

# Buffalo Urban Development Corporation

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## Buffalo Urban Development Corporation Board of Directors Meeting

**Date: Tuesday, July 31st, 2018**

**Time: 12:00 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 REPORTS** *(Action) (Enclosure)*

### **4.0 NEW BUSINESS**

4.1 683 Northland Phase I - GMP & Construction Update *(Information) (Handout)*

4.2 683 Northland Phase II – Watts Construction Administration Proposal *(Action) (Enclosure)*

4.3 683 Northland Phase II – Early Bid Recommendation to Award – Brownfield Cleanup Program Remediation *(Action) (Handout)*

4.4 683 Northland Phase II – GMP & Construction Update *(Information)*

4.5 612 Northland – Window Purchase & Installation Bid Results *(Action) (Enclosure)*

4.6 Restore NY IV – COB-BUDC Sub-grant Agreement *(Action) (Enclosure)*

4.7 Northland Beltline Project Update *(Information)*

4.8 Buffalo Building Reuse Project Update *(Information)*

4.9 Buffalo Lakeside Commerce Park Update *(Information)*

4.10 308 Crowley Project Update *(Information)*

4.11 Information Package *(Information)*

### **5.0 LATE FILES**

### **6.0 TABLED ITEMS**

### **7.0 EXECUTIVE SESSION**

### **8.0 ADJOURNMENT** *(Action)*

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

95 Perry Street  
Buffalo, New York 14203  
June 26, 2018  
12:00 p.m.

**1.0 Call to Order**

Directors Present:

Hon. Byron W. Brown (Chair)  
Dottie Gallagher-Cohen  
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  
Maria R. Whyte

Directors Absent:

James W. Comerford  
Janique S. Curry  
Dennis W. Elsenbeck  
Darby Fishkin  
Thomas R. Hersey, Jr.

Officers Present:

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

Others Present: Dawn Boudreau, ECIDA; Jonathan Epstein, *The Buffalo News*; James Fink, *Buffalo Business First*; Terry LoConte; Gilbane Building Company; Robert Sanders, Watts Architecture & Engineering; and Brett Stiehler, Gilbane Building Company.

**Roll Call** – The Secretary called the roll of directors at 12:25 p.m. and a quorum was determined to be present. Mr. Pridgen joined the meeting during the presentation of item 3.0. Mayor Brown left the meeting following the vote on item 4.8. Mr. Penman chaired the remainder of the meeting.

**2.0 Presentation of the Minutes** – The minutes of the May 29, 2018 meeting of the Board of Directors were presented. Mr. Nasca made a motion to approve the meeting minutes. The motion was seconded by Mr. Penman and unanimously carried.

**3.0 Monthly Financial Reports** – Ms. Profic presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending May 31, 2018. Mr. Nasca made a motion to accept the financial reports. The motion was seconded by Mr. Comerford and unanimously carried.

#### 4.0 New Business

4.1 **Re-Appointment & Appointment of Citizen Members by Mayor Brown** -- Mayor Brown informed the Board that Janique Curry has been reappointed as a citizen-member of BUDC for a term of three (3) years and announced that Trina Burress and Thomas Halligan will join the Board as new citizen-members for a term of three (3) years. Mayor Brown also informed the Board that Thomas Beauford's term will not be renewed. Mr. Beauford has a regularly scheduled monthly work meeting that conflicts with BUDC's monthly Board meetings. Mayor Brown recognized and thanked Mr. Beauford for his six years of service and contributions to BUDC.

4.2 **2018-2019 Committee Appointments** -- Mr. Kucharski presented the proposed slate of Committee appointments for 2018-2019 as detailed in his June 26, 2018 memorandum to the Board, and proposed an amendment to the slate to add Ms. Burress to the Audit & Finance Committee and Mr. Halligan to the Governance Committee, each in place of Mr. Beauford. Mr. Penman made a motion to approve the proposed slate of Committee appointments as amended. The motion was seconded by Ms. Gallagher-Cohen and unanimously carried. The Committee appointments made by the Board for July 2018-June 2019 are as follows:

Downtown Committee: James W. Comerford; Darby Fishkin, Dottie Gallagher-Cohen; Thomas R. Hersey, Jr.; Brendan R. Mehaffy (*Committee Chair*); Darius G. Pridgen; and Steven J. Stepniak.

Governance Committee: Hon. Byron W. Brown; Dennis W. Elsenbeck; Thomas Halligan; Thomas A. Kucharski (*Committee Chair*); Brendan R. Mehaffy; Dennis M. Penman; and ESD Regional Director (currently vacant).

Audit & Finance Committee: Trina Burress; James W. Comerford; Janique S. Curry; David J. Nasca; and Dennis M. Penman (*Committee Chair*).

Real Estate Committee: Janique S. Curry; Thomas A. Kucharski; Brendan R. Mehaffy; Kimberley A. Minkel; Dennis M. Penman; Craig A. Slater (*Committee Chair*); and Maria R. Whyte.

Loan Committee: Dottie Gallagher-Cohen; and Brendan R. Mehaffy (*Committee Chair*).

4.3 **2018-2019 Election of Officers** -- Mr. Cammarata presented the following proposed slate of officers of BUDC as set forth in Mr. Kucharski's June 26, 2018 memorandum to the Board of Directors:

Chair:	Hon. Byron W. Brown
Vice Chair:	Dennis M. Penman
President:	Peter M. Cammarata
Executive Vice President:	David A. Stebbins
Vice President:	Brandye Merriweather
Treasurer:	Mollie M. Profic
Assistant Treasurer:	Atiq Abidi
Secretary:	Kevin J. Zanner

Upon motion made by Ms. Whyte, seconded by Mr. Stepniak and unanimously carried, the foregoing slate of officers was approved, with each officer to serve a term of one (1) year and until his or her successor has been elected or appointed.

- 4.4 683 Northland Phase I – Change Order #5, Restaurant Build-Out & Equipment** – Mr. Stebbins presented his June 26, 2018 memorandum regarding proposed Change Order No. 5 to the guaranteed maximum price (GMP) construction management contract with Gilbane. This change order is in the amount of \$368,139.49 and relates to the purchase of furniture, fixtures and equipment (FF&E) and tenant-driven design changes for the GiGi's restaurant space at 683 Northland. Mr. Stebbins noted that the project budget includes \$299,286 for FF&E relating to the restaurant space. This change order will exceed the project budget by \$68,853.49 and result in a transfer from the owner's outside contingency of that amount. This item was reviewed by the Real Estate Committee at its June 19<sup>th</sup> meeting and is recommended for approval. Mr. Pridgen made a motion to approve the amendment to the construction management agreement with Gilbane to include the purchase of FF&E and the construction of tenant-driven design changes for the restaurant space at 683 Northland in the amount of \$368,139.49 and to authorize the President or Executive Vice President to execute and deliver the amendment on behalf of 683 Northland LLC. The motion was seconded by Mr. Slater and unanimously carried.
- 4.5 683 Northland Phase I – Change Order #6, Bookstore Relocation** – Mr. Stebbins presented his June 26, 2018 memorandum regarding proposed Change Order No. 6 to the guaranteed maximum price (GMP) construction management contract with Gilbane. This change order is in the amount of \$57,463.14 and relates to the relocation of the bookstore space at 683 Northland. This change order will be funded through a transfer of \$57,463.14 from the owner's outside contingency. Mr. Stebbins noted that the Real Estate Committee recommended approval of this item with the understanding that the pricing for certain items in the change order had not been finalized and were subject to adjustment. Mr. Kucharski made a motion to approve the amendment to the construction management agreement with Gilbane to cover the cost of the bookstore build-out and furnishings for the 683 Northland project in the amount of \$57,463.14 and to authorize the President or Executive Vice President to execute and deliver the amendment on behalf of 683 Northland LLC. The motion was seconded by Mr. Stepniak and unanimously carried.
- 4.6 683 Northland Phase I – Change Order #7, Electric Lab, Data, Misc.** – Mr. Stebbins presented his June 26, 2018 memorandum regarding proposed Change Order No. 7 to the guaranteed maximum price (GMP) construction management contract with Gilbane. This change order is in the amount of \$600,000 and will cover the cost of additional tenant-driven design and construction changes relating to parking, training labs, temporary protection and other items. Mr. Stebbins noted that final pricing for some of these items remains outstanding, so the change order has been structured to permit funds to be released to Gilbane through specific requisitions approved by the BUDC President or Executive Vice President up to a not-to-exceed amount of \$600,000. Staff will report fund releases to the Real Estate Committee and Board of Directors. This change order will be funded through a transfer of \$600,000 from the owner's outside contingency. The Board discussed the proposal, including the monitoring of tenant-driven changes and the owner's outside contingency fund. Mr. Stebbins indicated the project is on track with the budget. Mr. Cammarata noted that ESD is involved in all project discussions relating to tenant space modifications. There being no further discussion, Mr. Penman made a motion to: (i) approve the amendment to the construction management agreement with Gilbane to cover additional tenant-driven changes to training labs other items for the 683 Northland project at the estimated cost of \$600,000, (ii) authorize the President or Executive Vice President to execute and deliver the amendment on behalf of 683 Northland LLC, and (ii) authorize the President or Executive Vice President to funds for specific work within a not-to-exceed amount of \$600,000. The motion was seconded by Mr. Slater and unanimously carried.
- 4.7 683 Northland Phase II – Early Purchase Recommendation, Skylight Framing – Skylight Framing Purchase** – Mr. Stebbins presented his June 26, 2018 memorandum regarding a proposed change order in the amount of \$94,710 for the purchase of skylight

framing materials for Phase II of the 683 Northland project. Mr. Nasca made a motion to approve Gilbane's purchase of the skylight framing material for the cost of \$94,710 and to authorize the President or Executive Vice President to execute the June 18, 2018 change order proposal on behalf of BUDC and 683 Northland LLC. The motion was seconded by Mr. Stepniak and unanimously carried.

**4.8 683 Northland Phase II – Early Bid Recommendation, to Award, Roofing Membrane** – Mr. Stebbins presented his June 26, 2018 memorandum and June 18, 2018 Award Recommendation letter issued by Gilbane regarding the proposed award of roofing work for Phase II of the 683 Northland project. Gilbane solicited proposals from seven contractors and received proposals from two contractors for the work. Jameson Roofing Co., Inc. submitted the lowest cost proposal to perform the work at a cost of \$1,583,321. The budget for this work was \$1,894,442. The contractor submitted an M/WBE utilization plan that includes 25% MBE and 5% WBE utilization. Mr. Nasca made a motion to approve Gilbane's proposed award of the Phase II roofing work to Jameson Roofing Co., Inc. for the contract amount of \$1,583,321 and to authorize the President or Executive Vice President to execute the June 18, 2018 Award Recommendation on behalf of BUDC and 683 Northland LLC. The motion was seconded by Mr. Stepniak and unanimously carried.

**4.9 308 Crowley – Buffalo Brownfield Redevelopment Fund Designation** – Ms. Profic presented her June 26, 2018 memorandum regarding the proposed designation of the 308 Crowley Avenue project as a "comparable project" for purposes of the Buffalo Brownfields Redevelopment Fund (BBRF). Ms. Profic explained that this designation would permit BUDC to utilize the BBRF to reimburse BUDC for third party costs incurred in connection with the 308 Crowley Avenue project. Ms. Gallagher-Cohen made a motion to designate the 308 Crowley project as a comparable project for BBRF purposes. The motion was seconded by Mr. Mehaffy and unanimously carried.

**4.10 Northland Beltline Project Update** – Mr. Stebbins circulated to the Board a written update for the Northland Beltline project. He highlighted a few items in the update, including an upcoming tour of the facility with IEDC conference attendees, the tracking of M/WBE goals for the project, the Superfund project at 537 East Delavan and the 612 Northland renovation project.

**4.11 Buffalo Building Reuse Program Update** – Ms. Merriweather presented an update regarding the Buffalo Building Reuse Program. Responses to BUDC's second quarter request for proposals for the BBRP loan program are due this Friday. Final design work for the Erie/Shelton Square project is expected to be completed this week. Ms. Merriweather reported on a recent ESD-sponsored M/WBE workshop and an upcoming downtown waterfront tour for NYSCAR. She also reported on her participation last week in a week-long emerging leaders fellowship program sponsored by the International Downtown Association.

**4.12 Buffalo Lakeside Commerce Park Update** – Mr. Cammarata reported that the NYSDEC Superfund remediation project at Parcel 4 of BLCP will be completed by the end of July.

**4.13 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. Kucharski and unanimously carried, the June 26, 2018 annual meeting of the Board of Directors was adjourned at 1:15 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary

**Buffalo Urban Development Corporation**  
**Consolidated Financial Statements**  
June 30, 2018

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Consolidated Statements of Net Position**

	<b>June 2018</b>	<b>May 2018</b>	<b>December 2017</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash	\$ 11,315,535	\$ 12,376,126	\$ 11,307,516
Restricted cash	4,007,237	4,309,975	3,197,630
Grants receivable	35,682,544	35,682,544	14,261,804
Other current assets	399,616	218,966	472,826
Total current assets	<u>51,404,933</u>	<u>52,587,611</u>	<u>29,239,776</u>
<b>Noncurrent assets:</b>			
Loans receivable	10,416,400	10,416,400	10,416,400
Capital assets, net	6,957,807	6,855,681	6,862,723
Construction in process	41,232,952	34,695,693	15,334,049
Land and improvement held for sale, net	4,061,482	3,996,668	3,996,668
Total noncurrent assets	<u>62,668,640</u>	<u>55,964,442</u>	<u>36,609,840</u>
Total assets	<u>\$ 114,073,573</u>	<u>\$ 108,552,053</u>	<u>\$ 65,849,616</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 10,659,536	\$ 8,786,869	\$ 3,809,969
Unearned grant revenue	41,752,286	43,367,960	15,336,932
Total current liabilities	<u>52,411,822</u>	<u>52,154,829</u>	<u>19,146,901</u>
Note payable	257,381	257,381	257,381
Loans payable	25,754,039	21,259,114	13,731,642
Total noncurrent liabilities	<u>26,011,420</u>	<u>21,516,495</u>	<u>13,989,023</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,900,071	2,797,945	8,466,772
Restricted	4,680,205	4,676,327	5,254,198
Unrestricted	28,070,055	27,406,457	18,992,722
Total net position	<u>35,650,331</u>	<u>34,880,729</u>	<u>32,713,692</u>
Total liabilities and net position	<u>\$ 114,073,573</u>	<u>\$ 108,552,053</u>	<u>\$ 65,849,616</u>

**Balance Sheet Notes:**

- Cash decrease due to continued outlays for Workforce Training Center construction and general expenses.
- CIP increased \$6.5 million due to ongoing construction of Workforce Training Center.
- Loans payable increased \$4.5 million as construction loan draws continue.



**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Consolidated Statements of Revenues, Expenses**  
**and Changes in Net Position**  
**Year to Date (with Comparative Data)**

	<u>June</u> 2018	<u>May</u> 2018	<u>December</u> 2017
<b>Operating revenues:</b>			
Grant revenue	\$ 4,682,846	\$ 3,068,072	\$ 16,895,680
Brownfield funds	114,659	105,250	501,294
Loan interest and commitment fees	20,625	17,188	125,787
Rental and other revenue	6,600	5,500	74,806
Total operating revenues	<u>4,824,730</u>	<u>3,196,010</u>	<u>17,597,567</u>
<b>Operating expenses:</b>			
Development costs	1,534,490	724,399	557,688
Adjustment to net realizable value	-	-	1,012,693
Salaries and benefits	216,255	181,600	444,407
General and administrative	116,801	105,949	193,486
Management fee	25,000	20,833	52,541
Depreciation	600	500	5,275
Total operating expenses	<u>1,893,146</u>	<u>1,033,281</u>	<u>2,266,090</u>
Operating income (loss)	<b>2,931,584</b>	<b>2,162,729</b>	<b>15,331,477</b>
<b>Non-operating revenues (expenses):</b>			
Interest income	5,057	4,308	14,470
In-kind revenue	-	-	730,348
Total non-operating revenues (expenses)	<u>5,057</u>	<u>4,308</u>	<u>744,818</u>
Change in net position	<b>2,936,641</b>	<b>2,167,037</b>	<b>16,076,295</b>
Net position - beginning of period	<u>32,713,692</u>	<u>32,713,692</u>	<u>16,637,397</u>
Net position - end of period	<u>\$ 35,650,333</u>	<u>\$ 34,880,729</u>	<u>\$ 32,713,692</u>

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Consolidating Statement of Net Position**  
**June 30, 2018**

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash	\$ 8,697,941	\$ -	\$ 2,617,594	\$ -	\$ 11,315,535
Restricted cash	4,007,237	-	-	-	4,007,237
Grants receivable	35,682,544	-	-	-	35,682,544
Other current assets	131,342	-	269,133	(859)	399,616
Total current assets	<u>48,519,065</u>	<u>-</u>	<u>2,886,727</u>	<u>(859)</u>	<u>51,404,933</u>
<b>Noncurrent assets:</b>					
Loans receivable	22,796,598	-	-	(12,380,198)	10,416,400
Equity investment	-	12,378,698	-	(12,378,698)	-
Capital assets, net	2,900,071	-	4,057,736	-	6,957,807
Construction in process	-	-	41,232,952	-	41,232,952
Land and improvement held for sale, net	4,061,482	-	-	-	4,061,482
Total noncurrent assets	<u>29,758,150</u>	<u>12,378,698</u>	<u>45,290,688</u>	<u>(24,758,896)</u>	<u>62,668,640</u>
Total assets	<u>\$ 78,277,215</u>	<u>\$ 12,378,698</u>	<u>\$ 48,177,415</u>	<u>\$ (24,759,755)</u>	<u>\$ 114,073,573</u>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expense	\$ 616,606	\$ 859	\$ 10,042,930	\$ (859)	\$ 10,659,536
Unearned grant revenue	41,752,286	-	-	-	41,752,286
Total liabilities	<u>42,368,892</u>	<u>859</u>	<u>10,042,930</u>	<u>(859)</u>	<u>52,411,822</u>
<b>Noncurrent liabilities:</b>					
Note payable	257,381	-	-	-	257,381
Loans payable	-	12,380,198	25,952,399	(12,578,558)	25,754,039
Total noncurrent liabilities	<u>257,381</u>	<u>12,380,198</u>	<u>25,952,399</u>	<u>(12,578,558)</u>	<u>26,011,420</u>
<b>NET POSITION</b>					
Net investment in capital assets	2,900,071	-	-	-	2,900,071
Restricted	4,680,205	-	-	-	4,680,205
Unrestricted	28,070,666	(2,359)	12,182,086	(12,180,338)	28,070,055
Total net position	<u>35,650,942</u>	<u>(2,359)</u>	<u>12,182,086</u>	<u>(12,180,338)</u>	<u>35,650,331</u>
Total liabilities and net position	<u>\$ 78,277,215</u>	<u>\$ 12,378,698</u>	<u>\$ 48,177,415</u>	<u>\$ (24,759,755)</u>	<u>\$ 114,073,573</u>

(1) This represents activity between the entities to be eliminated for the consolidated financial statements.

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Consolidating Statement of Revenues, Expenses and Changes in Net Position**  
**Year to Date June 30, 2018**

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations	Total
<b>Operating revenues:</b>					
Grant revenue	\$ 4,682,846	\$ -	\$ -	\$ -	\$ 4,682,846
Brownfield funds	114,659	-	-	-	114,659
Loan interest and commitment fees	20,625	-	-	-	20,625
Rental and other revenue	6,600	-	-	-	6,600
Total operating revenue	<u>4,824,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,824,730</u>
<b>Operating expenses:</b>					
Development costs	1,534,490	-	-	-	1,534,490
Salaries and benefits	216,255	-	-	-	216,255
General and administrative	115,301	1,500	-	-	116,801
Management fee	25,000	-	-	-	25,000
Depreciation	600	-	-	-	600
Total operating expenses	<u>1,891,646</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,893,146</u>
Operating income	2,933,084	(1,500)	-	-	2,931,584
<b>Non-operating revenues (expenses):</b>					
Interest income	3,479	-	1,578	-	5,057
Total non-operating revenues (expenses)	<u>3,479</u>	<u>-</u>	<u>1,578</u>	<u>-</u>	<u>5,057</u>
Change in net position	2,936,563	(1,500)	1,578	-	2,936,641
Net position - beginning of year	32,714,379	(859)	10,249,066	(10,248,894)	(1)
Add: capital contributions	-	-	1,931,442	(1,931,442)	(1)
Net position - end of period	<u>\$ 35,650,942</u>	<u>\$ (2,359)</u>	<u>\$ 12,182,086</u>	<u>\$ (12,180,336)</u>	<u>\$ 35,650,333</u>

(1) This represents activity between the entities to be eliminated for the consolidated financial statements.

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Budget to Actual Comparison**  
**Year to Date June 30, 2018**

	<u>YTD June 2018</u>	<u>YTD Budget 2018</u>	<u>Variance</u>
<b>Operating revenues:</b>			
Grant revenue	\$ 4,682,846	\$ 1,332,500	\$ 3,350,346
Brownfield funds	114,659	233,500	(118,841)
Loan interest and commitment fees	20,625	142,500	(121,875)
Rental and other revenue	6,600	15,200	(8,600)
Total operating revenues	<u>4,824,730</u>	<u>1,723,700</u>	<u>3,101,030</u>
<b>Operating expenses:</b>			
Development costs	1,534,490	1,337,250	197,240
Salaries and benefits	216,255	262,101	(45,846)
General and administrative	116,801	80,750	36,051
Management fee	25,000	24,000	1,000
Depreciation	600	500	100
Total operating expenses	<u>1,893,146</u>	<u>1,704,601</u>	<u>188,545</u>
Operating income (loss)	<b>2,931,584</b>	<b>19,099</b>	<b>2,912,485</b>
<b>Non-operating revenues (expenses):</b>			
Interest income	5,057	2,500	2,557
Proceeds from land sales	-	(21,415)	21,415
Total non-operating revenues (expenses)	<u>5,057</u>	<u>(18,915)</u>	<u>23,972</u>
Change in net position	<u>\$ 2,936,641</u>	<u>\$ 184</u>	<u>\$ 2,936,457</u>

**Financial Highlights:**

- Majority of revenue is grant revenue related to Northland (\$4.6 million) and BBRP (\$50,000). Northland grant revenue recognized from NYPA, ESD, CDBG and Restore NY grants. Positive variance of \$3.4 million is due to assumption in budget that the majority of revenue related to older grants would have been recognized in 2017. With various funding sources in play due to tax credit investors, grant revenue has been recognized at a slower rate than in the prior year.
- Development costs consist of property/project-related costs (e.g. construction, operations and maintenance, legal and insurance costs). Recall that all development costs related to 683 Northland and the Workforce Training Center are currently being capitalized as construction in progress (CIP) on the balance sheet, and are not reflected here. Positive variance of \$197,000 is due to timing of costs incurred compared to straight-line budget.
- Salaries and benefits are \$46,000 below budget due to inclusion in budget of a new employee.
- General & administrative costs relate to general corporate expenses (e.g. legal, insurance, marketing costs). These costs are in excess of budget by \$36,000 through June due to the "front loading" of certain costs, such as audit costs and annual memberships.

# Buffalo Urban Development Corporation

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Suite 404

Buffalo, New York 14203

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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 – Watts Phase 2 Construction Administration & Inspection Proposal**

**DATE: July 31, 2018**

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As per the March 29, 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 and WNY Workforce Training Center, 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. 25 for Construction Administration and Inspection Services for Phase 2 of the 683 Northland Avenue project. This will include services during bidding, construction and post-construction phases of the project. Watts will provide the following services and deliverables:

1. Responses to Bidder questions;
2. Preparation of addenda to Contract Documents;
3. Attendance and participation in weekly Construction Progress meetings;
4. Construction site visits and inspections;
5. Review of contractor submittals;
6. Responses to contractor Requests for Information;
7. Interpretation of documents;
8. Preparation of information bulletins;
9. Review of change orders;
10. Punch list visits;
11. Review and approval of contractor payment applications
12. Documentation of LEED requirements;
13. A final “As-Constructed” set of plans and specifications

Watts’ proposed Lump Sum Fee for this work is \$673,590. The estimated cost for Phase 2 is \$28 million dollars, and total design fees typically range from 7-10%, with major building renovations for specialty manufacturing facilities towards the higher end of the range. Based on 8.0%, the total design fee should be approximately \$2.24 million dollars. Construction Administration Services are typically 30% of the overall design cost, which would equate to approximately \$672,000 for this phase of design. Therefore, Watts’ proposed Design Development fee of \$673,590 is within the acceptable range based on industry standards, especially considering the nature of this building and construction requirements.

As an initial step, BUDC executive staff and the project team reviewed the proposed Service Order with Watts and negotiated reduced 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) and the Construction Manager, Gilbane Building Company, 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 Buffalo Billion II commitments to BMW and other funding for the project (e.g., Tax Credit equity).

Staff reviewed the Service Order with the BUDC Real Estate Committee at its July 24, 2018 meeting. The Committee recommended approval of the Service Order subject to receipt of third party peer review.

**Action**

We are requesting that the Board approve Watts Architecture & Engineering Service Order No. 25 for the Phase 2 Construction Administration & Inspection Services for 683 Northland Avenue at a lump sum cost of \$673,590 and to authorize the President or Executive Vice President to execute the Service Order on behalf of BUDC.



July 23, 2018

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 25: 683 Northland Avenue, Phase 2 Bid Period and**  
**Construction Administration Services**  
**Proposal No. 18-476**

Dear Mr. Cammarata:

Watts Architecture & Engineering (Watts) is pleased to submit this 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

Services will include: services during the bidding, construction and post-construction phases of the project, for work as described in the Contract Documents and let for bidding. Watts will act as the representative of the Owner to check that the quality of construction is consistent with the intent of the design. This proposal is predicated on an estimated construction cost of \$28 million dollars.

### DETAILED SCOPE

#### I. Bid Phase Support Services:

##### A. Response to Bidder Questions:

1. Watts will provide written responses to questions received from Bidders during the allowable time period.
2. Questions and appropriate responses will be evaluated for cost impacts to the Construction Cost Estimate prepared during the Final Issue phase.
3. Questions with cost impacts will be addressed via addendum.

##### B. Preparation of Addenda to Contract Documents:

1. Per request by the Construction Manager, Gilbane Building Company, changes to drawings and specifications will be issued on full drawing sheets and/or complete specification sections, submitted to Gilbane electronically, with changes indicated by clouding and addendum number.

- a. Printed addenda sheets and specifications will be furnished to the Owner's team.
  - b. All changes in the addendum will be explained on an addendum form.
2. Addenda will be submitted to the Construction Manager for issuance to Bidders.

**II. Construction Administration Services:**

- A. Construction Progress Meetings: Watts will attend weekly Construction Progress Meetings led by the Construction Manager (Gilbane Building Company).
  1. Watts will not keep or distribute Meeting Minutes associated with these meetings.
- B. Construction Site Visits: Watts will visit the site in coordination with Construction Progress Meetings to observe progress and conformance to the documents.
- C. Submittals: Watts will review submittals for compliance with the contract documents and monitor the quality and timeliness of the submittals.
  1. Watts will download and upload electronic submittals through Bluebeam; Gilbane's choice of web based construction collaboration systems.
  2. Watts will notify the Owner of Contractor-proposed product substitutions, deviations and detail changes.
- D. Requests for Information (RFIs): Watts will promptly respond to Contractor-submitted RFIs.
  1. Watts will download, respond to, and upload electronic RFIs through Bluebeam.
  2. Per request by the Construction Manager, Gilbane Building Company, changes to drawings and specifications will be issued on full drawing sheets and/or complete specification sections, submitted to Gilbane electronically, with changes indicated by clouding and date of issuance.
  3. Printed construction sketch sheets and specifications will be furnished to the Owner's team.
- E. Interpretation of documents: Watts will provide information for clarifications of the Contract Documents as required by the Owner and Construction Manager.
  1. Interpretations will be issued via email.
- F. Information Bulletins: Watts will issue Information Bulletins as required and promptly notify the Owner of scope changes.
  1. For clarifications that affect the project scope, Watts will prepare and issue Information bulletins to the Construction Manager electronically.
  2. Printed Information Bulletins will be furnished to the Owner's team.
- G. Review of Change Orders: Watts will perform reviews of Change Orders and Field Orders as directed by the Owner and Construction Manager.



- H. Punch List Site Visits:
  - 1. Watts will visit the site a maximum of 2 times following notification of completion of up to 20 separate contracts for General, Plumbing, Fire Protection, Site/civil work, Electrical and HVAC work. Contractors' comprehensive list of items to be completed to determine substantial completion shall be submitted to Watts prior to each visit.
  - 2. The Watts Team will prepare a Punch List Report following each Punch List visit and submit to the Owner and Construction Manager.
- I. Contractor's Pay Application Review:
  - 1. The Watts Team will review contractors' "pencil copies" of pay application as compiled by the Construction Manager and provide comment to the Owner, certifying that the work is complete to the level of completion claimed.
  - 2. Pay application review will occur on a monthly basis, except as identified for smaller contractors, whose applications will be reviewed biweekly.
- J. Watts will work with the design team, the Owner and Construction Manager in combination with Assignment 09: Sustainability Planning, to document attempted LEED® credits through LEED® Online.
  - 1. The Watts team will complete design related LEED® Documentation Templates via LEED® Online under *Assignment 22: 683 Northland Phase 2 Construction Documents Services*.
  - 2. The Construction Manager will be responsible for the collection of Construction related documentation and its completion through LEED® Online.
    - a. Administration duties will include: Owner assistance with completion of Project Information Forms, recommendations regarding Innovation Credits, review and recommendation for improvement of the *Owner Project Requirements* and *Basis of Design* documents required for Fundamental Commissioning, and maintenance of the LEED® Checklist in an ongoing manner to respond to the development of the project and its documentation.
  - 3. Watts will provide Basic Commissioning services for compliance with Energy and Atmosphere (EA) Prerequisite 1: Fundamental Commissioning of Building Energy Systems.
    - a. Commissioning Services will include activities during the bidding, construction and post construction phases of the project.

**Bid Phase:**

- i. Generation of the Commissioning Plan.
- ii. Definition of the functional requirements for the individual groups.
- iii. Review of design documents with respect to commissioning requirements.

- iv. Development of Prefunctional checklists and Functional Performance Test procedures and forms.

Construction Phase:

- i. Conduct Contractor commissioning kickoff meeting.
- ii. Review contractor submittals.
- iii. Perform construction period site visits to assess conformance with commissioning requirements.
- iv. Witness and document selected contractor tests (defined in specifications).
- v. Witness and document building envelope functional testing.
- vi. Review balancing reports.
- vii. Maintain a masters' issues log.

Post construction phase: Commissioning testing is defined as occurring after construction is complete as it documents completed systems.

- i. Coordinate and witness Functional Performance Testing.
- ii. Review O&M manuals for commissioned systems.
- iii. Review and witness selected Operator training.
- iv. Generate the Commissioning Record Summary Report.
- v. Conduct off-season and deferred functional performance testing and issue report addendum.

4. Watts will submit Construction Related Credits via LEED® Online to the GBCI for review and final approval.
5. Full scope to be completed by August 31, 2019.

**III. Post Construction Services:**

- A. Review of Operations and Maintenance Manuals (O&M) Manuals and Training Programs:
  1. Watts will review completed Contractor's O & M submittals approved as complete by Gilbane Building Company. Complete and comprehensive Manuals will be submitted to the Owner and Construction Manager.
  2. Watts will review Training Program documentation for completeness and attend each training program. Watts will review each training DVD submitted.
- B. As-Constructed Documentation: Watts will prepare final drawings and specifications incorporating changes made as a result of addenda, Information Bulletin and field changes.
  1. Watts will document minor changes made in the field during construction using documentation submitted by the Construction Manager recording such changes.
- C. Watts will work with the design, Owner and Construction Management teams to complete the LEED® Certification process. The completion of the LEED® Certification

process can take up to 1-year post construction for finalization.

- IV. **Quality Management:** Watts will proactively manage design team related quality and project coordination by incorporating the following measures into the process:
- A. **Communication:** Watts will frequently communicate with the design team, the Owner and Construction Manager as required for the project.
  - B. **Coordination:** Watts will provide ongoing coordination of the design disciplines.

### DELIVERABLES

The following documents will comprise the product of Assignment 15: 683 Northland Avenue, Construction Phase Services:

- A. Documentation of changes to the design during the bid period in the form of Addenda or "D" sheets.
- B. Documentation of changes to the design during construction in the form of "Construction Sketch" sheets (SKs) or as issued by Information Bulletin (IBs).
- C. Operations and Maintenance Manuals and Training Programs as recorded on DVD media.
- D. A final, complete document set capturing As-Constructed conditions.

### TEAM

We have assembled our team with the necessary expertise to handle this assignment. 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:

- A. BAC A+P (WBE) will provide historic preservation services.
- B. Popli (MBE) will provide mechanical engineering.
- C. Syracuse Engineers (WBE) will provide structural engineering.
- D. Watts will provide project management, architectural services, and electrical, plumbing, fire protection, structural, and civil engineering services.

### EXPECTED SCHEDULE

Watts will begin the work upon authorization and a construction start date of approximately July 24, 2018. We expect Assignment 25: 683 Northland Avenue, Phase 2 Construction Phase Services will be approximately fourteen months in duration, with a Certificate of Occupancy to be issued on or around July 1, 2019.

**TECHNICAL ASSUMPTIONS AND EXCLUSIONS**

- A. This proposal excludes any other architectural and engineering services not specifically listed under Scope of Services.
- B. Environmental Services including interior and exterior monitoring of construction activities is not included in this proposal and is being provided under a separate contract.
- C. This proposal excludes building environmental field investigations, collection of samples and laboratory testing services.
- D. 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.

**COMPENSATION**

Compensation required for the Scope of Services indicated above will be in accordance with the fees below. 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 fees in this proposal are firm for 30 days from the date shown, but thereafter are subject to change without notice.

**Construction Phase Services Total (Time and Material, Not to Exceed)\* .....\$673,590\***

**\*This fee does not incorporate Commissioning Services, which will be provided no later than Monday, July 30.**

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 July 20, 2018  
Staffing Estimate – BAC|A+P; dated July 11, 2018  
Staffing Estimate – Popli Design Group; dated July 17, 2018  
Staffing Estimate – Syracuse Engineers; dated July 11, 2018

# Buffalo Urban Development Corporation

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## Item 4.3

### MEMORANDUM

**TO: Buffalo Urban Development Corporation Board of Directors**

**FROM: David A. Stebbins, Executive Vice President**

**SUBJECT: 683 Northland Phase II – Early Bid Recommendation to Award – BCP Remedial Work**

**DATE: July 31, 2018**

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Gilbane Building Company has advanced early bid packages for Phase II of the project in order to maintain a schedule to achieve substantial completion for Buffalo Manufacturing Works (BMW) by July 1, 2019. These early bid packages will be accounted for in the Phase II Guaranteed Maximum Price (GMP) Contract Amendment that is expected to be presented at the August 2018 Board of Directors meeting.

This early bid package is for Site Remediation for Phase II of the project, in accordance with the recently approved Remedial Action Work Plan (by NYSDEC) for the Brownfield Cleanup Program. Although this site work is part of Phase II, **completion of this work by the end of October 2018 is critical to obtain a Certificate of Completion by the end of this year (December 31, 2018) in order to be eligible to apply for Brownfield Tax Credits in 2019.** Given the time sensitivity of this work, the current site contractor's working knowledge and presence on-site, and the required continuity of this work with the Phase I site work, Gilbane is negotiating with only one contractor to perform this work, Total Wrecking & Environmental. These negotiations are still underway, with the participation of BUDC staff and LiRo Engineers. A final cost proposal will be presented to the Board as a hand-out at the Board meeting. The estimated cost of the work is between \$900,000 and \$1 million.

This preliminary Work Proposal was reviewed with the Real Estate Committee at its July 24, 2018 meeting.

## NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Division of Environmental Remediation, Remedial Bureau E  
625 Broadway, 12th Floor, Albany, NY 12233-7017  
P: (518) 402-9813 | F: (518) 402-9819  
[www.dec.ny.gov](http://www.dec.ny.gov)

July 3, 2018

Mr. Peter Cammarata  
683 Northland, LLC  
95 Perry Street, Suite 404  
Buffalo, New York 14203  
[pcammarata@buffalourbandevelopment.com](mailto:pcammarata@buffalourbandevelopment.com)

RE: Western New York Workforce Training Center  
Site ID No. C915310, Buffalo, Erie County  
Remedial Work Plan & Decision Document

Dear Mr. Cammarata:

The New York State Department of Environmental Conservation (Department) and the New York State Department of Health (NYSDOH) have reviewed the Remedial Action Work Plan (RAWP) for the Western New York Workforce Training Center site dated April 9, 2018 and prepared by LiRo Engineers, Inc., on behalf of the 683 Northland, LLC. The RAWP is hereby approved. Please ensure that a copy of the approved RAWP is placed in the document repository. The draft plan should be removed.

Enclosed is a copy of the Department's Decision Document for the site. The remedy is to be implemented in accordance with this Decision Document. Please ensure that a copy of the Decision Document is placed in the document repository.

Please contact the Department's Project Manager, Benjamin McPherson, at 716-851-7220 or [benjamin.mcpherson@dec.ny.gov](mailto:benjamin.mcpherson@dec.ny.gov) at your earliest convenience to discuss next steps. Please recall the Department requires seven days' notice prior to the start of field work.

Sincerely,



Michael J. Cruden, P.E.  
Director  
Remedial Bureau E  
Division of Environmental Remediation

Enclosure



**Buffalo Urban Development Corporation**

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Item 4.5

**MEMORANDUM**

**TO: Buffalo Urban Development Corporation Board of Directors**  
**FROM: Peter M. Cammarata, President**  
**SUBJECT: 612 Northland – Window Purchase & Installation Work**  
**DATE: July 31, 2018**

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At the July 2017 Board of Directors meeting, the Board approved contracts in the amount of \$192,354 for the purchase and installation of window systems at 612 Northland. Following that approval, and after further review of BUDC’s Memorandum of Agreement with the State Historic Preservation Office (SHPO) regarding the former Houde Engineering Complex and Factory, staff advised our architect for this project (Kathleen Kinan) to re-design the window systems. At this point, the two contractors who had been selected through an informal bid process were notified that the window systems were being re-designed and that BUDC would solicit proposals in 2018.

Earlier this year, after consultation with historic preservation architect Barbara Campagna, Ms. Kinan developed a window system design that was approved by SHPO staff. Tom Mancuso developed a request for proposals based on the new design in June of this year, and responses were received on June 29<sup>th</sup>.

In the RFP, the work was separated into two categories and respondents were permitted to submit proposals on either or both categories:

- 1. Window Replacement – Simulated Steel Window System;
- 2. Window Replacement – Translucent Panel Window System

Our goal in seeking proposals for 612 Northland work is to continue to encourage M/WBE and local contractors to submit proposals. All four of the contractors that submitted proposals for the work are MBEs. Proposals were received from: Aurora Window Systems & Contracting, Inc., DSS Matrix Inc., JJW and Son Construction, and W & W Paint and Glass). Subsequent to the submission deadline, Aurora withdrew its proposal.

W & W Paint & Glass submitted the lowest cost proposal in both replacement categories. The recap based on the total package is:

W & W Paint & Glass	\$511,668.00
JJW and Son Construction	\$573,000.00
DSS Matrix Inc.	\$574,190.00

The BUDC Real Estate Committee discussed this item at the July 24, 2018 meeting and recommended awarding the work to W & W Paint and Glass. This work is eligible for reimbursement through the Restore NY IV 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 W & W Paint and Glass to furnish and install window systems at 612 Northland at a cost of \$511,668.00 and authorize the President or Executive Vice President to execute appropriate agreements with the contractor to perform the work.



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Item 4.6

**MEMORANDUM**

**TO: Buffalo Urban Development Corporation Board of Directors**  
**FROM: David A. Stebbins, Executive Vice President**  
**SUBJECT: Restore NY IV Sub-Grant Agreement - Northland**  
**DATE: July 31, 2018**

On February 15, 2017, Empire State Development (ESD) awarded a Restore NY IV grant to the City of Buffalo in the amount of \$1,912,028 for the Northland Corridor Redevelopment. BUDC is the primary beneficiary of this grant, which is to be used for renovation of two buildings on the former Houdaille Manufacturing Complex site at 537 E. Delavan Avenue: (i) the Heat Treating Building (612 Northland Avenue); and the Eastern Plant Building (541 E. Delavan Avenue).

Empire State Development (ESD) issues Grant Disbursement Agreements (GDA) when the projects are at least 50% completed. BUDC has been proceeding with design and renovations to 612 Northland and has begun preparation of construction documents for the first phase of renovations to 541 E. Delavan. With that work underway, ESD recently submitted a final GDA to the City of Buffalo for final approval and execution.

Since BUDC is the primary beneficiary of this grant to the City, a Subgrant Agreement between the City and BUDC is required. The Subgrant Agreement will:

- Recognize BUDC’s responsibility for completing the work set forth in the grant and the GDA;
- Provide assurances to the City that BUDC will fulfill the terms of the GDA, including reporting requirements and indemnify the City for those obligations; and
- Allow BUDC to submit payment applications directly to ESD for compensation for the contractor work performed in fulfillment of the GDA.

A similar subgrant agreement was executed by BUDC and the City in connection with the City-by-City grant that was used to capitalize the BBRP loan program fund. This item was reviewed by the Real Estate Committee at its July 24, 2018 meeting and recommended for approval by the Board.

**Action**

We are requesting that the Board authorize BUDC to enter into a Subgrant Agreement with the City of Buffalo in connection with the \$1,912,028 Restore NY IV Grant awarded to the City of Buffalo by Empire State Development for the Northland Corridor.