

Buffalo Urban Development Corporation

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Real Estate Committee Meeting
Tuesday, February 16, 2016 at Noon
BUDC-ECIDA Vista Room
95 Perry Street, 4th Floor, Buffalo, NY 14203

Agenda

- 1) Approval of Minutes – Meeting of 1/19/2016 (*Action*)(*Enclosure*)
- 2) Brownfield Property Opportunities (*Information*)
- 3) Northland Corridor Updates (*Information*)
 - a) Redevelopment Strategy Update (*Enclosure*)
 - b) Community & Business Outreach (*Enclosure*)
 - c) Fair Market Rent Studies
 - d) 577 Northland - Pre-development Services Contract (*Enclosure*)
 - e) 537 East Delavan – NYSDEC Order on Consent
 - f) Final Design and Renovation RFQ
 - g) City Funding / NEPA
 - h) Brownfield & Historic Tax Credits
 - i) Construction Management
 - j) Workforce Training Center / MOU
 - k) 683 Northland - Asbestos & Hazardous Material Abatement
 - l) 777 Northland - NYSDEC Spill Report & EPA Inquiry
 - m) Third Party Property Management (*Enclosure*)
 - n) Road & ROW Infrastructure Design
 - o) Start-Up New York
- 4) Buffalo Lakeside Commerce Park Updates (*Information*)
 - a) 193 Ship Canal Parkway – BCP
 - b) ECIDA Net Zero Project (*Enclosure*)
 - c) Property Owners Association
 - d) General Property Maintenance/Repair Issues (*Enclosure*)
 - e) Parcel 4 Superfund Site
 - f) Parcel 3 ERP Close-out
 - g) Development Prospects
- 5) Adjournment (*Action*)

**Minutes of the Real Estate Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
Buffalo, New York 14203
January 19, 2016
12:00 p.m.**

Call to Order

Committee Members Present:

Janique Curry
Thomas A. Kucharski
Kimberley A. Minkel
Christopher J. Schoepflin
Craig A. Slater (Chair)
Maria Whyte

Committee Members Absent:

Brendan R. Mehaffy
Dennis M. Penman

Officers Present:

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

Others Present: Dawn Boudreau, ECIDA Compliance Officer; Lisa Hicks, BUDC Intern; Phil Riggs, ECIDA Project Inspector; 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 discussion of item 3(a) of the agenda.

- 1.0 Approval of Meeting Minutes** – The minutes of the December 7, 2015 meeting of the Real Estate Committee were presented. Mr. Kucharski made a motion to approve the meeting minutes. The motion was seconded by Ms. Minkel and unanimously carried.
- 2.0 Brownfield Property Opportunities** – Mr. Cammarata informed the Committee of an opportunity to sell or lease the entire building located at 631 Northland Avenue. The prospect is a manufacturing company that proposes to consolidate its local operations at this location. It is anticipated that the transaction will be structured as an “as-is” lease or “as-is” purchase. The Committee discussed the potential transaction. Mr. Stebbins noted that this building is particularly suited for a single user. He indicated that the building needs significant work prior to occupancy and that if leased or sold, the rental rate or purchase price would be reflective of the building’s current condition. Mr. Zanner noted that the fair market rent study prepared for this property provides a framework for rental rate negotiations. In response to a question from Mr. Schoepflin, Mr. Cammarata indicated that approval of the Board of Directors would be required for the lease or sale of the property.
- 3.0 Northland Corridor Updates**
 - (a) 577 Northland – Pre-development Services Proposal Review** – Mr. Cammarata circulated to the Committee detailed bid results for the pre-development services to be performed at 577 Northland. Mr. Cammarata noted that all four firms that submitted bids are well qualified to perform the work. LaBella Associates is the lowest bidder for the services. Mr. Cammarata noted that LaBella Associates will not utilize subcontractors to

perform Task 3 of the scope of services, and that this was one reason that its bid came in lower than the other three firms. LaBella Associates also confirmed to BUDC that its quote for the work was accurate and that it will be able to complete the scope of services for the price quoted. Mr. Sutton suggested that BUDC require a bid certification from the consultant. At the conclusion of the discussion, Ms. Minkel made a motion to recommend that the Board of Directors approve a contract with LaBella Associates to perform pre-development services at 577 Northland for a cost not to exceed \$24,970. The motion was seconded by Ms. Whyte and (with Mr. Schoepflin abstaining) carried with five affirmative votes (5-0-1).

- (b) **537 East Delavan – "Draft" NYSDEC Order on Consent Review** – Mr. Zanner reported that NYSDEC has accepted the most recent changes that BUDC proposed to the Order on Consent. The changes ensure that BUDC will not be obligated to demolish or remove the footers and foundation walls of the building as part of the remediation. Mr. Cammarata noted that NYSDEC will circulate the final version of the Order on Consent in March, at which time it will be presented to the Real Estate Committee and the Board of Directors for approval.
- (c) **Fair Market Rent Studies** – Mr. Cammarata circulated a one-page summary of the fair market rent studies that were prepared by Lester Appraisal. Mr. Stebbins explained the comparables that were used in the studies. Mr. Slater commented that the "as-is" fair rental rate for 631 Northland seems low, and suggested revisiting the calculations with the appraiser.
- (d) **Final Design and Renovation RFQ** – Mr. Stebbins reported on BUDC's issuance of a request for qualifications for a consultant team to perform final design and renovation work at Northland. An informational meeting is scheduled for January 21st. RFQ responses are due on February 17th. In response to a question from Ms. Whyte, Mr. Stebbins indicated that he expects that there will be significant interest in this opportunity, including from consultants located outside the region. Mr. Stebbins noted that the opportunity was advertised through the NYS Contract Reporter. MBE and WBE firms were directly contacted regarding the RFQ.
- (e) **Redevelopment Strategy Update** – Mr. Stebbins circulated copies of the Northland Building Re-Use and Site Development Plan Summary. He then reviewed the major recommendations set forth in the plan, including the proposed redevelopment and reuse of the buildings located at 631 Northland, 683 Northland, 741 Northland and the selective demolition of buildings located at 777 Northland and 537 East Delevan. The development strategy will be presented at the January 25th meeting of the City of Buffalo Planning Board. He noted that the site plan for the workforce training center site at 683 Northland has already been submitted to the Planning Board. Mr. Stebbins also noted that SHPO has requested additional information regarding the plan. The Committee discussed the redevelopment strategy. Ms. Minkel complimented the executive staff for quickly advancing the Northland Corridor project.
- (f) **Community & Business Outreach** – Mr. Stebbins informed the Committee that the next public meeting for the Northland Corridor project will take place on February 24th at 6:00 p.m. at the Delavan-Grider Community Center.
- (g) **Workforce Training Center** – Mr. Cammarata reported that BUDC, NYPA and ESD continue to work on the terms of a memorandum of understanding for the workforce training center. Mr. Schoepflin presented a brief update regarding workforce training center matters, noting that ESD will be seeking proposals from firms for the overall management of the training center.
- (h) **683 Northland – Asbestos & Hazardous Material Abatement** – Mr. Stebbins informed the Committee that Fisher Associates has completed its work on this project and is preparing a report for submission to LiRo Engineers.

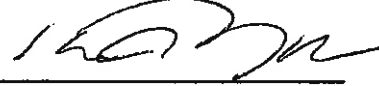
- (i) **777 Northland – NYSDEC Spill Report & EPA Inquiry** – Mr. Stebbins updated the Committee regarding the NYSDEC's requirement that BUDC perform limited periodic well monitoring at 777 Northland. Mr. Cammarata reported that the U.S. Environmental Protection Agency recently contacted BUDC to gauge its interest in having EPA perform environmental cleanup activities at 777 Northland. There was a discussion regarding the EPA's involvement in other environmental projects in the City of Buffalo. It was noted that the EPA tends to favor a conservative approach which may not always align well with development goals for the property. Ms. Minkel suggested that BUDC request a written proposal from EPA for the Committee to review.
- (j) **Third Party Property Management** – Mr. Cammarata reported that BUDC's property manager, Mancuso Property Management, Inc., continues to field inquiries for leasing opportunities at Northland and handle property management and administrative matters.
- (k) **Property Taxes and Exemption** – Mr. Cammarata reported that all of the properties acquired by BUDC for the Northland Corridor have now been designated as exempt from City and County real property taxes effective as of July 2016.
- (l) **Road & ROW Infrastructure Design** – Mr. Stebbins stated that the City of Buffalo Department of Public Works is finalizing the scope of work for the Northland Avenue road and infrastructure project. The City selected Clark Patterson Lee to provide design services for the project.
- (m) **Start-Up New York** – Mr. Stebbins reported on a recent meeting with the University at Buffalo to discuss a potential Start-Up NY designation for certain Northland properties. Mr. Stebbins noted that these discussions are in the preliminary stages, and that more meetings are expected to take place over the next few months to work out the details of BUDC's participation. He also confirmed that Board approval would be required before BUDC could proceed with the designation.

4.0 **Buffalo Lakeside Commerce Park Updates**

- (a) **193 Ship Canal Parkway - Remedial Alternatives Analysis** – Mr. Cammarata referred the Committee to the remedial action work plan prepared by LaBella Associates, copies of which were included in the meeting agenda packet. The principal recommendation of the consultant is to proceed with a one-foot cover system for the property. The property would be remediated to permit commercial development.
- (b) **ECIDA Net Zero Project** – Mr. Cammarata and Mr. Riggs reported on ECIDA's proposed "zero net energy" building project. ECIDA issued an RFQ for project sites within a five mile radius of the SolarCity facility. Buffalo Lakeside Commerce Park is one of the potential locations for this project.
- (c) **Parcel 4 Superfund Site** – Mr. Cammarata reported on recent communications with the NYSDEC project contractor for the Parcel 4 remediation project. The project contractor indicated that bids for the work will be solicited in March or April. The remediation work will take place during the summer and the project is expected to be completed by the end of 2016.
- (d) **Parcel 3 ERP Close-out** – Mr. Cammarata indicated that NYSDEC is working on a soil boring plan that BUDC will be required to complete in order to confirm the depth of the demarcation layer at Ship Canal Commons.
- (e) **Development Prospects** – Mr. Cammarata informed the Committee that BUDC continues to work with two prospects for sites at Buffalo Lakeside Commerce Park.
- (f) **General Property Maintenance/Repair Issues** – Mr. Cammarata reported that repairs to the brick entrance sign to Buffalo Lakeside Commerce Park have been completed.

- 5.0 **2016 Insurance Renewals** – Mr. Cammarata referred the Committee to the meeting packet enclosure which sets forth BUDC's insurance coverage policies for 2016.
- 6.0 **Adjournment** – Upon motion made by Ms. Minkel, seconded by Mr. Kucharski and unanimously carried, the January 19, 2016 meeting of the BUDC Real Estate Committee was adjourned at 1:30 p.m.

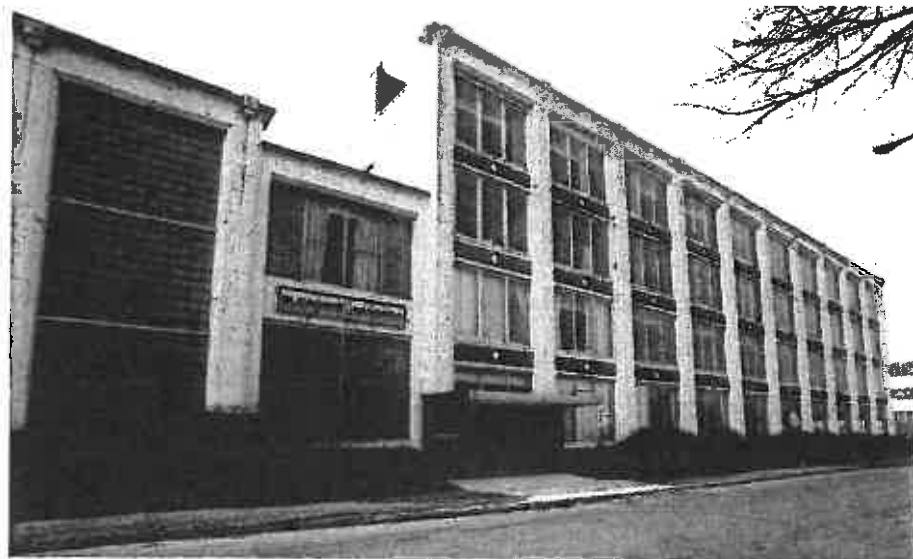
Respectfully submitted,



Kevin J. Zanner, Secretary

Tuesday February 09, 2016
[The Buffalo News.com \(/\)](http://TheBuffaloNews.com/)

Business



The former Niagara Machine and Tool Co. building at 683 Northland Ave. will house a manufacturing job training center. (Derek Gee/Buffalo News)

East Side industrial park gets first approval

BY: [Jonathan D. Epstein \(mailto:Jonathan.D.Epstein@buffnews.com\)](mailto:Jonathan.D.Epstein@buffnews.com)

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The Northland Avenue Belt Line Corridor, a city and state effort to build an industrial park on Buffalo's East Side, got the green light from the planning board to build a new job training facility on the site.

It will be the first component of the project being funded with the state's Buffalo Billion economic development initiative.

The panel approved the site plan Monday for the Western New York Workforce Training Center at 683 Northland Avenue, where it will occupy about 100,000 square feet out of a 235,000-square-foot complex.

The center, expected to cost \$20 million, could begin operations in late 2017.

The operation is designed to train 300 to 400 workers each year in advanced manufacturing and energy jobs, with a particular focus on workers from the impoverished nearby neighborhoods. The goal is to prepare them for future jobs at employers like the SolarCity plant now under construction at Riverbend in South Buffalo.

"This action will accelerate the redevelopment of Buffalo's East Side and prepare the next generation for the jobs powering Western New York's revitalization," Gov. Andrew Cuomo said in a press release issued Monday evening after the vote.

The approval came after the Planning Board accepted the conclusions of a state-mandated report that found that the overall redevelopment of 35 acres of former industrial property will not create any significant environmental impacts on the area.

The overall \$44 million project – a partnership between the city, state and New York Power Authority – calls for cleaning up many of the 12 properties that were acquired last year by the Buffalo Urban Development Corp. The city agency used \$6.7 million in Buffalo Billion funds, allocated by Empire State Development Corp. in September 2014, to buy and prepare the properties in an effort to create a new

light industrial economic development hub to add to the medical, high-technology and solar energy hubs already in progress in the city.

The city is also committing an additional \$4 million to the effort, Buffalo Mayor Byron Brown said. "The Northland Redevelopment Project will soon accelerate the redevelopment of this section of Buffalo, re-purposing long vacant buildings and property, and most critically, providing an environment for city residents to gain valuable training for good-paying, sustainable jobs," he said, calling it a "pivotal project."

In all, BUDC gained 700,000 square feet in existing industrial space, and is now working with several consultants to evaluate the buildings and develop final plans for reusing them, particularly five properties with major complexes. Some structures that are deemed too far gone to be rehabilitated will be demolished, while three and a half buildings – including 683 Northland – will be fixed up for new industrial and entrepreneurial tenants.

"It's a great project," said Martha Lamparelli, one of the Planning Board members. "It's the beginning of the transformation of the neighborhood."

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Jonathan D. Epstein

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Northland Corridor Redevelopment

BYRON W. BROWN
MAYOR

9/24/15



6-8pm

Delavan-Grider Community Center
877 East Delavan Avenue
www.buffalourbandevelopment.com



Byron W. Brown
Mayor



Andrew M. Cuomo
Governor



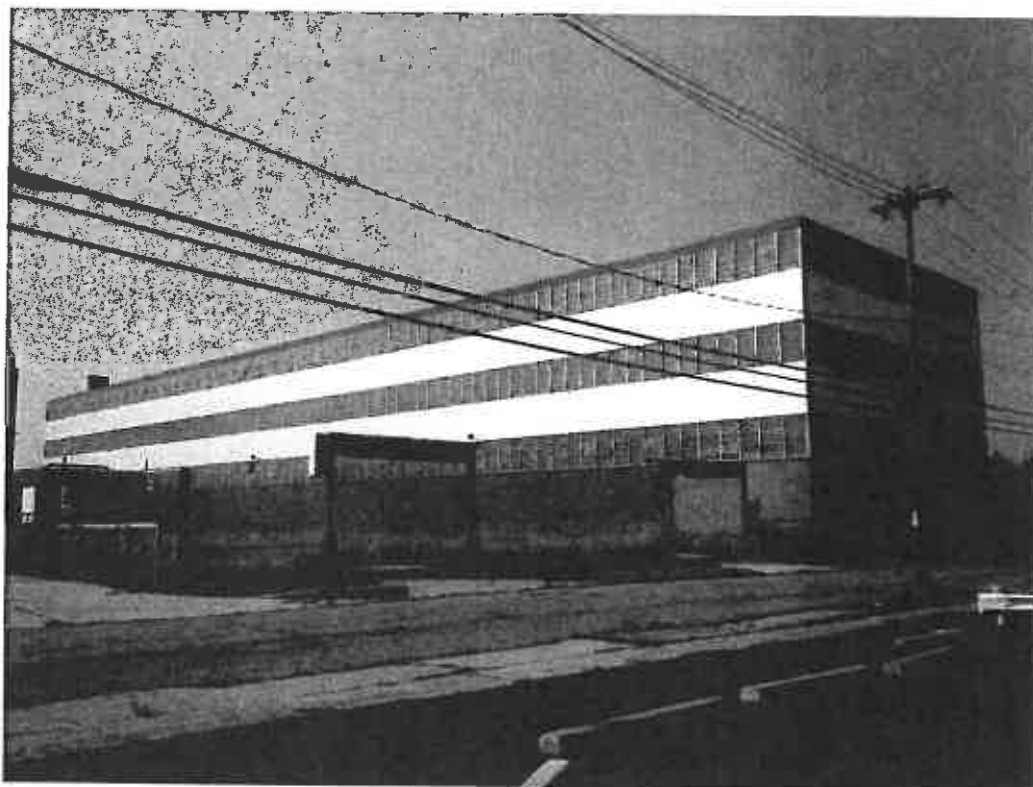
**577 NORTHLAND AVENUE PRE-DEVELOPMENT SERVICES
PROJECT SCHEDULE (2/8/16)**

TASK	FEB	MAR	APR	MAY	JUN	JUL	AUG
1.1: Geoprobe Investigation							
1.2: Laboratory Analysis							
1.3: Data Summary Report							
2.1: Survey							
2.2: Structural Assessment							
2.3 Asbestos Survey/Haz Materials Inventory							
3.1 Concept Plans							
3.2 Plans & Specifications							
3.3 Bid Documents							
BUDC Bid Advertisement							
Bidding Period							
BUDC Bid Opening							

FOR LEASE

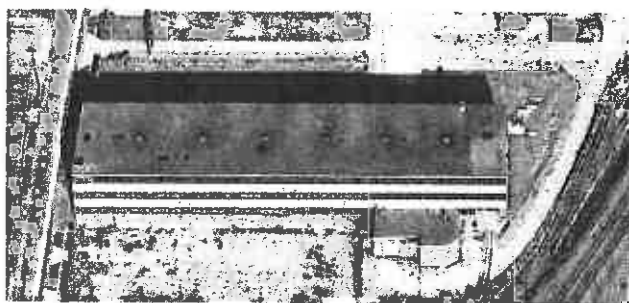
Buffalo, NY

INDUSTRIAL



40,000 SF BUILDING WITH CRANE

- Clear Span Space
- 50' High,
- 40 & 25 Ton Cranes
- 4 Overhead Doors
- 480V 3 phase electric



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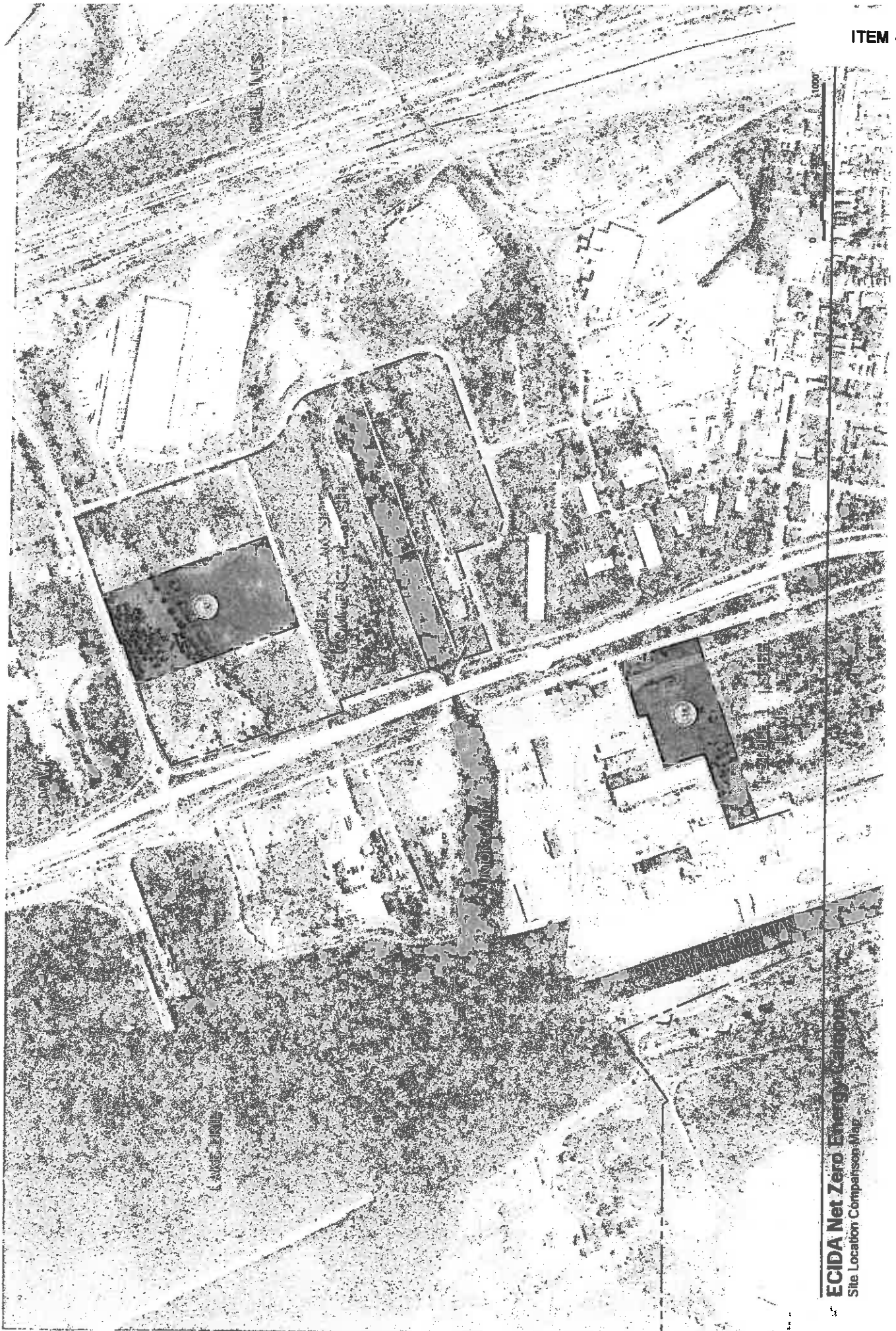
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ECIDA Net Zero Energy Campus
Site Location Comparison Map

