCHITECTURE &  
ENGINEERING



95 Perry Street, Suite 300  
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f: 716.206.5199  
w: [www.watts-ae.com](http://www.watts-ae.com)

architecture | engineering | environmental

Transmitted via E-Mail: [pcammarata@buffalourbandevelopment.com](mailto:pcammarata@buffalourbandevelopment.com)

February 15, 2017

Mr. Peter Cammarata, President  
95 Perry Street, Suite 404  
Buffalo, New York 14203

**Re: Buffalo Manufacturing Works Offices  
683 Northland Avenue  
Watts Proposal No. 17-094**

Dear Mr. Cammarata:

**Watts Architecture & Engineering** (Watts) is pleased to submit this proposal to provide Professional Architectural and Engineering Services for the assessment of tenant space within 683 Northland. Our proposal is presented in the following sections: Firm Qualifications, Background, Scope of Services, Technical Assumptions, Schedule and Compensation.

#### FIRM QUALIFICATIONS

Watts, formed in 1986 by Edward O. Watts as its sole employee, specialized in environmental engineering and training. The firm has continually evolved and diversified its services to satisfy consulting needs in the marketplace. Today, Watts is a full service architecture and engineering (A/E) firm excelling in the fields of architecture, three-dimensional imaging, environmental engineering, hazardous waste site investigations/remediation, planning studies, environmental assessments, asbestos/lead consulting, civil/municipal/site development, traffic analysis and design, indoor air quality, HVAC engineering, plumbing and fire protection engineering, electrical engineering, and construction inspection. The firm currently supports a staff of over 95 employees consisting of licensed engineers, architects, scientists, technicians and specialty consultants. We have the ability to provide all required disciplines for this project under our own roof which will help to facilitate coordination between trades.

#### BACKGROUND

The building located at 683 Northland Avenue is comprised by a series of contiguous structures and site features that occupy approximately 7.3 acres of land. The previous occupancy was classified as a Factory (F-1, Moderate Hazard) occupancy, with an associated business (B) occupancy. It has been vacant since approximately 1999. The property is located in a mixed employment and residential area in the City of Buffalo, per Buffalo Green Code, Land Use Plan dated September 2016.

The WNY Workforce Training Center will be located in approximately 100,000 square feet of space within the building. The remainder of the complex will be used for a mix of commercial and industrial uses, consistent with zoning for this area of the City. Buffalo Manufacturing Works (BMW) has expressed interest in relocating from their existing space which they have outgrown, and have preliminarily identified the need for 67,000 to 85,000 square feet of rentable space.

#### SCOPE OF SERVICES

Watts will perform the described specific tasks and deliverables as follows:

I. **Programming**

Mr. Peter Cammarata  
Buffalo Manufacturing Works Offices  
683 Northland Avenue  
Watts Proposal No. 17-094

- A. Watts will attend two (2) information gathering meeting with stakeholders to understand the Center's needs and future growth plans.
- B. Watts will produce a draft programming document for review and comment.
- C. Watts will attend a third meeting to review the draft programming document.
- D. Comments received will be incorporated into the final programming document. The final report will include:
  - 1. Program required spaces and required square footage;
  - 2. Programmatic needs for each space;
  - 3. Spatial adjacencies; and
  - 4. Anticipated occupancy and use for each space.

## II. Test Fits

- A. Based on the information gathered in the programming phase, Watts will develop "Test Fit" concept-level plans for the redevelopment of the property.
- B. Concept level cost estimates will be developed for each of the three (3) options.

## III. Conceptual Design, Renderings

- A. Watts will attend one (1) meeting with the stakeholders to review and verify the program and design intent of the project.
- B. Watts will participate in a series of up to three (3) design meetings with project representatives to review and refine the progression of the conceptual design and the three dimensional imaging.
- C. Watts will provide a written project narrative that includes a scope of work associated with the project and a written program of spaces with associated functions and required equipment.
- D. Watts will provide a series of images for your use which will include up to three (3) interior images, a site plan and floor plans for the purposes of fund raising to finance the project.

## TECHNICAL ASSUMPTIONS

Our proposal is based on the following technical assumptions:

- 1. Watts will have access to the building and site as necessary to confirm existing conditions. All areas that are considered part of the planned reuse will be accessible.
- 2. This proposal does not include the preparation of remediation design documents. A previous study carried out by LiRo Engineers and abatement of the space is intended to be carried out under separate contract in the spring of 2017.
- 3. This proposal excludes any other architectural and engineering services not specifically listed under scope of services.
- 4. Services or tasks not specifically listed under scope of services, and/or amendments or changes to any

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deliverable that are requested by the Owner, shall constitute accepted cause for extra compensation, billed at our standard hourly rates, per the attached Rate Sheet.

5. Our proposed fees are based upon a timely execution of the design work, and upon the schedule that you have described to us. Should the project schedule be unreasonably delayed through no fault of Watts, such delay shall constitute accepted cause for extra compensation for any costs that are attributed to delays in the design schedule, such as repeat work, increases in standard hourly rates, and billable at our standard hourly rates that are in effect when the design work resumes.

### SCHEDULE

We are able to begin the project upon your written notice to proceed and receipt of the retainer. We propose to complete the services identified in the proposal within eight (8) weeks of the written notice to proceed.

### COMPENSATION

Compensation for the Scope of Services indicated above will be in accordance with the Lump Sum price quoted below and the attached Appendix A with terms of net 30 days. Any services required beyond the above described scope of services will be performed on a time-and-materials basis in accordance with the fees on the attached Rate Sheet up to the total fee as stated below. Your express written consent will be required prior to the commencement of any additional services. The prices in this proposal are firm for 30 days from the date shown, but thereafter subject to change without notice.

**Total Lump Sum Fee** ..... **\$12,800.00**

If this proposal is acceptable to you, please indicate your acceptance by returning a signed copy at your earliest convenience and/or a purchase order. 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  
President



Mr. Peter Cammarata  
Buffalo Manufacturing Works Offices  
683 Northland Avenue  
Watts Proposal No. 17-094

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**PROPOSAL ACCEPTANCE**

The above Scope of Services, Schedule, and Compensation, and the attached Appendix A and Rate Sheet are acceptable for Watts Proposal No. 17-094 – Architectural/Engineering Services for BUDC (CLIENT) in Buffalo, New York.

Agreed to and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_  
(please print)

Title: \_\_\_\_\_

Your Company Reference Number  
to Appear on our Invoice(s): \_\_\_\_\_

**WATTS ARCHITECTURE & ENGINEERING**  
 95 PERRY STREET, SUITE 300  
 BUFFALO, NY 14203  
 (716) 206-5100  
**SCHEDULE OF PROFESSIONAL FEES AND REIMBURSABLE EXPENSES**  
 April 1, 2016

**PROFESSIONAL FEES:**

Labor Category	Minimum	Average	Maximum
Principal	\$147	\$174	\$222
MEP Department Manager	\$175	\$175	\$175
Structural Engineer	\$154	\$154	\$154
Engineer VI (A)	\$122	\$131	\$143
Sr. Electrical Engineer	\$133	\$133	\$133
Asbestos Department Manager	\$130	\$130	\$130
Environmental Engineer VI	\$128	\$128	\$128
Sr. Environmental Consultant	\$102	\$108	\$114
Mechanical Project Manager	\$108	\$110	\$112
Architect	\$73	\$96	\$111
Environmental Engineer III	\$111	\$111	\$111
Sr. Mechanical Engineer	\$110	\$110	\$110
Sr. Environmental Scientist	\$106	\$106	\$106
Engineer IV (A)	\$97	\$102	\$105
Engineer V	\$105	\$105	\$105
Electrical Engineer	\$103	\$103	\$103
Mechanical Designer	\$71	\$83	\$94
Engineer III (A)	\$86	\$86	\$86
Environmental Consultant	\$75	\$82	\$86
Engineering Technician II (N)	\$85	\$85	\$85
Sr. CADD Technician III (N)	\$85	\$85	\$85
Fire Protection Designer	\$84	\$84	\$84
Plumbing Engineer	\$84	\$84	\$84
Fire Alarm System Designer	\$81	\$81	\$81
Electrical Designer	\$73	\$73	\$73
Environmental Scientist II	\$70	\$71	\$71
CADD Technician	\$56	\$61	\$66
Mechanical Engineer	\$66	\$66	\$66
Engineer II/I (A)	\$64	\$64	\$64
Project Monitor Supervisor	\$64	\$64	\$64
Architect Designer	\$57	\$60	\$62
Project Monitor / Air Sampling Tech.	\$35	\$42	\$54
Technical Typist	\$43	\$49	\$54
Environmental Scientist I	\$44	\$47	\$53
Intern Architect	\$45	\$45	\$45

**REIMBURSABLE EXPENSES:**

- 1) Per diem for lodging and meals shall be limited to the Federal maximum rate for the area of stay (published yearly by the Internal Revenue Service, IRS Publication #1542). These charges will be billed at cost.
- 2) Travel, long distance telephone, postage, and toll charges will be billed at cost, based on federal maximum rates.
- 3) Reproduction Costs:
 

Xerox Copies: \$0.05 per sheet	CADD Plots: \$1.00 per plot
Blueprints: \$0.30 per sq. foot	CADD Mylars: \$5.00 per plot
Color Copies: \$0.30 per sheet	Project Photos: at cost
- 4) Materials, outside services, special equipment, and supplies purchased on behalf of the client, with client's prior consent, will be billed at cost plus 20%. Variance fees made payable to the NYS Commissioner of Labor will be paid directly by the client
- 5) Asbestos Sampling Fees (rates to be determined on a job-by-job basis)

Billing will be on a monthly basis or upon completion of work, with terms of net at 20 days from day of invoicing. Each invoice will break the technical service labor down by job classification and total hours for each classification.

**PROFESSIONAL FEES AND REIMBURSABLE EXPENSES ARE SUBJECT TO CHANGE WITHOUT NOTICE**

Appendix A  
GENERAL CONDITIONS FOR PROFESSIONAL SERVICES

Watts Architecture & Engineering (WATTS) will perform professional services in a timely manner but it is agreed between the parties to this Agreement that WATTS cannot be responsible for delays occasioned by factors beyond its control, nor by factors which could not reasonably have been foreseen at the time this Agreement was prepared and executed.

WATTS will perform its services using that degree of care and skill ordinarily exercised under similar conditions by professional consultants practicing in the same field at the same time in the same or similar locality. No other warranty, express or implied, is made or intended related to the services provided. Watts shall only be liable for its own negligent acts or omissions and assumes no liability for the acts or omissions of any other party.

Drawings, specifications and other documents, prepared by WATTS and their consultants are Instruments of Service for use solely with respect to this Project. This includes documents in electronic form. WATTS and their consultants shall be deemed the authors and owners of their respective Instruments of Service and shall retain all common law, statutory and other reserved rights, including copyrights. The Instruments of Service shall not be used by any other party for future additions or alterations to this Project or for other projects, without the prior written agreement of WATTS. Any unauthorized use of the Instruments of Service shall be at the other party's sole risk and without liability to WATTS and their consultants.

During the performance of services within this Agreement, the scope of WATTS' services and compensation thereon may be adjusted by written consent of the client.

If a dispute arises out of or relates to this Agreement or its breach, and if the dispute cannot be settled through direct discussions, the parties agree that prior to the filing of any legal action, they will first endeavor to settle the dispute in an amicable matter by non-binding mediation, using a certified mediator or certified mediation service. Failure of the parties to resolve the dispute through mediation shall in no way remove the right of either party to pursue any legal action or recourse. Unless otherwise specified within the Agreement, this Agreement shall be governed by the laws of the State of New York.

Neither party shall hold the other responsible for damages or delays in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the other or the other's employees and agents.

Progress payments shall be made in proportion to services performed and shall be due and payable within 30 days of submittal, without retainage unless other terms are specified in proposal. Overdue invoices shall bear an interest rate of 1-1/2% per month calculated from the 31st day after submittal.

The total liability, in the aggregate, of WATTS to CLIENT and anyone claiming by, through, or under CLIENT, for any and all claims, losses, costs or damages whatsoever arising out of, resulting from or in any way related to the Project or the Agreement from any cause or causes, including but not limited to the negligence, professional errors or omissions, strict liability or breach of contract, or warranty express or implied, of WATTS, shall not exceed the total insurance proceeds paid on behalf of or to CLIENT by WATTS insurers in settlement or satisfaction of CLIENT's claims under the terms and conditions of WATTS insurance policies applicable thereto (excluding fees, costs, and expenses of investigation, claims adjustment, defense, and appeal).

To the fullest extent permitted by law, WATTS shall indemnify and hold harmless CLIENT's officers, directors, partners, and employees from and against any and all damages caused solely by the negligent acts or omissions of WATTS in the performance and furnishing of services under this Agreement.

To the fullest extent permitted by law, CLIENT shall indemnify and hold harmless WATTS from and against any and all costs, losses and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or other dispute resolution costs) caused solely by the negligent acts or omissions of CLIENT with respect to this Agreement or the Project.

To the fullest extent permitted by law, WATTS' total liability to CLIENT and anyone claiming by, through, or under CLIENT for any cost, loss or damages caused in part by the negligence of WATTS and in part by the negligence of CLIENT or any other negligent entity or individual shall not exceed the percentage share that WATTS' negligence bears to the total negligence of CLIENT, WATTS, and all other negligent entities and individuals.

To the fullest extent permitted by law, CLIENT shall indemnify and hold harmless WATTS from and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from a Hazardous Environmental Condition, provided that (i) any such cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or to injury or destruction of tangible property (other than completed Work), including the loss of use resulting therefrom, and (ii) nothing shall obligate CLIENT to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence or willful misconduct.

**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: BUDC Board of Directors**

**FROM: Brandye Merriweather, Vice President – Downtown Development**

**SUBJECT: BBRP Loan Modification – Alexandre Apartments**

**DATE: February 28, 2017**

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The BUDC Loan Committee is scheduled to meet on Friday, February 24, 2017 regarding the above-entitled loan modification. A handout specifying the actions taken by the Committee will be provided to the BUDC Board of Directors on Tuesday, February 28, 2017.