

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

**95 Perry Street
Buffalo, New York
May 21, 2019
12:00 p.m.**

Committee Members Present:

Janique S. Curry
Thomas A. Kucharski
Kimberley A. Minkel
Craig A. Slater (Chair)
Maria R. Whyte

Committee Members Absent:

Brendan R. Mehaffy
Dennis M. Penman

Officers Present:

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

Guests Present: Dawn Boudreau, ECIDA; Evan Y. Bussiere, Brett Stiehler, Gilbane Building Company; Rebecca Gandour, City of Buffalo Office of Strategic Planning; David Dittmar, 34 Group, Inc.; Arthur Hall, BUDC; Thomas Mancuso, Mancuso Business Development Group; and Paul Tronolone, Empire State Development.

Roll Call – Mr. Slater called the meeting to order at 12:20 p.m. A quorum of the Committee was present. Ms. Minkel joined the meeting at 12:40 p.m. during the discussion of 2(g).

1.0 Approval of Minutes – Meeting of April 23, 2019 – The minutes of the April 23, 2019 Real Estate Committee meeting were presented. Mr. Kucharski made a motion to approve the meeting minutes. The motion was seconded by Ms. Curry and unanimously carried.

2.0 Northland Beltline Corridor Projects

(a) 683 Northland Phase I – HVAC Modifications Change Order – Mr. Cammarata presented a proposed change order in the amount of \$90,920 for additional HVAC work at 683 Northland. Mr. Cammarata reiterated the need for the ongoing HVAC system work. Mr. Stiehler noted that this second change order is necessary in order for the HVAC system to operate in economizer mode which will allow for cooler air to be introduced into the system during the shoulder months. The Committee also discussed the insurance issue, including potential reimbursement of the costs through professional liability insurance policies, and Mr. Cammarata stated that the negotiations between Watts and Popli are ongoing. Mr. Cammarata reminded the Committee that additional change orders will be presented to the Committee in the coming months to address the additional repairs to the HVAC system. At the conclusion of

the discussion, Mr. Kucharski made a motion to recommend that the Board of Directors approve the change order in the amount of \$90,920. The motion was seconded by Ms. Curry and unanimously carried.

- (b) **683 Northland Phase II – Foundry Wall Additional Restoration Change Order** – Mr. Stebbins presented a proposed change order in the amount of \$200,450.62 for additional work needed to restore the western exterior foundry wall, which was found to be in worse condition than initially anticipated. This wall area will ultimately become the primary entrance area for the BMW space. Mr. Stebbins noted that the cost for this additional work is within the construction contingency for the project. Ms. Curry made a motion to recommend that the Board of Directors approve the change order in the amount not to exceed \$200,450.62. The motion was seconded by Ms. Whyte and unanimously carried.
- (c) **683 Northland Phase II – Construction Update** – Mr. Stiehler presented the monthly report sheet and provided an update regarding Phase II of the project. The BMW space remains on schedule for occupancy by early July, with BMW's relocation process to start shortly thereafter so that BMW can commence operations by September. Finish work is underway in the BMW space, with the high bay and primary office space construction along with the mechanical room cut-through in progress. The 1964 building roof has been rebuilt. He also reported that the gray shed is on track to be completed by the end of July and the red shed construction is on track for October or November. Mr. Stebbins noted that M/WBE numbers for Phase II are tracking at or above project goals.
- (d) **Northland Central – Tax Credit Update** – Mr. Stebbins stated that BUDC has submitted all required documentation in order to receive the next tax credit equity installment in the amount of approximately four million dollars. He noted that the new equity should be received in the next two to three weeks.
- (e) **Northland Central Food Service – GiGi's Update** – Mr. Cammarata presented an update regarding the former GiGi's restaurant. He stated that the \$5000 security deposit will not be returned to GiGi's. Mr. Cammarata also stated that BUDC purchased the television that was previously installed by GiGi's for \$375 and that the point-of-sale system and the security system will be removed by the respective vendors of those systems.
- (f) **Northland Central Food Service – RFP Update** – Mr. Stebbins presented an update regarding the request for proposals for the restaurant space at 683 Northland. A team of reviewers has been assembled to examine the ten proposals received to date. The review team will meet on May 30th to review and narrow down the ten proposals to the two to four most ideal candidates. Mr. Stebbins noted that interviews with the smaller group of candidates will be conducted in the next few weeks and a representative from the review team will present a report at the next committee meeting.
- (g) **Northland Central Prospect Update** – Mr. Cammarata circulated a non-binding draft letter of intent from an energy consulting firm that has interest in leasing the mezzanine space. The proposal is for a triple net lease for 2,500+/- square feet of space. Mr. Cammarata expressed that the firm could also attract additional energy-based tenants to the corridor. He also noted that the build-out cost for the mezzanine space would be funded from the Phase II contingency.
- (h) **612 Northland – Niagara Construction Miscellaneous Construction Change Order** – Mr. Cammarata presented a proposed change order in the amount of \$63,900 for additional work needed for the build out of the space to accommodate the Albright-Knox Art Gallery tenancy. The new construction will include additional wall construction, doors, floor

leveling and new cabinets and countertops. He also noted that these costs are eligible for reimbursement through the Restore NY grant and that the improvements will be desirable to future tenants if or when Albright-Knox vacates the space. Ms. Whyte made a motion to recommend that the Board of Directors approve the change order in an amount not to exceed \$63,900. The motion was seconded by Ms. Minkel and carried with four affirmative votes (4-0-1). Mr. Slater abstained.

- (i) **612 Northland – Belknap Heating & Cooling Contract Change Order** – Mr. Cammarata presented a change order in the amount of \$21,095 in connection with HVAC work to be performed by Belknap Heating & Cooling at 612 Northland. Mr. Cammarata noted that the Committee is authorized under the BUDC procurement policy to approve the change order because the amount of the change order is less than \$25,000. Mr. Kucharski made a motion to approve the change order in an amount not to exceed \$21,095. The motion was seconded by Ms. Curry and unanimously carried.
- (j) **612 Northland – AKAG Lease Update** – Mr. Cammarata reported that the lease has been drafted and circulated to AKAG for review. Lease negotiations are expected to be wrapped up within the next few weeks.
- (k) **612 Northland – Construction, Contracting & C.O. 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 September 2019. He noted that 90% of the work on the roof has been completed and the electrical upgrades are in progress. He also stated that the fire alarm and air monitoring systems will be added to the construction scope. Mr. Cammarata also noted that BUDC is seeking an estimate for the cost to replace the old glass outside of the eastern side of Building A. He also reiterated that the \$1.4 million estimated construction cost will be covered by the Restore NY grant.
- (l) **541 East Delavan – Design & Construction Document Update** – Mr. Stebbins reported that BUDC and 34 Group are working on the package for demolition and asbestos abatement work at 541 East Delavan and he expects the package to be released this week. He also noted that 34 Group requested a clarification from DOL regarding whether prevailing wage requirements apply to the project. Mr. Stebbins then presented a change order to the 34 Group contract with BUDC in the amount of \$41,165.61 in connection with providing general conditions for the renovation project. Mr. Stebbins noted that the cost of this change order is reimbursable from the Restore NY grant. Ms. Whyte made a motion to recommend that the Board of Directors approve the change order in an amount not to exceed \$41,165.61. The motion was seconded by Ms. Minkel and unanimously carried.
- (m) **631 Northland – Tax Credit Consultant RFP Update** – Mr. Stebbins circulated a draft request for proposals for tax credit consulting services. The RFP also includes an Opportunity Zone analysis request. He stated that BUDC recently received a proposal to purchase the property, but that staff is not recommending exploring that offer at this time. It was noted that the building was purchased with Empire State Development grant funds, and that a sale may trigger an obligation on the part of BUDC to return part or all of the sales proceeds to ESD.
- (n) **Northland Corridor – LISC Grant Update** – Mr. Hall presented an update regarding the LISC grant. The grant funds are to be used to develop a business strategy and growth management plan for the Northland corridor. A 10-member planning team has been assembled comprised of neighborhood members. A draft scope of work is underway and the community will be engaged in this process through public meetings. The ultimate goal is to produce an action plan for the corridor for a 10-15 year timeframe.

- (o) **Northland Corridor – Business Development Series** – Mr. Hall presented an update regarding the small business development networking series. The goal is to assist business owners in the Northland corridor to build a cohesive business network. He circulated a program flyer and stated that the first program is scheduled for June 28th.
- (p) **Northland Corridor – Solar RFP Update** – Mr. Stebbins presented the Committee with a copy of the draft request for proposals for a community solar array project at 683 Northland. The RFP seeks proposals from local solar contractors to purchase and install a 1-megawatt rooftop solar array which could provide power for the project and potentially produce enough excess power to provide energy cost relief to the local community through a micro-grid. Mr. Stebbins also noted that BUDC will explore additional grant sources for the solar array project. The goal is to issue the RFP next month.
- (q) **Northland Corridor – Maintenance Equipment Needs** – Mr. Mancuso circulated a handout regarding the purchase of additional equipment for the upkeep of the corridor. He explained the need for a dedicated snowblower to supplement the snow removal contractor and a small utility vehicle to get around the campus. The Committee agreed with the need and asked Mr. Mancuso to provide cost estimates for the equipment.
- (r) **NorDel II BUDC/COB/BURA Land Swap Update** – Mr. Zanner reported that the structure of the proposed land swap has changed. The land swap will be between the City of Buffalo and BUDC. He stated that the City and BUDC are working to proceed with the transaction.
- (s) **Plesh Gate & Land Swap Update** – Mr. Bussiere presented a brief update and noted that the staking of the areas to be swapped has been conducted and the report from the surveyor is due in two weeks. Once received, Plesh and BUDC representatives will walk the site again to confirm the swap areas and the land exchange agreement will be finalized.

3.0 **Buffalo Lakeside Commerce Park**

- (a) **BLCP – Project Flora Update** – Mr. Cammarata reported that the Common Council recently issued a negative declaration under SEQRA for the project. The transaction is in the due diligence phase, with the due diligence period recently having been extended to the end of June.
- (b) **BLCP – 255 Ship Canal Parkway Land Sale Update** – Mr. Cammarata reported that the transaction is in the due diligence phase.
- (c) **BLCP – Parcel 4 Easement & Final Engineering Report Update** – Mr. Bussiere informed the Committee that BUDC has provided NYSDEC with all documents necessary in order for NYSDEC to finalize the environmental easement. BUDC is waiting for a response from NYSDEC regarding the submission.

- 4.0 **308 Crowley Update** – Mr. Cammarata presented an aerial view of the site and updated the Committee regarding the sale of 71 Isabelle and the remaining parcel located at 308 Crowley. He stated that the purchase contract for 71 Isabelle is being reviewed by counsel for Enterprise Box. He also indicated that Enterprise Box is interested in acquiring additional property at the site and that once demolition work has been completed, the parties will have a better idea of the what may purchase. He estimated that the demolition work will not be completed until 2020. Pre-demolition work will be conducted this year.

- 5.0 Other COB Brownfield Opportunities** – Mr. Stebbins noted that there are a few potential sites for acquisition that BUDC may pursue. Ms. Curry made a motion for the Committee to enter into executive session to discuss a proposed real estate acquisition on the basis that discussion of the proposed transaction could substantially affect the value of the property. Ms. Curry's motion was seconded by Ms. Minkel and unanimously carried. At the conclusion of executive session, Ms. Whyte made a motion to exit executive session. The motion was seconded by Mr. Kucharski and unanimously carried. No votes were taken during executive session.
- 6.0 Ralph C. Wilson, Jr. Foundation Grant Update** – Mr. Stebbins updated the Committee regarding the Ralph C. Wilson Foundation grant. BUDC has applied for and was awarded an additional \$3.8 million in grant funds from the Foundation. He also noted that staff will be presenting recommendations to the Downtown Committee and the Board of Directors regarding the retention by BUDC of multiple consultants for the Centennial Park project.
- 7.0 Adjournment** – There being no further business to come before the Committee, upon motion made by Mr. Kucharski, seconded by Ms. Minkel and unanimously carried, the May 21, 2019 meeting of the Real Estate Committee was adjourned at 1:30 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary