

Minutes of the Real Estate Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
Buffalo, New York 14203
October 24, 2017
12:00 p.m.

Call to Order

Committee Members Present:

Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
Craig A. Slater (Chair)
Maria R. Whyte

Committee Members Absent:

Janique S. Curry
Dennis M. Penman

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Brandy Merriweather, Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Bradley Bach, Assistant Treasurer

Others Present: Dawn Boudreau, ECIDA; Marie Carone, Watts Architecture & Engineering; Terry LoConte, Gilbane Building Company; and Brett Stiehler, Gilbane Building Company.

Roll Call – The Secretary called the roll at 12:05 p.m. and reported that a quorum of the Committee was present. Ms. Whyte joined the meeting during the presentation of item 2(a).

1.0 Presentation of Meeting Minutes – The minutes of the September 19, 2017 meeting of the Real Estate Committee were presented. Mr. Mehaffy made a motion to approve the meeting minutes. The motion was seconded by Ms. Minkel and unanimously carried.

2.0 Northland Beltline Project

(a) **683 Northland – Gilbane Guaranteed Maximum Price Submission** – Mr. Stebbins presented a proposed recommendation relating to the approval of a guaranteed maximum price (GMP) amendment to the construction management agreement between BUDC and Gilbane Building Company. Mr. Stebbins noted that BUDC executive staff, Committee member Tom Kucharski and Gilbane representatives conducted three working sessions regarding the GMP. Mr. Stebbins then reviewed with the Committee a color-coded GMP summary that identifies work already awarded (green), work for which bids have been received (yellow) and work not yet bid or which will be performed directly by Gilbane (orange). He explained the owner allowances and owner contingency items. The proposed total GMP value is \$44,110,517. Mr. LoConte then spoke about the GMP process, noting that significant time in the working sessions was devoted to value engineering. Mr. Kucharski commented that it was an iterative process and that there was great interaction and collaboration among the consultants to maximize value. The Committee discussed the proposed GMP amendment. In response to a question from Mr. Mehaffy, Mr. Stebbins explained the difference between items that were rejected as

alternates and those items that were excluded from the GMP entirely. The Committee also discussed potential costs for Phase II of the project. At the conclusion of the discussion, Mr. Kucharski made a motion to recommend that the Board of Directors approve a guaranteed maximum price amendment to the BUDC-Gilbane construction management agreement in the amount of \$44,110,517. The motion was seconded by Ms. Minkel and unanimously carried.

- (b) **683 Northland – SJB Special Inspection Services Proposal** – Mr. Stebbins presented a proposed recommendation to award a contract for third party field testing and construction inspections for the 683 Northland construction project. Mr. Stebbins noted that the third party inspection work must be conducted by an independent third party--as a result, neither Gilbane nor Watts Architecture & Engineering may retain the inspector. Mr. Stebbins indicated that BUDC issued a written request for proposals and solicited three firms to provide the services. Two firms, SJB Services Inc. and CME Associates, submitted written proposals. Based on a review of the written proposals and input from Gilbane, executive staff is recommending a contract with SJB Services Inc. for a not-to-exceed amount of \$40,000. Mr. Stebbins indicated that the primary justification was the difference in cost of a single technician/engineer that can perform multiple tests. SJB's daily rate is \$270.00 while CME's daily rate was \$480.00. Ms. Minkel made a motion to recommend that the Board of Directors approve a contract with SJB Services Inc. in an amount not to exceed \$40,000. The motion was seconded by Mr. Kucharski and unanimously carried.
- (c) **683 Northland – Tax Credit Transaction Update** – Mr. Stebbins presented a brief update regarding the tax credits transaction. It is anticipated that the transaction will close in mid to late November.
- (d) **683 Northland – Buffalo Billion Phase II State Incentive Commitment Letter** – Mr. Stebbins reviewed the October 2, 2017 incentive commitment letter received from Empire State Development (ESD). Mr. Stebbins explained that ESD is expected to provide an incentive of up to 21.5 million dollars to build out additional space at 683 Northland for Buffalo Manufacturing Works.
- (e) **683 Northland – Construction Update** – Mr. Stebbins asked Brett Stiehler to update the Committee regarding progress on the construction of the WNY workforce training center. Mr. Stiehler reported that demolition and asbestos abatement work will wrap up in the next month or so. Inside painting work is underway. Half of the roof has been removed to make way for the new roof decking. Framing work will begin next week, and masonry work is ongoing.
- (f) **683 Northland – Leases & Prospects Update** – Mr. Stebbins updated the Committee regarding potential lease prospects, including a video production/marketing firm that is interested in the 681 Northland building. Ms. Whyte asked about the type of tenants that BUDC is seeking. Mr. Cammarata responded that BUDC has a Board-adopted leasing policy in place, and noted that the LiRo Engineers redevelopment study provided good insight on this issue. Mr. Cammarata then updated the Committee regarding a potential prospect for the 741 Northland building.
- (g) **2017-2018 Northland Campus Snow Removal Contract** – Mr. Cammarata presented a proposed recommendation to award a contract for snow removal services at the Northland Beltline campus for the snowplowing season from October 1, 2017 through April 30, 2018. BUDC's property manager, Tom Mancuso coordinated the issuance of a request for proposals in September. Mr. Cammarata noted that over time BUDC has compiled an extensive list of MBE companies and elected to limit the circulation of this RFP to eight local MBE companies. Two proposals were received in response to the RFP, with Rosecroft Property Maintenance submitting the lowest cost proposal in the

amount of \$13,104. The other proposal was approximately \$10,000 higher. In response to a question from Ms. Minkel, Mr. Cammarata indicated that BUDC paid approximately \$26,000 for these services last year under a larger scope of work. Ms. Minkel made a motion to recommend that the Board of Directors approve a snow removal contract with Rosecroft Property Maintenance at the Northland Bellline campus in the amount of \$13,104. The motion was seconded by Mr. Mehaffy and unanimously carried.

- (h) **NorDel II (BUDC)/City of Buffalo Potential Land Swap** – Mr. Cammarata reported that BUDC and the City of Buffalo are considering a potential swap of real property. BUDC would acquire a cluster of commercial and industrial properties located at 1669, 1675, 1679 and 1681 Fillmore Avenue, 572 and 574 Northland Avenue, and 162, 164 and 168 Winchester Avenue in exchange for former residential properties located 664, 668 and 688 Northland Avenue. The City of Buffalo Real Estate Department is reviewing the proposed transaction.
- (i) **612 Northland – Phase I Renovation Project Update** – Mr. Stebbins that Phase I of the asbestos abatement has been completed, and that roofing work has begun.
- (j) **Electrical Substation – Emergency Repair** – Mr. Cammarata updated the Committee regarding the status of a property damage insurance claim. BUDC received payment from its insurance carrier for the loss. The carrier deducted \$3743.00 from the payment, along with the \$5000 deductible. The carrier will pursue recovery of the deductible through a subrogation action against the utility contractor's insurance carrier.
- (k) **COB DPW Road & ROW Project** – Mr. Stebbins presented a brief update regarding the Northland Avenue road and right-of-way project. Work has started on the Fillmore end of the project. Paving work will begin in the spring.

3.0 **Buffalo Lakeside Commerce Park**

- (a) **2018-2020 Lawn Care, Landscaping & Snow Plowing Contract** – Mr. Cammarata presented a proposed recommendation to award a three-year contract for lawn care, landscaping and snow removal services at Buffalo Lakeside Commerce Park. A request for proposals was issued in September, and Phil Riggs compiled and contacted an extensive list of potential bidders. The RFP was also publicized at the BUDC website. Six proposals were received in response to the RFP. Mr. Cammarata circulated a bid summary sheet to the Committee showing that the lowest cost proposal was submitted by T&R Seasonal Services at a cost of \$140,770. The next lowest cost proposal was nearly \$50,000 higher. Mr. Cammarata noted that T&R Seasonal Services previously provided these services at BLCP. In response to a question from Ms. Minkel, Mr. Cammarata indicated that the pricing is approximately \$8000 higher than the current contract, as measured over a three-year period. Mr. Kucharski made a motion to recommend that the Board of Directors approve a three-year contract with T&R Seasonal Services for lawn care, landscaping and snow removal services at Buffalo Lakeside Commerce Park at a cost of \$140,770. The motion was seconded by Ms. Whyte and unanimously carried.
- (b) **Parcel 4 Superfund Clean-up Update** – Mr. Cammarata reported that the NYSDEC's contractor has made substantial progress on this project due to the good weather conditions this fall. The contractor has removed significant amounts of hazardous and non-hazardous material from the site and replaced it with 14,000 cubic yards of clean backfill.

4.0 **Other C.O.B. Brownfield Opportunities** – Mr. Cammarata introduced a potential brownfield opportunity that BUDC is considering. Initial discussions with the property owner are underway.

- 5.0** **Adjournment** – Upon motion made by Ms. Whyte, seconded by Ms. Minkel and unanimously carried, the October 24, 2017 meeting of the BUDC Real Estate Committee was adjourned at 1:20 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary