

## Buffalo Urban Development Corporation

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### Buffalo Urban Development Corporation Real Estate Committee Meeting Tuesday, October 22, 2019, Noon 95 Perry Street, 4<sup>th</sup> Floor Vista Room

#### Agenda

- 1) Approval of Minutes – Meeting of 9/17/19 (*Action*) (*Enclosure*)
- 2) Northland Beltline Corridor Projects
  - a) 683 Northland Phase 1.3 – Gilbane C.O. – Area 2 Tenant Improvements (HVAC) (*Recommend*) (*Handout*)
  - b) 683 Northland Phase 2 – Gilbane C.O. - Tenant Improvements (*Recommend*) (*Handout*)
  - c) 683 Northland Phase 2 - Construction Update (*Handout*)
  - d) 683 Northland Phase 2.1 – Gilbane C.O. - NWTC Expansion Construction (*Recommend*) (*Handout*)
  - e) 683 Northland Phase 2.1 – Gilbane C.O. - NWTC Expansion Equipment Installation (*Recommend*) (*Handout*)
  - f) Northland Central – Area 2 Tenant Lease (*Recommend*) (*Handout*)
  - g) Northland Central – Watts - Fee Re-allocation Proposal (*Recommend*) (*Handout*)
  - h) Northland Central – Manna Culinary Group Update
  - i) Northland Central – Tenant Prospects
  - j) 612 Northland – Construction, Contracting & C.O. Update (*Handout*)
  - k) Northland Corridor – 2019-2020 Snow Removal Contract (*Recommend*) (*Handout*)
  - l) Northland Corridor – Community Solar & Microgrid RFP (*Recommend*) (*Handout*)
  - m) Northland Corridor – Future Project & Investment Plan (*Handout*)
  - n) Northland Corridor – Miscellaneous Updates (*Handout*)
  - o) COB / BUDC (NorDel II) Land Exchange Update (*Handout*)
  - p) Plesh / BUDC Land Exchange Update (*Information*)
- 3)
  - a) BLCP – Project Flora Update (*Recommendation*)
  - b) BLCP – Project Chardonnay Update
  - c) BLCP – 255 Ship Canal Parkway Land Sale Update
  - d) BLCP – Parcel 4 Easement Update
- 4) 308 Crowley Update (*Handout*)
- 5) Adjournment (*Action*)

**Minutes of the Meeting  
of the  
Real Estate Committee  
of  
Buffalo Urban Development Corporation**

95 Perry Street  
Buffalo, New York  
September 17, 2019  
12:00 p.m.

Committee Members Present:

Janique S. Curry  
Thomas A. Kucharski  
Brendan R. Mehaffy  
Dennis M. Penman  
Maria R. Whyte

Committee Members Absent:

Kimberley A. Minkel  
Craig A. Slater, Chair

Officers Present:

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

Guests Present: Dawn Boudreau, ECIDA; Evan Y. Bussiere, Hurwitz & Fine, P.C.; Daniel Chorley, Watts Architecture & Engineering; Arthur Hall, BUDC; and Brett Stiehler, Gilbane Building Company.

Roll Call: The meeting was called to order at 12:07 p.m. A quorum of the Committee was present. Agenda items 3.1 and 3.2 were presented at the end of the meeting.

**1.0 Approval of Minutes – Meeting of August 20, 2019** – The minutes of the August 20, 2019 Real Estate Committee meeting were presented. Mr. Kucharski made a motion to approve the meeting minutes. The motion was seconded by Mr. Penman and unanimously carried.

**2.0 Northland Beltline Corridor Projects**

(a) **683 Northland Phase 2 – Construction Update** – The Phase 2 project monthly report was circulated to the Committee. Mr. Stiehler presented the update regarding Phase 2 of the 683 Northland project. He noted that temporary Certificates of Occupancy Areas 4 and 5 have been issued for Areas 4 and 5. Mr. Stiehler also stated that the red shed steelwork is underway and that foundation work will commence soon. Mr. Cammarata noted that M/WBE utilization and workforce participation percentages continue to track favorably against project goals.

(b) **683 Northland Phase 2.1 – NWTC Expansion Equipment Update** – Mr. Stebbins presented his September 17, 2019 memorandum regarding equipment purchases for the Northland Workforce Training Center (NWTC). He reported on the recent purchase of

equipment for a tool library. He noted that students have been required to purchase tooling to participate in classes, and that this cost is burdensome to many students. The tool library will allow students to borrow tools that they would otherwise have to purchase. Mr. Stebbins noted that approximately \$45,336 has been spent to establish the tool library and that this cost will be paid for from the six million dollar equipment grant from Empire State Development (ESD).

**(c) 683 Northland Phase 2.1 – NWTC Expansion Additional Equipment Gilbane**

**Change Order** – Mr. Stebbins presented a proposed Gilbane Building Company change order in the amount of \$107,297.69 for additional work to equip and build out the senior electrical labs. Mr. Stebbins noted that the cost for the senior lab equipment purchases will be paid for with the six million dollar ESD grant. Mr. Kucharski made a motion to recommend that the Board of Directors approve the Gilbane change order in an amount not to exceed \$107,297.69. The motion was seconded by Mr. Penman and unanimously carried.

**(d) 683 Northland Phase 2.2 – Northland Central 3<sup>rd</sup> Floor Office Buildout Change**

**Order** – Mr. Cammarata presented a proposed Gilbane Building Company change order in the amount of \$729,116.66 to build out the third floor at 683 Northland for office space. He explained that there is a market demand from small businesses for this type of space. Some of the space may be shared, depending on the tenant mix. Mr. Cammarata noted that the cost of this work will be funded through the Phase 2 construction contingency for the project, of which approximately \$2.2 million dollars remains. He also noted that this cost is a “not-to-exceed” amount and that value engineering will be employed to reduce the cost. In response to a question from Ms. Whyte, Mr. Cammarata indicated that the preferred lease term is three years at market-rate rent. Mr. Kucharski made a motion to recommend that the Board of Directors approve the change order in the amount not to exceed \$729,116.66. The motion was seconded by Ms. Whyte and unanimously carried.

**(e) Northland Central – Manna Culinary Group Lease Update**

– Mr. Stebbins presented an update regarding the Manna Culinary Group lease. He stated that the negotiated lease incorporates the letter of intent terms previously provided to the Committee, and that it is anticipated that Manna will occupy the space as of September 30<sup>th</sup>. He also circulated a handout that sets forth the graduated base rent schedule for the space and noted that Manna has made an initial start-up investment of \$20,000. He also reminded the Committee that all existing restaurant equipment owned by the landlord has been inventoried and tagged. Ms. Whyte made a motion to recommend that the Board of Directors approve the lease to Manna Culinary Group based on the terms of the letter of intent. The motion was seconded by Mr. Penman and unanimously carried.

**(f) Northland Central – Manna Culinary Group Renovation & Equipment Gilbane**

**Change Order** – Mr. Stebbins presented a handout regarding a proposed Gilbane Building Company change order in the amount of \$34,171 to purchase and install restaurant equipment. The equipment will be owned by the landlord. Mr. Cammarata noted that the cost of this work will be funded through the Phase 2 construction contingency for the project. Mr. Penman made a motion to recommend that the Board of Directors approve the change order in the amount of \$34,171. The motion was seconded by Ms. Whyte and unanimously carried.

**(g) 541 E. Delavan – 34 Group Core & Shell Phase 1B Re-Bid (Structural Steel,**

**Bracing & Roof Deck)** – Mr. Stebbins presented a letter of recommendation from 34 Group which outlines the five proposals received by the 34 Group for structural steel, bracing and steel roof deck construction work at 541 E. Delavan. All bids were received by August 29<sup>th</sup> and de-scoped by the 34 Group. Mr. Stebbins reminded the Committee that this work was re-bid because the initial set of bids received from contractors did not provide for any M/WBE

participation. Apollo Steel Corp. submitted the lowest bid for this work in the amount of \$901,635, which amount also included column G3 concrete and excavation work. Mr. Stebbins noted that Apollo Steel's proposal includes utilization goals of 44% for MBE and 5% for WBE. The cost of this work is eligible for reimbursement through the Restore NY grant, with a 10% match from the Buffalo Brownfields Redevelopment Fund. Mr. Penman made a motion to recommend that the Board of Directors approve the proposal from Apollo Steel Corp. in the amount of \$901,635 for the structural steel work at 541 E. Delavan. The motion was seconded by Mr. Kucharski and unanimously carried.

- (h) **612 East Delavan – Parking Lot Paving & Striping** – Mr. Cammarata presented proposals from Louis Del Prince & Sons Inc. and Rodriguez Construction Group regarding parking lot paving and striping work at 612 Northland. He stated that there is a need for additional parking in the corridor and that BUDC has identified the renovation of this lot as one opportunity to address the need for parking. The recommendation is to accept the proposal from Rodriguez Construction Group. The company is an MBE and submitted the lowest cost proposal for the work. Mr. Cammarata stated that the cost of this work will be reimbursable from the Restore NY grant. He also noted that additional parking for the corridor is being acquired by striping the front parking area at the 714 Northland property. Mr. Penman made a motion to recommend that the Board of Directors approve the lump sum proposal from Rodriguez Construction Group in the amount of \$36,227 for the preparation, tack coating, two inch overlay and striping of the portion of the parking lot at 612 Northland. The motion was seconded by Mr. Kucharski and unanimously carried.
- (i) **612 Northland – Construction, Contracting & Change Order Update** – Mr. Cammarata circulated a handout regarding construction costs to date and a list of contractors for the work at 612 Northland. The build-out work remains on schedule to be completed by the end of September. Mr. Cammarata noted that approximately two million dollars has been expended on the rehabilitation project to date and that 60% of the work has been performed by certified MBE firms or those seeking such certification. He noted that approximately \$78,659 of the total amount expended will be reimbursed by the Regionally Significant Project Fund and that \$35,000 of the total amount will be reimbursed by the Albright-Knox Art Gallery.
- (j) **Northland Corridor – Miscellaneous Update** – Mr. Hall updated the Committee regarding the Northland Brownfield Opportunity Area (BOA). The BOA planning team has been working to finalize the BOA mapping for the area and is developing a multi-phased strategic plan for the corridor. He estimates that the BOA plan will be submitted to the New York Department of State by early 2020. He then reported that the NWTC will host an AmeriCorps Vista group, and that there will be a stakeholders meeting in October to discuss the Opportunity Zone potential for the corridor. Mr. Hall also reported that a contractor has been selected to hang the banners on light fixtures along Northland Avenue and Schauf Street.
- (k) **NorDel II BUDC/COB/BURA Land Swap Update** – Mr. Cammarata stated that he will attend the public hearing for this transaction, which will be held in October. Once the public hearing is held, the Common Council will consider an item approving the land exchange transaction.
- (l) **Plesh Gate & Land Swap Update** – Mr. Bussiere reported that Plesh and BUDC representatives have walked the site again and confirmed the swap areas. Final mapping has been ordered. Upon receipt of the final maps, the land exchange agreement will be negotiated, and the requisite ABO notice will be submitted. He estimated that the deal should be finalized by the end of the winter.

**3.0 Buffalo Lakeside Commerce Park**

- (a) **BLCP – Project Chardonnay Update** – Mr. Penman made a motion for the Committee to enter into executive session to discuss the proposed Project Chardonnay real estate sale transaction on the basis that public discussion of the transaction would substantially affect the value of the property. The motion was seconded by Mr. Kucharski and unanimously carried. At the conclusion of executive session, Mr. Penman made a motion to exit executive session. The motion was seconded by Ms. Curry and unanimously carried. No votes were taken during executive session.
- (b) **BLCP – Project Flora Update** – Mr. Cammarata reported on a request from the developer for an extension of the due diligence period.
- (c) **BLCP – 255 Ship Canal Parkway Land Sale Update** – Presentation of this item was deferred.
- (d) **BLCP – Parcel 4 Easement Update** – Mr. Bussiere reported that a revised survey including all four parcels has been ordered. Upon receipt, the environmental easement package will be revised and submitted to NYSDEC.

**4.0 308 Crowley Update** – Mr. Cammarata updated the Committee regarding the sale of 71 Isabelle to Enterprise Box. He stated that the terms of the land sale agreement have been finalized and is awaiting purchaser signature.

**5.0 Other COB Brownfield Opportunities** – Mr. Cammarata reported on a site that may be of interest to BUDC that is located in the Clinton/Bailey neighborhood.

**6.0 Adjournment** – There being no further business to come before the Committee, upon motion made by Ms. Curry, seconded by Mr. Kucharski and unanimously carried, the September 17, 2019 meeting of the Real Estate Committee was adjourned at 2:00 p.m.

Respectfully submitted,



Kevin J. Zanner  
Secretary