

## Buffalo Urban Development Corporation

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### Buffalo Urban Development Corporation Real Estate Committee Meeting Tuesday, July 23, 2019, Noon 95 Perry Street, 4<sup>th</sup> Floor Vista Room

#### Agenda

- 1) Approval of Minutes – Meeting of 6/18/19 (*Action*) (*Enclosure*)
- 2) Northland Beltline Corridor Projects
  - a) 683 Northland Phase 2 – RAWP Implementation C.O. (*Recommendation*) (*Handout*)
  - b) 683 Northland Phase 2 – Construction Update (*Information*) (*Handout*)
  - c) 683 Northland Phase 2.1 – NWTC Equipment Proposal (Sr. Lab) (*Recomm.*) (*Handout*)
  - d) 683 Northland Phase 2.1 – Frey Electric AV Equipment C.O. (*Recommendation*) (*Handout*)
  - e) 683 Northland Phase 1 – HVAC Modifications Update (*Discussion*)
  - f) 612 Northland – Albright-Knox Art Gallery Lease Approval (*Recommendation*) (*Handout*)
  - g) 612 Northland – Floor Refinishing (AKAG) (*Recommendation*) (*Handout*)
  - h) 612 Northland – Construction, Contracting & C.O. Update (*Information*) (*Handout*)
  - i) 541 E. Delavan – Phase 1B Proposals Approval (*Recommendation*) (*Handouts*)
    - 1.) Steel
    - 2.) Concrete
    - 3.) Roofing
    - 4.) Masonry
    - 5.) Framing
  - j) Northland Central – Food Service Update (*Discussion*)
  - k) Northland Corridor – Utility Vehicle Purchase (*Recommendation*) (*Handout*)
  - l) Northland Corridor – Art Hall Miscellaneous Updates (*Information*)
  - m) NorDel II BUDC/COB Land Swap Update (*Information*)
  - n) Plesh Gate & Land Swap Update (*Information*)
- 3) a) BLCP – Project Chardonnay Update (*Discussion*)  
b) BLCP – Project Flora Update (*Discussion*)  
c) BLCP – 255 Ship Canal Parkway Land Sale Update (*Information*)  
d) BLCP – Parcel 4 Easement Update (*Information*)
- 4) 308 Crowley Update (*Information*) (*Handout*)
- 5) Other COB Brownfield Opportunities (*Discussion*)
- 6) Adjournment (*Action*)

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

95 Perry Street  
Buffalo, New York  
June 18, 2019  
12:00 p.m.

Committee Members Present:

Thomas A. Kucharski  
Brendan R. Mehaffy  
Dennis M. Penman  
Maria R. Whyte

Committee Members Absent:

Janique S. Curry  
Kimberley A. Minkel  
Craig A. Slater, Chair

Other Board Members Present:

Trina Burruss

Officers Present:

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

Guests Present: Evan Y. Bussiere, Hurwitz & Fine, P.C.; David Dittmar, 34 Group, Inc.; Rebecca Gandour, City of Buffalo Office of Strategic Planning; Arthur Hall, BUDC; Thomas Mancuso, Mancuso Business Development Group; Robert Sanders, Watts Architecture and Engineering; Brett Stiehler, Gilbane Building Company; Paul Tronolone, Empire State Development; and Edward Watts, Watts Architecture and Engineering.

Roll Call – The meeting was called to order at 12:10 p.m. A quorum of the Committee was not present. Information items were presented in the following order: 2(i), 2(o), 2(p), 3(b), 3(c), 2(n), 2(c), 2(l), 2(j) and 2(e) in the absence of a quorum. Mr. Mehaffy and Ms. Whyte joined the meeting at 12:35 p.m., at which time a quorum of the Committee was present. Agenda items 1.0 and 2(a) were presented with a quorum present. Ms. Whyte left the meeting following the presentation of item 2(a), and which time a quorum was no longer present.

**1.0 Approval of Minutes – Meeting of May 21, 2019** – The minutes of the May 21, 2019 Real Estate Committee meeting 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 Beltline Corridor Projects**

**(a) 683 Northland Phase I – HVAC Modifications Change Order** – Mr. Cammarata presented proposed Change Order No. 3 in the amount of \$312,394.80 for the remaining HVAC

modifications/repair work at 683 Northland. He also circulated a descriptive technical summary and spreadsheet prepared by Watts Architecture & Engineering relating to the specific corrective actions and apportionment of costs relating to the HVAC system. Mr. Cammarata reiterated that the total estimated cost to fix the HVAC system is \$460,000 and that Change Order No. 3 would include the balance of the repairs necessary to complete the HVAC system modifications/repairs. Mr. Stiehler outlined the scope of the work, explained that the work would include the installation of VAV boxes, reheaters and associated piping as well as a new hot water pump and the necessary system programming and balancing. In response to a question from Mr. Penman, Mr. Stiehler indicated that Mollenberg-Betz, the contractor which had installed the original HVAC system, will perform the work. Mr. Stiehler indicated that other contractors were not solicited given the timing for completing the work before the start of the new school year. Mr. Watts then reviewed the descriptive technical summary and spreadsheet with the Committee. He indicated that Watts bears no legal responsibility for the HVAC costs and commented that certain of the costs were the responsibility of the owner as they constitute betterments. Mr. Penman stated that he disagreed with the Watts analysis and further stated that BUDC should not bear any financial responsibility for the HVAC system design errors and omissions. Mr. Zanner suggested that the Committee may wish to enter into executive session to discuss potential litigation arising from the HVAC design. Mr. Kucharski made a motion for the Committee to enter into executive session to discuss potential litigation arising from the HVAC design. The motion was seconded by Ms. Whyte and unanimously carried. At the conclusion of the discussion, Mr. Mehaffy made a motion to exit executive session. The motion was seconded by Mr. Kucharski and unanimously carried. No votes were taken during executive session.

- (b) **683 Northland Phase 2 – RAWP Implementation Change Order** – Presentation of this item was deferred.
- (c) **683 Northland Phase 2 – Construction Update** – Mr. Stiehler presented the monthly report sheet and provided an update regarding Phase II of the 683 Northland project. The BMW space remains on schedule for occupancy by early July, with BMW's relocation process to start shortly thereafter.
- (d) **683 Northland Phase 2.1 – Classroom Furniture Change Order** – Mr. Stebbins presented three quotes submitted by Prentice for additional classroom furniture for 683 Northland. The total cost for all of the classroom furniture is \$44,730.40. Mr. Stebbins noted that the cost would be covered by the ESD equipment grant. The consensus of the Committee members present was to recommend Board approval of the change order.
- (e) **Northland Central - Food Service Proposal Review Process** – Mr. Stebbins presented an update regarding the process for selecting a new operator for the restaurant space at 683 Northland. From the ten responses received to the RFP, the review team identified four prospective operators to be interviewed. A final recommendation will be issued by the review team and presented at the July meeting of the Real Estate Committee.
- (f) **612 Northland – Deltex Electric (AKAG) Change Order** – Mr. Cammarata circulated a handout and a proposed change order to the contract with Deltex Electric Construction Services for electrical upgrades at 612 Northland in the amount of \$88,711. These upgrades are required for the AKAG tenancy. The cost of the change order is eligible for reimbursement from the Restore NY grant. The consensus of the Committee members present was to recommend Board approval of the change order.

- (g) **612 Northland – Sprinkler System Contractor (AKAG)** – Mr. Cammarata presented a handout reflecting the need for a fire protection sprinkler system at 612 Northland. He stated that Kathy Kinan sought proposals for the installation and received two quotes for the work. The proposals were reviewed by Ms. Kinan and Tom Mancuso. Davis-Ulmer Sprinkler Company is the recommended contractor to perform the work for the sum of \$60,000. Mr. Cammarata noted that the Regionally Significant Project (RSP) Fund will be utilized to pay for this work. The consensus of the Committee members present was to recommend Board approval of the Davis-Ulmer contract.
- (h) **612 Northland – Exterior Site Improvements (AKAG)** – Mr. Cammarata presented a handout regarding additional site improvements at 612 Northland. He stated that the proposed work would include the creation of a rain garden and stormwater management system, work for the parking area, construction of a handicap accessible ramp and other miscellaneous improvements to the site. Two proposals were received in response to a solicitation for the work. BUDC executive staff is recommending that Rodriguez Construction Group, the low-bidder for the base bid, be awarded the contract in the amount of \$293,772. Mr. Cammarata noted that the cost of the contract is eligible for reimbursement through the Restore NY grant, and that the Buffalo Sewer Authority is also expected to provide funding. The consensus of the Committee members present was to recommend Board approval of the Rodriguez Construction Group contract.
- (i) **612 Northland – AKAG Lease Update** – Mr. Cammarata informed the Committee that a lease has been prepared and circulated to AKAG for review. Lease negotiations are expected to be wrapped up within the next few weeks.
- (j) **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. Mr. Cammarata also noted that the additional improvements to be made to the building and site will be beneficial to subsequent tenants.
- (k) **541 East Delavan – Phase 1 Early Bid Package Approval** – Mr. Cammarata informed the Committee that BUDC and the 34 Group have not completed the review of the responses that were recently received from contractors for the Phase I early bid work. BUDC executive staff will present a contract award recommendation at the June 25<sup>th</sup> Board meeting.
- (l) **541 East Delavan – Phase 1 Third Party Inspection Services** – This item was covered as part of item 2(m).
- (m) **541 East Delavan – Phase 1 Construction Administration Cost Proposal** – Mr. Stebbins presented proposed Service Order No. 29 from Watts Architecture & Engineering regarding construction administration and third-party inspection services for the 541 East Delavan renovation project. The amount of the service order is \$87,590 and includes asbestos monitoring and other environmental services to be performed by LiRo Engineers. The consensus of the Committee members present was to recommend Board approval of the Watts service order.
- (n) **Northland Corridor – Art Hall Miscellaneous Updates** – Mr. Hall updated the Committee regarding the 10 member committee formed in connection with the LISC grant. He reported that the nomination packet for the Northland Brownfield Opportunity Area (BOA) has been completed and that the boundaries for the BOA will be finalized with NYSDOS this week. Mr. Hall also reported on the Northland Business Series and updated the Committee regarding

the Urban Manufacturing Alliance conference that he recently attended in Milwaukee, Wisconsin.

- (o) **NorDel II BUDC/COB/BURA Land Swap Update** – Mr. Zanner reported that he attended a meeting at City Hall and that City personnel are preparing an item for the Common Council to authorize the swap transaction. The City will also notice a public hearing for the transaction.
- (p) **Plesh Gate & Land Swap Update** – Mr. Bussiere reported that the staking of the properties to be swapped has been completed and the report from the surveyor is pending. 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 presented a brief update regarding Project Flora. He then reported that there have been further discussions with the prospect that is interested in acquiring the remaining acreage at BLCP. Ms. Whyte made a motion for the Committee to enter into executive session to discuss the proposed real estate sale on the basis that discussion of the proposed transaction could substantially affect the value of the property. Ms. Whyte's motion was seconded by Mr. Mehaffy and unanimously carried. At the conclusion of the discussion, 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.
- (b) **BLCP – 255 Ship Canal Parkway Land Sale Update** – Mr. Stebbins reported that Uniland continues to conduct its due diligence regarding the site and project and is working through the process of selecting an operator for the project.
- (c) **BLCP – Parcel 4 Easement & Final Engineering Report Update** – Mr. Bussiere reported on the NYSDEC request for a re-survey of the parcel that will be subject to the environmental easement. A new survey has been ordered. The total area to be burdened by the environmental easement has been reduced to less than 10 acres.

4.0 **308 Crowley Update** – Presentation of this item was deferred.

5.0 **Other COB Brownfield Opportunities** – Presentation of this item was deferred.

6.0 **Adjournment** – The June 18, 2019 meeting of the Real Estate Committee concluded at 1:55 p.m.

Respectfully submitted,



Kevin J. Zanner  
Secretary