

**Minutes of the Real Estate Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
Buffalo, New York 14203
March 21, 2017
12:00 p.m.**

Call to Order

Committee Members Present:

Janique S. Curry
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
Christopher J. Schoepflin
Craig A. Slater (Chair)

Committee Members Absent:

Dennis M. Penman
Maria R. Whyte

Officers Present:

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

Others Present: Dawn Boudreau, ECIDA; Thomas Mancuso, Mancuso Business Development Group, Inc.; Robert Sanders, Watts Architecture & Engineering; and Dennis Sutton, City of Buffalo.

Roll Call – The Secretary called the roll at 12:05 p.m. and reported that a quorum of the Committee was present. Ms. Curry joined the meeting during the presentation of item 2.0(b). Mr. Schoepflin left the meeting after the presentation of item 3.0(b).

1.0 Presentation of Meeting Minutes – The minutes of the February 21, 2017 meeting of the Real Estate Committee were presented. Mr. Kucharski made a motion to approve the meeting minutes. The motion was seconded by Mr. Mehaffy and unanimously carried.

2.0 Northland Corridor Updates

(a) **Boundary Revision & Easements – 631 and 683 Northland** – Mr. Cammarata informed the Committee that, based on the site plan completed for the WNY Workforce Training Center, a portion of the property (approximately 1.274 acres) that is currently a part of 631 Northland Avenue will need to be added to the 683 Northland Avenue parcel. Mr. Cammarata referred the Committee to a survey prepared by Foit-Albert showing the location of the 1.274+/- parcel and a reciprocal access easement area (covering .332+/- acres) which is required for the shared use of a driveway and truck turnaround in the south end of the 631 and 683 Northland properties. Moving the property line will allow for the entire parking lot for the WNY Workforce Training Center to be located on the same parcel. The general consensus of the Committee was to recommend that the Board authorize the relocation of the property line and the reciprocal access easement. Mr. Schoepflin recused himself from the discussion regarding this item.

- (b) **612 Northland – Kathy Kinan CA/CI Proposal** – Mr. Stebbins presented the March 10, 2017 proposal from Kathleen M. Kinan, R.A. to provide construction administration services to BUDC for the renovation of 612 Northland for a fee equal to five percent (5%) of the construction work cost. Construction cost estimates range from \$372,000 to \$588,850, which would result in a fee of between \$18,600 and \$29,343. Mr. Mancuso explained that the range of cost is due to uncertainty regarding asbestos/hazmat removal costs for the project. Mr. Cammarata noted that Ms. Kinan is very familiar with this building, having previously completed detailed design work for a former owner of the building. In response to a question from Mr. Slater, Mr. Stebbins indicated that target rent for this space will be \$4 to \$5 per square foot and that Restore NY and ESD grant funds may be used to pay for this work. The general consensus of the Committee was to recommend that the Board authorize the retention of Kathleen M. Kinan, R.A. to provide construction administration services for a fee equal to five percent (5%) of the construction work cost. Mr. Mehaffy and Mr. Schoepflin abstained from the discussion regarding this item.
- (c) **BUDC/COB CDBG Funding Agreement** – Mr. Stebbins informed the Committee that BUDC will need to enter into a funding agreement with the City of Buffalo in order to receive up to four million dollars in CDBG funds. The funding will be used for the demolition of 537 East Delavan and asbestos/hazmat remediation at 683 Northland. Ms. Minkel made a motion to recommend that BUDC enter into a funding agreement with the City of Buffalo to receive CDBG funds. The motion was seconded by Mr. Kucharski and (with Mr. Schoepflin abstaining) carried with five affirmative votes (5-0-1).
- (d) **1669 & 1681 Fillmore** – Mr. Stebbins informed the Committee that several underground storage tanks (USTs) were discovered at 1669 Fillmore Avenue, a vacant City-owned site located immediately adjacent to the Northland Avenue right-of-way. The City has requested that BUDC fund the remediation because the USTs were discovered as part of an environmental investigation for the overall Northland Corridor redevelopment effort. The City obtained a quote from Core Environmental to complete the remediation for \$90,000. BUDC obtained a separate quote from LaBella Associates to perform the work for \$52,900. The cost of the work would be paid for from the Buffalo Brownfields Redevelopment Fund. Mr. Stebbins also indicated that the City is willing to discuss transferring to BUDC fee title to 1669 Fillmore and eight other contiguous properties (totaling 1.7 acres) as part of the remediation. An abandoned industrial building slated for demolition by the City is located at one of the properties (1681 Fillmore). The remaining parcels are vacant. The Committee discussed the proposal. Mr. Slater and Ms. Minkel expressed concern about BUDC undertaking remediation obligations without an ownership interest in the property.

At the conclusion of the discussion, Mr. Kucharski made a motion to recommend that the Board authorize BUDC to (i) proceed with the remediation of 1669 Fillmore Avenue; (ii) retain LaBella Associates to perform the UST removal and property remediation for the proposed fee of \$52,900, and (iii) utilize Buffalo Brownfield Redevelopment Funds for the remediation, all contingent upon the City of Buffalo and BUDC executing a property transfer agreement to acquire 1669 Fillmore Avenue and the eight adjoining properties for future development purposes for \$1.00. The motion was seconded by Ms. Minkel and unanimously carried.

- (e) **683 Northland – Watts C. D. Phase Proposal** – Mr. Stebbins presented the March 16, 2017 construction documents phase proposal submitted by Watts Architecture & Engineering for the 683 Northland building. The cost of these services is \$1,121,535.00. Mr. Stebbins introduced Robert Sanders from Watts, who reviewed the specific deliverables under the proposed service order and answered questions from the Committee regarding the service order. The construction documents are expected to be

complete by May 30th. In response to a question from Ms. Minkel, Mr. Stebbins indicated that BUDC has not yet received peer review results from ESD project architect Dennis Conroy or Gilbane with respect to Watts' proposed fee for this work, but expects to have that information prior to next week's Board meeting. Mr. Stebbins also indicated that some or all of this work would be paid for with CDBG funds. Ms. Curry requested that the Committee be provided with a summary sheet identifying the various expenditures and grant funding for the project. Mr. Cammarata indicated that a project sources and uses spreadsheet would be distributed at future meetings of the Committee. At the conclusion of the discussion, Ms. Minkel made a motion to recommend that the Board approve the proposed service order with Watts, contingent upon completion of the peer review from ESD and Gilbane. The motion was seconded by Mr. Kucharski and (with Mr. Schoepflin abstaining), carried with five affirmative votes (5-0-1).

- (f) **683 Northland – Gilbane Destructive Testing Proposal** – Mr. Stebbins presented the March 20, 2017 proposal from 3480 Group to perform geotechnical and destructive testing work at 683 Northland. The purpose of this work is to identify potential unforeseen conditions that, if found during construction, could result in delay and increased cost to the project. The cost of the work is \$30,450 and would be processed as an amendment to the Gilbane construction management agreement. ESD grant funds will be utilized to pay for the work. Mr. Kucharski made a motion to recommend that the Board approve the proposal from 3480 Group to perform destructive testing for the lump sum cost of \$30,450. The motion was seconded by Mr. Mehaffy and (with Mr. Schoepflin abstaining) carried with five affirmative votes (5-0-1).
- (g) **683 Northland – Bridge Loan RFP Responses** – Mr. Stebbins reported that BUDC circulated an amended request for proposals to increase the requested amount of loan funding from ten million to twenty million dollars and to offer lenders the opportunity to submit joint proposals. The deadline for responses in April 4th. Mr. Stebbins noted that the evaluation process will include consideration of lender CRA ratings and lender investment in the City.
- (h) **683 Northland – Community Workforce Agreement Concepts** – Mr. Cammarata reported that BUDC is moving forward with the negotiation of a project labor agreement which will include community workforce agreement provisions. Anna Falicov, Assistant Corporation Counsel, has extensive experience in labor law and union-related matters and will lead the negotiating team. In response to a question from Ms. Curry, Mr. Cammarata indicated that Reverend Kinzer Pointer, Crystal Rodriguez and Demone Smith will serve as community advisors to the negotiating team.
- (i) **683 Northland – Rehabilitation Tax Credits** – Mr. Stebbins reported that the tax credits consultants are finalizing the tax credits model and have begun discussions with potential tax credits investors.
- (j) **683 Northland – BCP Application** – Mr. Stebbins reported that LiRo Engineers is preparing its report regarding the remedial investigation work plan.
- (k) **683 Northland – BMW Update** – Mr. Stebbins updated the Committee regarding a kick-off meeting with Watts and Buffalo Manufacturing Works representatives. Mr. Stebbins commented that BUDC has been contacted by a few companies who would be interested in leasing space at Northland should BMW relocate to Northland.
- (l) **537 E. Delavan – Demolition** – Mr. Cammarata circulated a copy of the proposed access agreement with Regional Environmental Demolition. The contractor will be required to execute the access agreement with NorDel I, LLC and provide appropriate evidence of insurance prior to commencing the demolition work.

- (m) **ESD Grant #2 (Z415) Amendment** – Mr. Cammarata circulated an excerpt from the ESD grant amendment showing the updated capital grant payment requisition form. An imprest account has been established for grant disbursements. The first disbursement in the amount of \$642,097 has been processed.
- (n) **Restore NY Grant** – Mr. Stebbins circulated a summary of the proposed Restore NY grant expenditures for 612 Northland, the eastern plant building at 537 East Delavan and 777 Northland. BUDC is responsible for providing matching funding in the amount of ten percent (10%) of the project cost.
- (o) **Northland Avenue Road & ROW Infrastructure Design** – Mr. Stebbins reported that the construction work for this project will be bid in April, with construction to commence in May. BUDC will fund the construction through the ESD grant and the Board will be asked to approve a construction funding agreement with the City of Buffalo at the April Board meeting.
- (p) **Landscaping & Maintenance** – Mr. Mancuso reviewed with the Committee the landscaping and maintenance request for proposals. RFP documents were circulated to nine local groups, including the current provider, Citizens Alliance. To date, two of the nine organizations have submitted responses to perform the work. Responses are due March 22nd.
- (q) **Campus Branding Consultant** – Mr. Cammarata reported on a kick-off meeting with Block Club, the Northland campus branding consultant. The consultant is expected to complete its initial work by mid-summer.
- (r) **Art in Public Spaces Committee** – Mr. Stebbins referred the Committee to the meeting agenda packet, which includes a copy of the Call for Work and entry form materials for artists to submit proposals for the Northland public art project. The deadline for submissions in July 7, 2017.
- (s) **Community Outreach** – Mr. Stebbins reported on a recent community workforce meeting held by representatives of CASNY, Gilbane, BUDC and the City of Buffalo. The community turnout for this meeting was limited. The next meeting will seek participants from beyond the immediate Northland neighborhood. Mr. Mehaffy suggested that feedback regarding the limited turnout be provided to local community groups.

3.0 Buffalo Lakeside Commerce Park Updates

- (a) **24 Laborers Way Prospect** – Mr. Cammarata updated the Committee regarding a potential prospect that is interested in a 5.4 acre parcel at Buffalo Lakeside Commerce Park. The parties are far apart at this time regarding an appropriate purchase price for the property, but discussions are ongoing.
- (b) **Parcel 3 Cap Verification – NYSDEC** – Mr. Cammarata referred the Committee to the meeting agenda packet, which includes a copy of the NYSDEC Explanation of Significant Difference for the Ship Canal Commons project. This document sets forth the NYSDEC's acceptance of the twelve-inch soil cover, which was verified throughout the site by Arcadis, BUDC's consultant on this project.
- (c) **193 Ship Canal Parkway BCP - LaBella** – Mr. Cammarata reviewed with the Committee the March 6, 2017 letter from the NYSDEC confirming NYSDEC's acceptance of the Remedial Investigation Report prepared by LaBella Associates for the 193 Ship Canal Parkway site. NYSDEC indicated that it will continue its review of the Draft Remedial Alternatives Analysis Report & Remedial Action Work Plan and begin drafting its decision document for the site.

- (d) **Parcel 4 Superfund Site – NYSDEC/CDM Smith** – Mr. Cammarata reported that work on this project will begin this spring. BUDC will require the site contractor to enter into an access agreement to provide appropriate insurance and indemnity to BUDC and the BUDC subsidiary that owns the property.
- (e) **Landscaping & Maintenance – Elbers Landscaping** – Mr. Cammarata indicated that the landscape contractor (Elbers) is entering the last year of its agreement with BUDC to provide landscaping and snowplow services at BLCP. BUDC and Elbers will hold a kick-off meeting in April to review spring/summer landscaping and maintenance priorities.
- (f) **Buffalo & Pittsburgh/Genesee & Wyoming R.R. Marketing** – Mr. Cammarata informed the Committee that BUDC reached out to Buffalo & Pittsburgh/Genesee & Wyoming Railroad regarding marketing efforts relating to the rail spurs that branch into BLCP between the CertainTeed and Sonwil properties.

4.0 Miscellaneous Items

- (a) **Insurance Coverage Update** – Mr. Cammarata circulated a summary of BUDC insurance coverages. In response to a question from Ms. Curry, Ms. Profic indicated that insurance brokerage services were last bid out by ECIDA and BUDC five years ago, and that the services will be re-bid this year.
- (b) **2016 Property Report** – Mr. Cammarata presented the 2016 PAAA property report, which will be submitted to the Authorities Budget Office as part of the PAAA annual report.
- (c) **South Buffalo Brownfield Opportunity Area Update** – There was no update for this item.

5.0 Adjournment – Upon motion made by Mr. Kucharski, seconded by Mr. Mehaffy and unanimously carried, the March 21, 2017 meeting of the BUDC Real Estate Committee was adjourned at 1:35 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary