

**Minutes of the Real Estate Committee Meeting**  
**Buffalo Urban Development Corporation**  
95 Perry Street  
Buffalo, New York 14203  
June 20, 2017  
12:00 p.m.

**Call to Order**

**Committee Members Present:**

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

**Committee Members Absent:**

Kimberley A. Minkel  
Christopher J. Schoepflin  
Craig A. Slater (Chair)

**Officers Present:**

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

**Others Present:** Lou Battaglia, BUDC Intern; Dawn Boudreau, ECIDA; Thomas Mancuso, Mancuso Business Development, Inc.; Brett Stiehler, Gilbane Building Company; and Dennis Sutton, City of Buffalo.

**Roll Call** – The Secretary called the roll at 12:30 p.m. and reported that a quorum of the Committee was present.

- 1.0 Presentation of Meeting Minutes** – The minutes of the March 21, 2017 and May 23, 2017 meetings of the Real Estate Committee were presented. Mr. Penman made a motion to approve the meeting minutes. The motion was seconded by Ms. Whyte and unanimously carried.
- 2.0 Central Terminal – ULI Advisory Services Panel Update** – Mr. Stebbins provided an update regarding the ULI Advisory Services panel for the Central Terminal. Panel members will arrive on Sunday, June 25<sup>th</sup> for the week-long program. The panel will present its findings on Friday, June 30<sup>th</sup> at the Buffalo Museum of Science.
- 3.0 Northland Beltline Project**
- (a) **683 Northland – PLA/CWA** – Mr. Cammarata updated the Committee regarding the project labor agreement (PLA) and community workforce agreement (CWA), the terms of which were finalized earlier this month. Mr. Cammarata explained that under the terms of the CWA, the building trades have committed to support project goals for minority, women and City resident workforce and business participation, including the expansion of apprenticeship opportunities. Specifically, the project has a 25% minority, 5% female, 30% city resident and 20% apprentice hour goals. In addition, the CWA facilitates the entry of up to 20 individuals from the project's zip code and surrounding zip codes into the Buffalo Building Trades Pre-Apprenticeship Program. Ms. Whyte noted the challenges in negotiating project labor agreements and congratulated Mayor Brown and

BUDC for the great result. Ms. Curry noted the importance of community outreach to educate the community regarding the workforce opportunities that will be available. Mr. Stebbins indicated that BUDC will engage in additional community outreach. There being no further discussion, Ms. Whyte made a motion to recommend that the Board of Directors ratify and approve the Project Labor Agreement and Community Workforce Agreement with the Buffalo Building and Construction Trades Council for the construction of the WNY Workforce Training Center at 683 Northland. The motion was seconded by Ms. Curry and unanimously carried.

- (b) **683 Northland – Gilbane Building Turnover** – Mr. Cammarata reported that BUDC formally turned over to Gilbane the operations and security obligations relating to 683 Northland. Gilbane will change building locks as part of its security protocols.
- (c) **683 Northland – Hazmat/Asbestos Work** – Mr. Cammarata reported that hazmat /asbestos abatement work is scheduled to begin on Wednesday, July 5<sup>th</sup>.
- (d) **683 Northland – BCP Update** – Mr. Stebbins informed the Committee that BUDC is working on the submission of an application to amend the Brownfield Cleanup Program Agreement. The purpose of the amendment is to reflect the change in ownership of the property to 683 Northland LLC and the expansion of the BCP project to include a portion of the 631 Northland Avenue parcel.
- (e) **683 Northland – Rehabilitation Tax Credits** – Mr. Stebbins reported on an offer that BUDC received from a potential New Markets Tax Credits (NMTC) investor. Thus far, BUDC has received offers for three separate allocations of NMTCs, and has two offers from potential investors for the rehabilitation tax credits that will be generated by the project.
- (f) **683 Northland – ECIDA Incentives** – Mr. Stebbins reported that BUDC will request a reduction or payment terms with respect to the administrative fee to be charged by ECIDA for the project.
- (g) **537 E. Delavan – Demolition** – Mr. Cammarata informed the Committee that approximately 75% of the demolition work at 537 East Delavan has been completed. The target date for completing the demolition work is July 15<sup>th</sup>. Site work, including the installation of fencing, is expected to be completed by August 1<sup>st</sup>.
- (h) **537 E. Delavan – Mural Preparation and Creation** – Mr. Cammarata reported on mural artist Shantell Martin's completion of her mural project at the eastern plant building located at 537 East Delavan. Mr. Cammarata commented that a number of neighborhood residents participated in the project.
- (i) **612 Northland – Phase I Renovation** – Mr. Cammarata reported that contracts have been prepared with the three contractors who will perform the debris removal, hazmat/asbestos abatement and roof replacement work at 612 Northland. Mr. Mancuso indicated that a project safety meeting is scheduled for this evening.
- (j) **631 Northland – Clean-Out** – Mr. Cammarata informed the Committee that BUDC has been receiving inquiries regarding the availability of 631 Northland and potential tenants have toured the facility. BUDC recently arranged for Western New York Mortgage Field Services to remove the miscellaneous debris in the facility which had detracted from its marketability.
- (k) **644 Northland – Substation Rehabilitation** – Mr. Cammarata reported that the rehabilitation work on the electrical substation at 664 Northland Avenue has been completed.

- (l) **Peer Review Process for Watts Service Order Proposals** – Mr. Cammarata noted that a few Board members inquired about the peer review process at the May Board meeting. Mr. Cammarata indicated that for the next Committee meeting, executive staff will prepare a written document that outlines the peer review process that is currently being utilized to review service orders submitted by Watts Architecture & Engineering.
- (m) **Restore NY Funding** – Mr. Stebbins reported that Restore NY grant funds will be utilized for the 612 Northland renovation and the City's demolition of the building located at 1681 Fillmore Avenue.
- (n) **BUDC/COB CDBG Funding Agreement & Reimbursement Requests** – Mr. Cammarata reported that BUDC has submitted three reimbursement requests to the City of Buffalo for CDBG funding relating to 683 Northland and 537 East Delavan.
- (o) **COB DPW Road & ROW Project** – Mr. Stebbins informed the Committee that the bids received by the City of Buffalo for the Northland Avenue road and right-of-way came in lower than the engineer's estimate. BUDC and the City are finalizing the grant agreement that will fund a portion of the cost of these improvements.
- (p) **Purchase of Various COB Properties/1669 Fillmore Remediation** – There was no update regarding this item.
- (q) **Campus Branding Consultant** – Mr. Cammarata reported that the work of Block Club, BUDC's campus branding consultant, is 95% complete.
- (r) **Art in Public Spaces Committee** – Mr. Stebbins reported that responses to the City of Buffalo's call for public art are due on July 7<sup>th</sup>. The public art will be placed at 577 Northland Avenue as part of the gateway to the Northland Corridor.
- (s) **Community Outreach** – Mr. Stebbins reported that work has begun on the next edition of the Northland project newsletter. He also indicated that BUDC will be scheduling a public meeting regarding the project in the near future.

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

- (a) **24 Laborers Way Prospect** – There was no update for this item.
- (b) **Parcel 4 Superfund Site – NYSDEC/CDM Smith** – Mr. Cammarata reported that NYSDEC's contractor is working on this project.
- (c) **Future Property Disposition** – There was no update for this item.

5.0 **Late Files** – Following the presentation and vote on item 3(a), Mr. Cammarata informed the Committee of five new items to be reviewed and recommended for approval by the Committee relating to the 683 Northland project. Ms. Whyte made a motion to accept all five items as late files. The motion was seconded by Mr. Kucharski and unanimously carried.

5.1 **Watts Service Order (National Historic Register Nomination Process)** - Mr. Stebbins presented a proposed service order from Watts Architecture & Engineering dated June 19, 2017 for work to be performed by Watts sub-consultant, Barbara Campagna in connection with the final National Register of Historic Place Nomination document. The cost of these services is \$21,470.00. Mr. Penman made a motion to recommend that the Board of Directors approve the proposed service order. The motion was seconded by Ms. Curry and unanimously carried.

5.2 **Watts Service Order (Tenant Space Assessment)** - Mr. Stebbins presented a proposed service order from Watts Architecture & Engineering dated June 19, 2017 relating to the

assessment of tenant space for potential tenants Buffalo Employment Training Center (BETC) and Nurse Aid Training. The cost of this work is \$9800. Mr. Stebbins indicated that executive staff is requesting this work be paid for from the Regionally Significant Project fund. The Committee discussed the proposed work and the utilization of the RSP fund to pay for the work. In response to a question from Ms. Whyte, Mr. Bach indicated that the RSP fund continues to be replenished with PILOT payments from the East Aurora Astronics project. Mr. Stebbins confirmed that this expenditure could be reimbursed with ESD grant funds at a later date. At the conclusion of the discussion, Ms. Curry made a motion to recommend that the Board of Directors authorize the use of up to \$9,800 from the RSP fund to pay for the work described in the proposed service order. The motion was seconded by Mr. Penman and unanimously carried.

**5.3 Early Bid Recommendation (Elevators)** - Mr. Stebbins circulated the June 20, 2017 award recommendation prepared by Gilbane Building Company for the purchase and installation of elevators for 683 Northland. He then introduced Brett Stiehler from Gilbane to review the award recommendation with the Committee. Two companies were solicited for this work, and Schindler Elevator Corporation submitted the lowest cost proposal in the amount of \$123,030. Mr. Stiehler noted this amount represents a considerable savings over the estimated budget for this work of \$217,000. The Committee discussed the proposed award. Ms. Curry noted that the contractor did not include any M/WBE participation for the work. Mr. Stiehler indicated that the lack of M/WBE participation is due to the fact that elevator manufacturers self-perform installation work. He also indicated that elevator maintenance will be separately bid, which should result in M/WBE participation. Mr. Stebbins commented that not every contract for the project will include M/WBE participation and that the goals apply to the overall project. At the conclusion of the discussion, Mr. Penman made a motion to recommend that the Board of Directors award the elevator work at 683 Northland to Schindler Elevator Corporation at a cost of \$123,030. The motion was seconded by Mr. Kucharski and unanimously carried.

**5.4 Early Bid Recommendation (Structural Steel and Stairs)** - Mr. Stebbins circulated the June 20, 2017 award recommendation prepared by Gilbane Building Company for structural steel and stairs for 683 Northland. Mr. Stiehler reviewed the award recommendation with the Committee. Seven contractors were solicited and three proposals were received. Apollo Steel Corp. submitted the lowest cost proposal in the amount of \$962,000. Mr. Stiehler noted this amount represents a savings of \$38,000 based on the estimated budget for this work of \$1,000,000. He also noted that all of the contractors had difficulty providing an M/WBE plan that would meet the 25% MBE goal due to the lack of subcontractors. Apollo Steel Corp. committed to a goal of 10% MBE and 5% WBE for the work. The Committee discussed the M/WBE requirements. Mr. Mehaffy suggested that Gilbane present an update to the Board regarding Gilbane's strategy for accomplishing the overall M/WBE goals for the project. At the conclusion of the discussion, Ms. Whyte made a motion to recommend that the Board of Directors award the structural steel and stairs work to Apollo Steel Corp. at a cost of \$962,000. The motion was seconded by Mr. Kucharski and unanimously carried.

**5.5 Gilbane Contract Amendment** – Mr. Stebbins presented the June 20, 2017 letter from Gilbane requesting an amendment to the construction management contract to account for costs in connection with the early bid contracts that were awarded prior to the establishment of a guaranteed maximum price (GMP) for the project. The total estimated cost is \$916,271 and this amount will be credited in the final GMP calculation. Mr. Penman made a motion to recommend that the Board of Directors authorize an amendment to the construction management contract as set forth in the June 20, 2017 letter. The motion was seconded by Ms. Whyte and unanimously carried.

**6.0 Adjournment** – Upon motion made by Mr. Kucharski, seconded by Ms. Whyte and unanimously carried, the June 20, 2017 meeting of the BUDC Real Estate Committee was adjourned at 1:40 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary