

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

**Call to Order**

Committee Members Present:

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

Committee Members Absent:

Dennis M. Penman  
Christopher J. Schoepflin  
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.

**Roll Call** – The Secretary called the roll at 12:15 p.m. and reported that a quorum of the Committee was present.

- 1.0 **Presentation of Meeting Minutes** – The minutes of the October 18, 2016 meeting of the Real Estate Committee were presented. Ms. Minkel made a motion to approve the meeting minutes. The motion was seconded by Mr. Kucharski and unanimously carried.
  
- 2.0 **Reimbursement of 2016 Brownfield Expenses from BBRF** – Mr. Cammarata reviewed with the Committee a one-page summary of 2016 third party expenses proposed for reimbursement from the Buffalo Brownfields Redevelopment Fund (BBRF). Third party expenses from the Buffalo Lakeside Commerce Park, RiverBend and Northland Corridor projects are presently eligible for reimbursement. The requested reimbursement amount is \$337,796. Mr. Cammarata noted that this request will also be reviewed by the Audit & Finance Committee before it is submitted to the Board of Directors for approval. In response to a question from Mr. Mehaffy, Ms. Profic explained that the general operations & maintenance costs for Northland relate primarily to the property management services provided by Mancuso Property Management. The Committee also discussed the BBRF fund balance. For 2015, BBRF revenues from PILOT payments were approximately \$500,000 and \$332,000 in costs were reimbursed from the fund. At the conclusion of the discussion, Mr. Kucharski made a motion to recommend that the Board of Directors approve the reimbursement of third party costs in the amount of \$337,796, subject also to review by the Audit & Committee. The motion was seconded by Ms. Minkel and unanimously carried.

### 3.0 Northland Corridor Updates

- (a) **683 Northland – Proposal for Assessment of Tenant Space** – Mr. Stebbins presented a proposal to engage Watts Architecture & Engineering to prepare a tenant space assessment for the potential relocation of Buffalo Manufacturing Works (BMW) to 683 Northland. The cost of the work is \$12,800, and BUDC is proposing to pay for the work from the Regionally Significant Project (RSP) fund. The current balance in the RSP fund is \$106,000. Mr. Stebbins circulated to the Committee a summary of RSP fund revenue and expenditures since fund inception in 2010. Ms. Profic reviewed the summary, explaining that the RSP fund receives a percentage of PILOT payments from the Astronics project in East Aurora. Mr. Stebbins noted that the work that Watts will perform will be beneficial for the design of 683 Northland even if BMW does not relocate to the building. The Committee discussed the proposed scope of work and the potential relocation of BMW to 683 Northland. At the conclusion of the discussion, Mr. Kucharski made a motion to recommend that the Board approve a proposal from Watts Architecture & Engineering to prepare a tenant space assessment for the potential relocation of Buffalo Manufacturing Works to 683 Northland and to utilize the RSP fund to pay for the work. The motion was seconded by Ms. Minkel and unanimously carried.
- (b) **683 Northland – Construction Loan RFP Responses** – Mr. Stebbins reported that three lenders have submitted proposals to provide bridge loan financing for the 683 Northland workforce training center project. Two more proposals are expected to be received by the deadline. The Committee discussed potential criteria for evaluating the proposal, with Mr. Mehaffy commenting that the lender's CRA activity and investment in the neighboring community should be considered. Mr. Stebbins indicated that he will seek input from a small review group to evaluate the proposals and make a recommendation. Mr. Kucharski expressed interest in participating in the review process if needed.
- (c) **683 Northland – Construction Management/Value Engineering** – Mr. Stebbins reported that Gilbane trimmed several million dollars from the project budget as result of value engineering process that it completed in conjunction with Watts.
- (d) **683 Northland – Geotechnical Engineering Services Consultant** – Mr. Cammarata informed the Committee that BUDC retained professional engineering firm McMahon & Mann Consulting Engineers, P.C. to provide geotechnical services at 683 Northland. The services relate to the elevator shaft design work. The cost of this work is \$18,500.
- (e) **683 Northland – Rehabilitation Tax Credits** – Mr. Stebbins reported that a number of potential investors are showing interest in the 683 Northland tax credits project. He also noted that the tax credits consulting team recently toured the facility.
- (f) **683 Northland – BCP Application** – Mr. Stebbins informed the Committee that the Brownfield Cleanup Program Agreement has been executed by NYSDEC and that LiRo Engineers is engaged in remedial investigation activities for the project.
- (g) **683 Northland – NYSERDA Energy Modeling** – Mr. Stebbins updated the Committee regarding the NYSERDA energy modeling work. The consultant evaluated multiple HVAC systems for the project and is recommending the use of a traditional chiller/boiler system. Mr. Stebbins noted that it appears unlikely that the recommended system will achieve the "zero net energy" goal, but will nonetheless be very efficient.
- (h) **537 E. Delavan – Demolition** – Mr. Stebbins and Mr. Cammarata updated the Committee regarding the demolition of 537 East Delavan. Section 106 and SHPO requirements have been satisfied for the work to move forward. The notice period expires on March 15<sup>th</sup>, after which the demolition work may proceed. This property is owned by BUDC's subsidiary NorDel I, LLC, and an access agreement, including insurance and

indemnity obligations in favor of NorDel I, LLC, will be required with the demolition contractor prior to commencement of the work.

- (i) **777 Northland – NYSDEC Spill Report** – Mr. Cammarata referred the Committee to the January 23, 2017 letter from NYSDEC informing BUDC that no further action is required with respect to the 777 Northland spill report. Copies of the letter were included in the meeting agenda packets circulated in advance of the meeting.
- (j) **Restore NY Application** – Mr. Stebbins reported on the RestoreNY grant that was awarded for the Northland Corridor project. This funding will be utilized for the demolition of structures located at 777 Northland and 1681 Fillmore, and for partial restoration of 612 Northland and the Eastern Plant building located at 537 East Delavan. Mr. Stebbins noted that this is a reimbursable grant—BUDC will incur the cost of the work first then seek reimbursement.
- (k) **SHPO & Federal Section 106 Compliance (NEPA)** – This item was covered as part of item 2(h).
- (l) **Northland Avenue Road & ROW Infrastructure Design** – Mr. Stebbins indicated that construction of this project will begin in June. The City of Buffalo Department of Public Works is considering whether to close the street for local traffic only in order to expedite the work. Mr. Cammarata noted that a road closure would impact Plesh Manufacturing, but that others in the neighborhood, including residents, would have direct alternate access via East Delavan.
- (m) **Campus Branding Consultant** – Mr. Cammarata reported that BUDC retained Block Club to provide Northland Corridor campus branding services. Once a contract for services is executed, the branding consultant will work directly with Watts on branding strategies.
- (n) **Art in Public Spaces Committee** – Mr. Stebbins reported that BUDC is working with Emerson Barr on the public art component for the Northland Corridor project. The City has budgeted \$45,000 toward this initiative.
- (o) **Community Outreach** – Mr. Stebbins reported on the January 30, 2017 public meeting, which was well attended by the community. He also indicated that a project newsletter is under development.

#### 4.0 **Buffalo Lakeside Commerce Park Updates**

- (a) **Parcel 4 Superfund Site – NYSDEC/CDM Smith** – Mr. Cammarata reported that NYSDEC has selected a contractor for the remediation project, but has not identified the contractor yet.
- (b) **Parcel 3 Cap Verification – Arcadis** – There was no update on this item.
- (c) **193 Ship Canal Parkway BCP - LaBella** – There was no update on this item.

5.0 **Adjournment** – Upon motion made by Mr. Kucharski, seconded by Ms. Minkel and unanimously carried, the February 21, 2017 meeting of the BUDC Real Estate Committee was adjourned at 12:55 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary