

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

**95 Perry Street  
Buffalo, New York  
December 11, 2018  
12:00 p.m.**

Committee Members Present:

Thomas A. Kucharski  
Brendan R. Mehaffy  
Kimberley A. Minkel  
Dennis M. Penman  
Craig A. Slater (Chair)

Committee Members Absent:

Janique S. Curry  
Maria R. Whyte

Officers Present:

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

Guests Present: Dawn Boudreau, ECIDA Compliance Officer; Evan Y. Bussiere, Esq., Hurwitz & Fine, P.C.; Terry LoConte, Gilbane Building Company; Brett Stiehler, Gilbane Building Company; and Paul Tronolone, Empire State Development.

**Roll Call** – The Secretary called the roll at 12:07 p.m. A quorum of the Committee was present. Mr. Kucharski joined the meeting during the presentation of item 2.0.

**1.0 Approval of November 14, 2018 and November 16, 2018 Meeting Minutes** – The minutes of the November 14, 2018 and November 16, 2018 meetings of the Real Estate Committee were presented. Ms. Minkel made a motion to approve the meeting minutes. The motion was seconded by Mr. Mehaffy and unanimously carried.

**2.0 Northland Property Purchase Transaction** – Mr. Stebbins presented a draft memorandum regarding the proposed acquisition of 714 Northland Avenue. Mr. Stebbins reported on the due diligence activities that BUDC has undertaken in connection with the acquisition, which included the commissioning of a Phase I environmental site assessment by LiRo Engineers and a third-party inspection of the building and its mechanical and roofing systems. The property was appraised at the contract price of \$425,000.00. Based on the due diligence, executive staff is recommending that BUDC waive the due diligence contingency and proceed to closing. Mr. Stebbins also reported that the Audit & Finance Committee reviewed the four responses to the BUDC RFP for acquisition financing, and that a final recommendation would be brought to the Board for approval. After a discussion regarding the acquisition, Mr. Penman made a motion to recommend that the Board of Directors approve the acquisition of 714 Northland and waive the due diligence contingency. The motion was seconded by Ms. Minkel and unanimously carried.

**3.0 Buffalo Lakeside Commerce Park Property Sale Transactions** – Mr. Cammarata stated that the Committee will hear a presentation regarding a project involving the proposed sale of land at Buffalo Lakeside Commerce Park. He also reported that there are updates to present to the Committee regarding a proposed sublease transaction at 683 Northland (item 4.0 of the meeting agenda). Mr. Mehaffy made a motion for the Committee to enter into executive session to discuss the proposed real estate sales and leasing transactions on the basis that discussion of these proposed transactions could substantially affect the value of the properties. Mr. Mehaffy's motion was seconded by Ms. Minkel and unanimously carried. At the conclusion of the discussion, Mr. Kucharski made a motion to exit executive session. The motion was seconded by Mr. Penman and unanimously carried. No votes were taken during executive session.

**4.0 Northland Central Sub-leases** – This item was covered as part of the executive session for item 3.0.

**5.0 Northland Beltline Project**

**(a) Northland Workforce Training Center Equipment Purchases** – Mr. Stebbins presented his December 11, 2018 memorandum regarding the purchase of additional training equipment for the NWTC. These purchases are funded by the \$6M ESD grant for equipment purchases. As set forth in the memorandum, the purchases were made in accordance with the Procurement Policy provisions relating to the preservation of a time sensitive economic development opportunity. Mr. Stebbins reviewed the manner in which competitive pricing was obtained and noted that all purchases were reviewed by ESD. A copy of the December 11, 2018 memorandum and supporting documentation will be placed in the procurement file.

**(b) 683 Northland Phase 1 – Additional Gilbane Shared Savings Split & Change Orders** – Mr. Stebbins presented a handout which sets forth the shared savings that has been realized to date in connection with Phase I of the project. An additional \$165,000 in savings has been realized from the project. Mr. Stebbins requested that the Committee consider transferring \$150,000 of the savings back into the owner's contingency to cover additional expenses for masonry restoration, kitchen requirements, BCP cleanup of unsuitable soils and additional electrical for HVAC equipment. Mr. Penman made a motion to recommend that the Board of Directors approve the transfer of \$150,000 from savings to the owner's contingency in order to fund the additional expenses. The motion was seconded by Ms. Minkel and unanimously carried.

Mr. Stebbins then presented a proposed change order consisting of a number of "Day 2 items." The cost of the change order is \$150,375.46, and the proposed source of funding for this work is the owner's outside contingency. Mr. Stiehler stated this is the last change order for Phase I of the project, and that all work will be completed by December 31<sup>st</sup>. Mr. Kucharski made a motion to recommend that the Board of Directors approve the change order. The motion was seconded by Ms. Minkel and unanimously carried.

**(c) 683 Northland Phase I – GMP & Construction Update** – Mr. Stiehler reported that the inspection for the Certificate of Compliance for Phase 1 will be conducted on the week of December 17<sup>th</sup> and that Phase 1 should be 100% complete by month end. The kitchen has been completed, the elevator has been fixed. Final Phase I M/WBE utilization and minority/women workforce participation percentages will be calculated upon 100% completion.

**(d) 683 Northland Phase II – GMP & Construction Update** – Mr. Stiehler presented a brief update on Phase II of the project. Two-thirds of the concrete slab has been poured for the floor and framing has started. Underground plumbing and electrical work is on hold until January. He indicated that the BMW space will be ready for the tenant by July 2019.

- (e) **683 Northland – BCP Update** – Mr. Slater reported that BUDC that the final engineering report (FER) has been submitted to NYSDEC for comment. A Certificate of Completion is expected by the end of the year.
  - (f) **612 Northland – Construction, Contracting & Change Order Update** – Mr. Cammarata informed the Committee that the roof and masonry work is 100% complete and that the clerestory glass is currently being installed. He also stated that the goal was to complete the western and southern wall work by the end of the month.
  - (g) **577 Northland – Public Art Contract Update** – Mr. Cammarata reported that the public art agreement with John Baker is executed and Mr. Baker is in the process of acquiring the requisite insurance that will be needed to start work on the site.
  - (h) **Restore NY Funding Update** – Mr. Stebbins reported that the City of Buffalo executed Restore NY IV grant disbursement agreement with ESD. BUDC has submitted its first funding request. The Restore NY V grant disbursement agreement will be presented to the ESD Board on December 20th.
  - (i) **Northland Avenue Road & ROW Construction Update** – Mr. Cammarata reported that the road is now 95% complete and open to traffic and that permanent striping will be completed in the spring. A temporary traffic signal is expected to be installed soon, with the permanent signal to be installed in the spring. National Grid has changed out the old streetlight bulbs with LED lighting. He also stated that the green space near the Fillmore section of the road will be completed in the spring.
  - (j) **Nordel II (BUDC)/City of Buffalo Land Swap Update** – Mr. Zanner reported that counsel for BUDC and BURA have been in contact and that BUDC will be handling all of the title work for the properties to be swapped. It is anticipated that the estimated \$5,000 cost for the title work will be paid from BBRF funds.
  - (k) **Plesh Gate & Land Swap Issues** – Mr. Bussiere reported that BUDC, Plesh and their respective legal counsel conducted a site walkthrough to map out the final swap dimensions and finalize the new location of the Chelsea gate. Both parties have agreed in principle on an agreement for the swapped parcels and the location of the new gate.
- 6.0 **Adjournment** – Upon motion made by Mr. Kucharski, seconded by Mr. Mehaffy and unanimously carried, the December 11, 2018 meeting of the Real Estate Committee was adjourned at 1:20 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary