

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Board of Directors Meeting

Date: Tuesday, January 28, 2020 Time: Noon

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

1.0 CALL TO ORDER

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

3.0 MONTHLY FINANCIAL REPORTS

3.1 Finance Update & Audit Plan For Fiscal Year Ending December 31, 2019 *(Information)*

4.0 NEW BUSINESS

4.1 Northland Central – Areas 4, 5 & 8 Lease Approval *(Action) (Handout)*

4.2 683 Northland Phase 2.1 – NWTC Equipment Purchases Update *(Information) (Handout)*

4.3 683 Northland Phase 3 – Gilbane C.O. - Tenant Improvements *(Action) (Enclosure)*

4.4 Land Exchange Transaction – NorDel II & Plesh Contract Packaging *(Action) (Enclosure)*

4.5 Northland Corridor Strategic Energy Concept – Dennis Elsenbeck *(Information)*

4.6 612 Northland / AKAG – Construction Update *(Information)*

4.7 Northland Beltline Corridor Project Update *(Information) (Handout)*

4.8 Buffalo Building Reuse Project Update *(Information)*

4.9 Waterfront-RCWJ Centennial Park Project Update *(Information)*

4.10 Buffalo Lakeside Commerce Park 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 Meeting
of the
Board of Directors
Buffalo Urban Development Corporation**

683 Northland Avenue
Buffalo, New York 14211
November 26, 2019
12:00 p.m.

1.0 Call to Order

Directors Present:

Hon. Byron W. Brown (Chair)
James W. Comerford
Dennis W. Eisenbeck
Darby Fishkin
Dottie Gallagher
Thomas Halligan
Thomas R. Hersey, Jr.
Thomas A. Kucharski
Amanda Mays
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Darius G. Pridgen
Craig A. Slater
Maria R. Whyte

Directors Absent:

Trina Burruss
Janique S. Curry
Michael J. Finn
Dennis M. Penman (Vice Chair)

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; Evan Y. Bussiere, Esq., Hurwitz & Fine, P.C.; David Dittmar, 34 Group, Inc.; James Fink, *Buffalo Business First*; Eamon Reilly, Buffalo Niagara Partnership; Garrett Gruendike, Gilbane Building Company; Arthur Hall, BUDC; and Brett Stiehler, Gilbane Building Company.

Roll Call – The meeting was called to order at 12:08 p.m. The Secretary called the roll of directors and a quorum was determined to be present. Agenda items 4.12 and 4.8 were presented first, followed by the remaining agenda items in order. Mr. Slater joined the meeting during the presentation of item 4.12. Mayor Brown joined the meeting during the presentation of item 4.8. Ms. Whyte joined the meeting during the presentation of item 4.5.

2.0 Presentation of the Minutes – The minutes of the October 29, 2019 meeting of the Board of Directors were presented. Mr. Comerford made a motion to approve the meeting minutes. The motion was seconded by Mr. Hersey and unanimously carried (14-0-0).

- 3.0 Monthly Financial Reports** – Ms. Profic presented the financial statements for 683 Northland Master Tenant, LLC and the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending October 31, 2019. Ms. Gallagher made a motion to accept the financial report. The motion was seconded by Ms. Fishkin and unanimously carried (14-0-0).

4.0 New Business

- 4.1 Ralph C. Wilson Jr. Centennial Park – MVVA Contract Amendment** – Mr. Stebbins presented his November 26, 2019 memorandum regarding a proposed amendment to the schematic design contract with Michael Van Valkenburgh Associates Inc. (MVVA). Mr. Stebbins explained that when this contract was approved by the Board last May, the scope of work included in the contract was based on information developed prior to the completion of conceptual design and before the full scope of the schematic design was known. Since then, the project design has evolved to include more complex shoreline treatments and other ecological features that require more extensive work and investigation by MVVA and its subconsultants. The cost of this additional work is \$250,000. Mr. Stebbins also explained that the MVVA team completed a design competition and consultant selection process for the design of a pedestrian bridge for the project. At the time the schematic design contract was approved, it was unclear whether the pedestrian bridge design work would be included in the MVVA contract or under a separate contract. The project team has determined that the project is best served by having MVVA contract with the bridge consultant. As a result, funding for this subconsultant work would be included in the schematic design contract. The proposed cost for the bridge schematic design is \$250,000. Mr. Stebbins indicated that there is sufficient funding available in the second Ralph C. Wilson, Jr. Foundation grant to BUDC to cover the increased cost. He also noted that the requested increase has been reviewed with the project team members from the City of Buffalo and the Ralph C. Wilson, Jr. Foundation and that all parties support the request. The Downtown Committee reviewed the proposed contract amendment at its November 20, 2019 meeting and recommended Board approval. The Board discussed the proposed contract amendment. In response to a question from Ms. Gallagher, Mr. Stebbins confirmed that long-term maintenance costs are an important consideration, and will be addressed as part of the design process. At the conclusion of the discussion, Mr. Nasca made a motion to increase the existing schematic design contract with Michael Van Valkenburgh Associates Inc. in the amount of \$500,000 and to authorize the President or Executive Vice President to execute and deliver the contract amendment. The motion was seconded by Ms. Mays and unanimously carried (14-0-0).
- 4.2 Ralph C. Wilson Jr. Centennial Park – Project Management Contract** – Mr. Stebbins presented his November 26, 2019 memorandum regarding the Request for Proposals (RFP) for project management services for the design and construction phases of the Ralph C. Wilson Jr. Centennial Park Project. He noted that the RFP was issued on August 19, 2019 and that seven firms submitted proposals. A review team comprised of representatives from BUDC, the City of Buffalo and the Ralph C. Wilson, Jr. Foundation evaluated the proposals and selected two firms for interviews. The consensus of the review team was to recommend awarding the project management work to Gardiner & Theobald Inc. (G&T). Mr. Stebbins stated that the review team was impressed in particular with the consultant's experience with large, complex parks and recreation projects. Mr. Stebbins also noted that G&T has agreed to M/WBE utilization goals of 25% MBE and 5% WBE. The estimated cost for the initial 25 month engagement is \$884,000 and will be paid with funding from the first grant agreement with the Ralph C. Wilson Jr. Foundation. The Board discussed the proposed contract award. Mr. Slater asked about funding for the services of the project manager beyond the initial design phase. Mr. Stebbins indicated that additional grant funding from the Ralph C. Wilson Jr. Foundation is anticipated for that work. At the end of the discussion, Ms. Gallagher made a motion to (i) approve the selection of Gardiner & Theobald Inc. as project manager for the Ralph C. Wilson Jr. Centennial Park Project; (ii) approve an initial design-phase contract through December 2021 for a total cost of \$884,000 and (iii) to authorize the President or Executive Vice President to execute the contract and take such actions as are

reasonably necessary to deliver this scope of work. The motion was seconded by Mr. Pridgen and unanimously carried (14-0-0).

4.3 Northland Projects – Interim Funding / Buffalo Brownfields Redevelopment Fund

Mr. Stebbins presented his November 26, 2019 memorandum regarding a request for authorization to utilize up to one million dollars from the Buffalo Brownfields Redevelopment Fund (BBRF) as temporary bridge funding for projects in the Northland Corridor that are funded with Restore NY grants. Mr. Stebbins explained that funding from the Restore NY grant program is disbursed on a reimbursement basis only, so BUDC is required to expend funds in order to seek reimbursement. He noted that reimbursement requests are processed on a quarterly basis, which has created cash-flow pressure with respect to BUDC's ongoing obligations to fund various projects. The Real Estate Committee reviewed this request at its November 19th meeting and recommended Board approval of this request. Mr. Mehaffy made a motion to (i) authorize BUDC to utilize up to one million dollars from the BBRF for a period of one hundred twenty (120) days to advance payments for projects in the Northland Corridor that are designated for Restore NY grant funding, with such amount to be repaid to the BBRF from Restore NY funds and (ii) authorize the President, Executive Vice President or Treasurer to execute and deliver such agreements and documents and to take such actions as may be reasonably necessary or appropriate to implement this action. The motion was seconded by Mr. Comerford and carried with thirteen affirmative votes (13-0-1). Ms. Mays abstained from the vote.

4.4 541 E. Delavan Phase I – Apollo Dismantling Change Order

– Mr. Cammarata presented his November 26, 2019 memorandum regarding a change order to the Apollo Dismantling contract for select demolition and environmental remediation work at 541 E. Delavan. He noted the additional work includes lead abatement, masonry wall removal and foundation removal. The cost of this work is \$105,190 and reimbursable through the Restore NY V grant. The requested change order was reviewed by the 34 Group and Watts Architecture & Engineering. The Real Estate Committee reviewed the proposed change order at its November 19th meeting and recommended Board approval. Ms. Minkel made a motion to amend the existing construction management agreement with Apollo Dismantling Services LLC for select demolition and environmental remediation work at 541 E. Delevan Avenue for an additional cost of \$105,190 and to authorize the President or Executive Vice President to execute and deliver the amendment to the construction contract on behalf of NorDel I, LLC. The motion was seconded by Mr. Hersey and carried with thirteen affirmative votes (13-0-1). Ms. Mays abstained from the vote.

4.5 541 E. Delavan Phase I – 34 Group CM Contract Extension

– Mr. Stebbins presented his November 26, 2019 memorandum regarding a proposal from the 34 Group to extend its construction management agreement through June 30, 2020. He noted that the project work was to have been completed by December 31, 2019, however the rejection of construction bids and other delays pushed back the project completion date. 34 Group is proposing an extension of the contract in the amount of \$146,928 to extend services through June 30, 2020. Mr. Stebbins noted that the Real Estate Committee reviewed the proposed extension at its November 19, 2019 meeting and recommended Board approval. The cost of the work will be paid with the Restore NY V grant funds. The Board discussed the proposed amendment. In response to a question from Mr. Pridgen, Mr. Stebbins confirmed that re-bidding the contractor work resulted in much better M/WBE participation. Mr. Pridgen asked about what trades are lacking M/WBE participation. Mr. Cammarata responded that M/WBE participation at Northland has been the most challenging in the roofing, steel erection and sprinkler system trades. At the end of the discussion, Mr. Eisenbeck made a motion to amend the existing construction management agreement with the 34 Group to extend services through June 30, 2020 and increase the construction value to \$3.5 million for the 541 E. Delavan Avenue renovation project at a not-to-exceed cost of \$146,928, and to authorize the President or Executive Vice President to execute and deliver the amendment to the construction management agreement on behalf of NorDel I, LLC. The motion was seconded by Mr. Hersey and carried with fourteen affirmative votes (14-0-1). Ms. Mays abstained from the vote.

- 4.6 683 Northland Phase 2.1 – NWTC Sr. Lab Equipment Purchases** – Mr. Stebbins presented his November 26, 2019 memorandum regarding additional purchases of senior lab equipment for the NWTC. The total amount of these purchases is \$251,184.93. Mr. Stebbins noted that the cost for the equipment will be paid for with the six million dollar ESD equipment grant. He estimated that approximately \$615,000 will be left in grant funds after these purchases. He also noted that there would be one additional round of purchases to be presented for Board approval next month. Mr. Stebbins referred to the sourcing letters for the purchases and stated that the purchases were procured competitively. He noted that the Real Estate Committee reviewed the purchases at its November 19, 2019 meeting and recommended Board approval. Ms. Gallagher made a motion to authorize the execution of purchase orders for Senior Lab equipment with Rexel, Graybar, Grainger and JMAC for a total purchase amount, with contingencies of \$251,184.93. The motion was seconded by Mr. Nasca and carried with fourteen affirmative votes (14-0-1). Ms. Mays abstained from the vote.
- 4.7 683 Northland Phase 3 – Gilbane Change Order – Tenant Improvements** – Mr. Stebbins presented his November 26, 2019 memorandum regarding a proposed Gilbane Building Company change order in the amount of \$116,617.38 to complete improvements to Areas 4 & 5 at 683 Northland. The work includes installation of LED lighting for the main floor and the installation of exterior wall panels at the overhead door infills. Mr. Stebbins noted that the cost of this work will be funded through the Phase 2 construction contingency for the project. The Real Estate Committee reviewed the proposed change order at its November 19, 2019 meeting and recommended approval of the change order. Mr. Comerford made a motion to amend the existing construction management agreement with Gilbane Building Company to cover the cost of installing LED lighting and overhead door openings for Areas 4 & 5 at a cost of \$116,617.38, to authorize the President or Executive Vice President to reallocate \$116,617.38 in Owner's Contingency to the Gilbane Building Company contract and to execute and deliver the amendment to the construction management agreement on behalf of 683 Northland LLC. The motion was seconded by Mr. Halligan and carried with fourteen affirmative votes (14-0-1). Ms. Mays abstained from the vote. Mr. Pridgen left the meeting after the vote.
- 4.8 683 Northland Phase 2 – Construction Update** – Mr. Stebbins provided the Board with an update regarding the completion of Phase 2 of the project. Mr. Stebbins noted that Area 9 (red shed) should be completed by the end of February and the bathrooms in Area 8 will be completed next week. He also indicated that the Phase 2 project will be closed out by the end of the year and only a few punch list items remain. M/WBE utilization and workforce participation percentages continue to track favorably against project goals (26.1% MBE; 7.1% WBE).
- 4.9 Northland Beltline Project Update** - Mr. Hall circulated a handout and provided an update regarding the progress of the construction projects at 612 Northland, 537 and 541 E. Delavan Avenue. Mr. Hall then discussed progress on the Brownfield Opportunity Area (BOA) collaboration with LISC and noted that there will be a December 3rd Northland Stakeholders follow-up meeting to discuss the BOA project. He also reported on the prospect of hosting an Urban Manufacturing Alliance conference at the NWTC in summer of 2020.
- 4.10 Buffalo Building Reuse Project Update** – Ms. Merriweather presented an update regarding Buffalo Building Reuse Project matters. Ms. Merriweather provided a progress report on the entertainment district project and noted that a stakeholder's meeting is planned to discuss the potential maintenance issues for the district after the improvement are completed. She reported on an M&T presentation to the Downtown Committee last week and updated the Board regarding the Ellicott Node Concept Plan. She also reported that a meeting regarding the Court Street and Franklin Street improvements. There will be another meeting in January to continue the effort to coordinate waterfront development. Ms. Merriweather completed her report with an update on the Queen City Pop-up program and Small Business Saturday on November 30th.

4.11 Waterfront-RCWJ Centennial Park Project Update – Mr. Stebbins reported on efforts to obtain additional funding for park project initiatives, with an emphasis on attracting funds for waterfront work. Mr. Mehaffy noted that the recent storm event resulted in significant damage to the waterfront, including the park area and seawalls. Mr. Stebbins noted that the design for the park will take into consideration these types of weather events.

4.12 Information Package – Mr. Cammarata reviewed with the Board the informational, marketing and media materials that were included in the monthly information package.

5.0 Late Files – None.

6.0 Tabled Items – None.

7.0 Executive Session – None.

8.0 Adjournment – Upon motion made by Mr. Comerford, seconded by Mr. Kucharski and unanimously carried, the November 26, 2019 meeting of the Board of Directors was adjourned at 1:15 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary

Item 4.1

As indicated on the agenda, Item 4.1 will be handed out to all Board members at the meeting.

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Item 4.3

MEMORANDUM

TO: BUDC Board of Directors
FROM: David A. Stebbins, Executive Vice President
SUBJECT: 683 Northland Phase 3: Gilbane CO Tenant Improvements (Areas 4 & 5)
DATE: January 28, 2020

As we previously discussed with the Board, preparing vacant tenant spaces for future tenants is a priority for additional work at Northland Central, 683 Northland Avenue. One of the prime, available industrial spaces in the complex is the “1981 Building” and adjoining space (Areas 4 & 5 on the attached floor plan). We have proposed a series of improvements:

1. Restrooms;
2. New lighting;
3. New concrete floor.

Construction of the restrooms were previously approved by the Board (August 27, 2019) and is nearly complete. Installation of new, energy-efficient lighting and other improvements were approved by the Board in November and is also complete. Gilbane Building Company has submitted a proposed Change Order for the third and last set of these improvements – concrete flooring, as well as additional work to provide upgraded electrical service to the space and inspection and repairs of the overhead crane, as well as other minor improvements. The proposed cost of this construction is \$537,523.67. A copy of the Change Order summary is attached to this memorandum.

Funding for this work would come from the balance of the Empire State Development (ESD) Grant for Training Center equipment (AC426). As per our agreement with ESD, any funds remaining from this \$6 million grant can be used for construction at 683 Northland Avenue. There is currently over \$700,000 remaining in this grant, with one last set of purchases for Photovoltaic and Wind equipment, estimated to cost approximately \$100,000. Therefore, there is more than sufficient funds to cover the cost of this work.

This proposal was reviewed with the Real Estate Committee at its January 21, 2020 meeting and recommended for approval by the Board.

ACTION:

We are requesting Board authorization to amend the existing construction management agreement with Gilbane Building Company to cover the cost of concrete flooring, upgrading electrical service, repairing the overhead crane and other minor improvements for Areas 4 & 5 at a cost of \$537,523.67; and to authorize the President or Executive Vice President to execute and deliver the amendment to the construction management agreement on behalf of 683 Northland LLC.



Scope / Work Description	BP# / Trade Contractor / Vendor Info	DVBE			Bid		Dollars		DVBE
		Trade Contractor	DVBE %	Type	Reference Number	Type	Budget Amount	Current Participation	
ASI-084 - Area 6/8 Concrete									
- 02A - Demolition of Existing Stairs	Louis Del Prince		0.00%		OS-00066	Proposal (1)		2,580.00	-
- 02A - Narrow Pit, Fluid / Solid Disposal	Total Wrecking, Inc.		0.00%		OS-00066	Estimate		45,000.00	-
- 03A - Concrete Flatwork and Reinforcing	TBD (M/S, Rodriguez, State Group)		30.65%		OS-00066	Bid (3)		195,500.00	60,000.00
- 03A - Narrow Pit, Flowable Fill	TBD (LaFarge / Pump Truck Supplier)		0.00%		OS-00066			Included Above	-
- 08A - General Trades	34 Group Inc.	MBE	100.00%		OS-00066	T&M Budget		4,000.00	4,000.00
- 08A - Doors/Frames/Hardware	34 Group Inc.	MBE	100.00%		OS-00066	Proposal (1)		477.00	477.00
- 08A - Doors/Frames/Hardware	34 Group Inc.	MBE	100.00%		OS-00066	Estimate		1,000.00	1,000.00
- 09D - Wood Block Flooring Replacement	34 Group Inc.	MBE	100.00%		OS-00066	T&M Budget		5,000.00	5,000.00
- 999 - Gilbane Contingency					OS-00066	Budget		15,000.00	-
- 021A - Fire Protection Allowance	W.M.T Spaeder				OS-00066	Budget		15,000.00	-
- 26A - Basement Lighting	Frey Electrical Contractors, Inc.		0.00%		OS-00066	Proposal (1)		2,901.53	-
ASI-084 - Area 6/8 Concrete	Sub Total		24.60%					286,458.53	70,477.00
200T Crane Inspections / Testing / Rebuild									
- 14A - 200T Crane Inspection	Simmers Crane		0.00%		OS-00067	Proposal (1)		1,370.50	-
- 14A - Electrical Repair 200T Crane	Simmers Crane		0.00%		OS-00067	Proposal (1)		7,120.00	-
- 14A - Repair and Inspection 200T Crane	Simmers Crane		0.00%		OS-00067	Proposal (1)		9,950.00	-
- 26A - 200T Crane Temp Power	Frey Electrical Contractors, Inc.		0.00%		OS-00067	Proposal (1)		981.21	-
200T Crane Inspections / Testing / Rebuild	Sub Total		0.00%					19,421.71	-
200T Crane Electrical Re-Feed									
- 26A - 200T Crane Power Re-feed	Frey Electrical Contractors, Inc.		0.00%		OS-00108	Proposal (1)		41,098.01	-
200T Crane Inspections / Testing / Rebuild	Sub Total		0.00%					41,098.01	-
81 Building 2100 Amp Service Feed and Meter									
- 26A - 2100 Amp Re-feed	Frey Electrical Contractors, Inc.		0.00%		OS-00095	Proposal (1)		31,365.76	-
- 26A - 2100 Amp Metering	Frey Electrical Contractors, Inc.		0.00%		OS-00095	Proposal (1)		14,800.00	-
81 Building 2100 Amp Service Feed and Meter	Sub Total		0.00%					46,165.76	-
81 Building Exterior Improvements									
- 08A Exterior Trim and Sheeting	Arrow Sheetmetal / 34Group	WBE	100.00%		OS-00113	Proposal (1)		1,811.00	1,811.00
- 08A Exterior Trim and Sheeting	Wader Construction		0.00%		OS-00113	Proposal (1)		2,712.32	-
- 08A Fill Wall Gap Between Buildings	TBD	MBE	100.00%		OS-00113	T&M Budget		4,500.00	4,500.00
81 Building Exterior Improvement	Sub Total		69.94%					9,023.32	6,311.00
ASI-083R1 - Revisions to Area 8 Toilet Rooms									
- 26A - Electrical for additional Equipment	Frey Electrical Contractors, Inc.		0.00%		OS-00110	Proposal (1)		3,965.34	-
ASI-083R1 - Revisions to Area 8 Toilet Rooms	Sub Total		0.00%					3,965.34	-
General Conditions, Requirements and Insurance									
- 01A General Conditions	34Group, Inc.	MBE	17.56%		OS-00046			100,687.00	17,680.00
- 01A General Requirements	34Group, Inc./ Rodriguez CG	MBE	71.59%		OS-00046			8,800.00	6,300.00
- 01A Insurances (2.565%)					OS-00046			11,570.00	-
- 01A Fee (1.95%)					OS-00046			10,334.00	-
General Conditions, Requirements and Insurance	Sub Total		18.25%					131,391.00	23,980.00
Total			18.75%					\$ 537,523.67	\$ 100,768.00

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Item 4.4

MEMORANDUM

TO: BUDC Board of Directors

FROM: David A. Stebbins, Executive Vice President

SUBJECT: Land Exchange Transaction - NorDel II & Plesh Contract Packaging

DATE: January 28, 2020

For several months, BUDC has been working with representatives of Plesh Contract Packaging, Inc. (“Plesh”) on a land exchange transaction involving multiple parcels of real property located adjacent to 683 Northland, Northland Central. Plesh owns and operates the manufacturing facility located at 701 Northland Avenue, on the eastern side of Northland Central. As additional tenants locate to Northland Central, there is a need for additional parking to support the project, and particularly for the future tenant of the 1981 building at 683 Northland. BUDC has identified vacant land behind Plesh’s building and directly adjacent to the 1981 building for additional parking.

BUDC’s subsidiary company NorDel II, LLC (“NorDel”) owns the following parcels: 741 Northland Avenue, 128 Dutton Avenue and 126 Dutton Avenue. These parcels are currently vacant and/or underutilized. As shown on the maps attached to this memorandum, the NorDel properties to be transferred to Plesh are: a .245+/- acre portion of 741 Northland Avenue (“Area B”) and a .469+/- acre area including all of 128 Dutton Avenue and a portion of 126 Dutton Avenue (“Area C”).

Plesh owns the following parcels: 699 Northland Avenue, 124 Dutton Avenue and 701 Northland Avenue. As shown on the maps attached to this memorandum, the Plesh properties to be transferred to NorDel are: a .075+/- acre northern portion of 699 Northland Avenue (“Area A”) and a .351+/- acre area including all of 124 Dutton Avenue, a portion of 701 Northland Avenue and a southern portion of 699 Northland Avenue (“Area D”).

As part of its due diligence, BUDC obtained appraisals of the NorDel parcels and Plesh parcels. The appraised values are as follows: Area A - \$10,000; Area B - \$17,000; Area C - \$17,000 and Area D - \$18,000. The total appraised value of the Plesh parcels (Areas A&D) is \$28,000 and the total appraised value of the NorDel parcels (Areas B&C) is \$34,000.

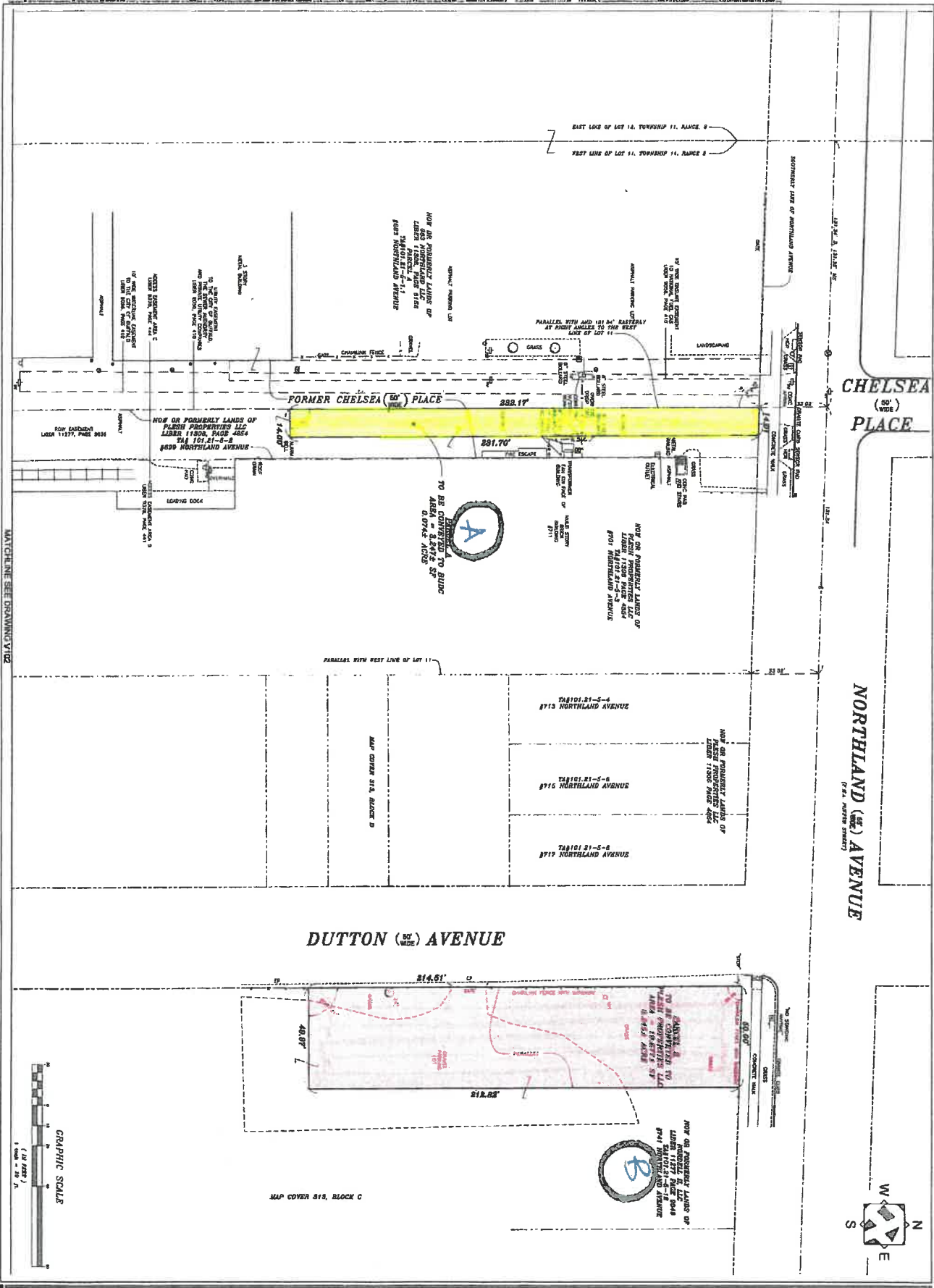
In accordance with the BUDC Property Disposition Guidelines, the sale or exchange of real property for less than its fair market value requires a determination by the Board that there is no reasonable alternative to the transaction that would accomplish the same purpose as the proposed exchange. BUDC executive staff is recommending that the Board make this determination based on the following: (i) there are no other suitable parcels adjacent to 683 Northland (and in particular the 1981 building) for parking; (ii) the NorDel parcels are not appropriate for the development of parking or other uses; and (iii) the acquisition of the Plesh parcels will provide an important benefit by adding an essential amenity (tenant parking) to the project.

In connection with the land exchange Plesh, NorDel and 683 Northland LLC will also enter into a new easement agreement for Areas A and D to replace the existing ingress/egress easement entered into between the previous property owners, which will be made obsolete upon the exchange. The new easement agreement will provide for ingress/egress rights for all parties over the former Chelsea Place, the driveway between the 683 Northland and Plesh buildings. There will also be an associated agreement entered into between Plesh and 683 Northland regarding the preservation of the existing gate across Chelsea Place and the installation and maintenance of a new gate.

The land exchange transaction is contingent upon Board approval and the execution of a Land Exchange Agreement between NorDel and Plesh. This item was reviewed by the Real Estate Committee at its December 10th meeting and recommended for approval.

ACTION:

We are requesting that the Board of Directors: (i) approve the exchange of the NorDel parcels for the Plesh parcels; (ii) determine that there is no reasonable alternative to the proposed transaction that would accomplish the same purpose as the exchange; and (iii) authorize the President or Executive Vice President to execute and deliver a land exchange agreement on behalf of NorDel II, LLC and to take any and all actions that are necessary or appropriate in connection with the land exchange and closing of the transaction.



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