

Minutes of the Real Estate Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
Buffalo, New York 14203
May 23, 2017
12:00 p.m.

Call to Order

Committee Members Present:

Janique S. Curry
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
Dennis M. Penman
Craig A. Slater (Chair)
Maria R. Whyte

Committee Members Absent:

Christopher J. Schoepflin

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: Barbara A. Campagna, Barbara A. Campagna /Architecture & Planning, PLLC; Lou Battaglia, BUDC Intern; Thomas Mancuso, Mancuso Business Development, Inc.; Brett Stiehler, Gilbane Building Company; Dennis Sutton, City of Buffalo; and Edward Watts, Jr., Watts Architecture & Engineering.

Roll Call – The Secretary called the roll at 12:15 p.m. and reported that a quorum of the Committee was not present. Information items 3(g), 3(d) and 3(e) were presented first. Mr. Mehaffy joined the meeting after the presentation of item 3(e), at which time a quorum of the Committee was present. Ms. Curry and Mr. Penman joined the meeting during the presentation of item 2.0.

1.0 **Presentation of Meeting Minutes** – No action was taken on this item.

2.0 **Central Terminal - Urban Land Institute Study Funding** – Mr. Stebbins informed the Committee that the owner of the Central Terminal (Central Terminal Restoration Corporation) and the City of Buffalo, as owner of properties adjacent to the Central Terminal, are seeking strategies to redevelop the Central Terminal and adjacent properties. CTRC is proposing to engage the Urban Land Institute (ULI) for a five-day Advisory Services Panel to study redevelopment options for the site. The cost of the panel is \$135,000. The ULI Foundation has committed \$35,000, ESD has committed \$50,000 and BUDC will seek National Grid grant funding of \$35,000. This leaves a funding gap of \$15,000, which BUDC executive staff is recommending be filled from funds available to BUDC in the Regionally Significant Project (RSP) fund. The Committee discussed the funding request. In response to a question from Ms. Whyte, Mr. Stebbins indicated that the panel would complete its work by the end of June. Ms. Profic also confirmed that the balance in the RSP fund account is \$106,000. Ms. Whyte made a motion to recommend that the Board authorize the use of \$15,000 from the RSP fund for the ULI Advisory Services Panel for the Central Terminal. The motion was seconded by

Ms. Minkel and unanimously carried.

3.0 Northland Corridor Updates

- (a) **Watts Service Order No. 14 for Northland Section 106 Compliance & Partial Implementation** – Mr. Stebbins presented proposed Service Order No. 14 from Watts Architecture & Engineering for the development and partial implementation of mitigation plans relating to the demolition of 537 East Delavan, as required for Section 106 compliance. The proposed cost of this work is \$99,150.00. Mr. Stebbins noted that the scope of work and cost were developed through discussions with Ed Watts and Barbara Campagna, who were present at the meeting and available to answer questions. After a brief discussion, Mr. Kucharski made a motion to recommend that the Board of Directors approve Service Order No. 14 as presented to the Committee. The motion was seconded by Ms. Minkel and unanimously carried.
- (b) **Watts Service Order No. 15 for 683 Northland Construction Phase Services** – Mr. Stebbins presented proposed Service Order No. 15 from Watts Architecture & Engineering for construction phase services for the WNY Workforce Training Center and 683 Northland core and shell improvements. As described in the Service Order, Watts will provide the following services and deliverables: (i) bid phase services, including responses to bidder questions and preparation of addenda; (ii) construction administration services, including attendance at progress meetings, review of submittals, requests for information (RFI) and other contractor issues; and (iii) post-construction services including commissioning of building systems. The proposed cost of this work is \$1,001,095.00. Mr. Stebbins indicated that the proposed cost is within industry standards for this type of project. Mr. Watts also provided additional details regarding the scope of work. The Committee reviewed the proposed Service Order. In response to a question from Mr. Penman, Mr. Cammarata indicated that BUDC has not yet received peer review responses regarding this service order from ESD or Gilbane, but expects to prior to the Board meeting. At the conclusion of the discussion, Ms. Whyte made a motion to recommend that the Board of Directors approve Service Order No. 15 in the amount of \$1,001,095.00, contingent upon receipt of peer review responses from ESD and Gilbane. The motion was seconded by Ms. Curry and unanimously carried.
- (c) **612 Northland – Phase I Construction (Asbestos Abatement) Proposal** – Mr. Cammarata reported that the contractor initially selected to perform the asbestos abatement work at 612 Northland recently entered a guilty plea in federal district court for violating the Clean Air Act in relation to asbestos removal work performed in the City of Buffalo. Given these circumstances, BUDC executive staff is not comfortable moving forward with the contractor. Mr. Cammarata noted that no contract was signed and no work was performed by the contractor. The recommendation is to move forward with Oneida Sales and Service, Inc., an MBE firm that also submitted a proposal for the work at a slightly higher cost. Ms. Curry made a motion to recommend that the Board of Directors authorize a contract with Oneida Sales & Service, Inc. for the asbestos abatement work at 612 Northland. The motion was seconded by Mr. Kucharski and unanimously carried.
- (d) **612 Northland – Kathleen Kinan Consulting Services Agreement** – Mr. Stebbins informed the Committee that the updated cost estimates for the renovation of 612 Northland may be as much as \$720,000. The consulting arrangement with Kathleen Kinan provides for a fee based on 5% of the overall construction cost. As a result, the consultant fee could be up to \$36,000, which is higher than the amount previously projected at the time the consulting arrangement was reviewed with the Committee and the Board.
- (e) **537 E. Delavan – Exterior Repairs for Albright Knox Mural** – Mr. Stebbins reported that BUDC contracted for cleaning and repairs to the masonry wall at the eastern plant

building at 537 East Delavan. Three estimates were obtained, and BUDC accepted the lowest cost proposal, which was in the amount of \$22,000. Mr. Stebbins stated that this preparatory work is required for the art mural project by nationally-known mural artist, Shantell Martin. This public art project is being undertaken in conjunction with Albright Knox, and fulfills part of the public art requirement for the Northland Beltline project. Restore NY funding will be used to pay for the work. The Committee discussed maintenance obligations relating to the mural, and it was suggested that BUDC enter into an agreement with Albright-Knox for maintenance.

- (f) **683 Northland – LiRo Environmental Inspection Services** – Mr. Cammarata reported that BUDC retained LiRo Engineers on an emergency procurement basis to perform environmental remediation inspection and asbestos project monitoring services for the 683 Northland project. Mr. Cammarata explained the circumstances giving rise to the emergency procurement, noting that the work needed to proceed in order to keep the project on schedule. The cost of the services was \$167,938. Mr. Cammarata also commented that the consultant has specialized knowledge of the project, having previously prepared the redevelopment strategy for the entire Northland Beltline project.
- (g) **683 Northland – Gilbane Preliminary Hazmat/Asbestos Bid Results** – Mr. Stiehler informed the Committee that Gilbane solicited proposals from seven contractors to provide hazmat and asbestos abatement services at 683 Northland. Three companies submitted proposals for the work. The proposals range from 3.5 million dollars to 4.1 million dollars. Mr. Stiehler also reported on proposals that Gilbane solicited for temporary electric and site preparation services. Three contractors submitted proposals, and the lowest cost proposal, in the amount of \$88,500, was submitted by a WBE-certified company. Mr. Stiehler indicated that Gilbane will provide its recommendations to BUDC regarding the selection of contractors for the work in advance of the May 30th BUDC Board meeting.
- (h) **683 Northland – Rehabilitation Tax Credits** – Mr. Stebbins presented an update regarding rehabilitation (historic), Brownfield Cleanup Program and New Markets tax credits for the 683 Northland workforce training center project. Three investors have expressed interest in New Markets tax credits, and one has submitted a term sheet. Mr. Stebbins indicated that the tax credits model developed by BUDC's tax credits consulting team shows combined tax credits for the project of up to 28 million dollars.
- (i) **683 Northland – Community Workforce Agreement Concepts** – Mr. Cammarata updated the Committee regarding community workforce provisions that are expected to be utilized for the construction of the WNY workforce training center.
- (j) **683 Northland – ECIDA Incentive Application** – Mr. Stebbins informed the Committee that the ECIDA Board will consider the application of 683 Northland LLC for IDA assistance at the ECIDA Board meeting scheduled for May 24th.
- (k) **Restore NY Funding** – Mr. Stebbins reported that BUDC is working with the City of Buffalo on the grant agreement for this funding.
- (l) **BUDC/COB CDBG Funding Agreement** – Mr. Stebbins informed the Committee that the City of Buffalo has requested further revisions to this agreement. Once the agreement is finalized, BUDC will prepare invoices for eligible costs to be paid with the grant funds.
- (m) **COB DPW Road & ROW Project** – Mr. Stebbins indicated that bids for the construction of this project are due tomorrow.
- (n) **Purchase of Various COB Properties/1669 Fillmore Remediation** – Mr. Cammarata indicated that BUDC continues to work on the purchase of 1669 Fillmore and eight

adjacent parcels from the City of Buffalo.


- (o) **Campus Branding Consultant** – Mr. Cammarata circulated a prototype of the logo and branding design for Northland Beltline which was developed by the Block Club, BUDC's branding consultant. Committee members commented favorably on the logo design.
- (p) **Art in Public Spaces Committee** – Mr. Cammarata reported that the Call for Public Art initiative for 577 Northland continues to be advanced. Walk-throughs were conducted earlier this month with potential participants.
- (q) **Community Outreach** – Mr. Cammarata reported on a Northland stakeholders advisory committee meeting that took place earlier this month. He also reported that outreach efforts resulted in four neighborhood residents being accepted into the pre-apprentice program for the asbestos abatement work at 537 East Delavan.

4.0 Buffalo Lakeside Commerce Park Updates

- (a) **24 Laborers Way Prospect** – Mr. Cammarata indicated that there was no update with respect to this prospect. However, there is a new prospect for the ten acre site at 193 Ship Canal Parkway. It was noted that companies are increasingly seeking to re-use existing commercial and industrial space for their new projects, which has made it more difficult to market new-build projects at Buffalo Lakeside Commerce Park.
- (b) **Parcel 3 Cap Verification – NYSDEC** – There was no update for this item.
- (c) **193 Ship Canal Parkway BCP - LaBella** – There was no update for this item.
- (d) **Parcel 4 Superfund Site – NYSDEC/CDM Smith** – Mr. Cammarata reported that NYSDEC selected Environmental Services Group as the contractor for the Parcel 4 Superfund project.

5.0 Adjournment – Upon motion made by Mr. Penman, seconded by Ms. Minkel and unanimously carried, the May 23, 2017 meeting of the BUDC Real Estate Committee was adjourned at 1:30 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary