

**Minutes of the Meeting
of the
Board of Directors
of
Buffalo Urban Development Corporation**

**95 Perry Street
Buffalo, New York
April 30, 2019
12:00 p.m.**

Directors Present:

Trina Burruss
James Comerford
Dennis W. Elsenbeck
Darby Fishkin
Thomas Halligan
Amanda Mays
Brendan R. Mehaffy
David J. Nasca
Dennis M. Penman (Vice Chair)
Darius G. Pridgen
Craig A. Slater
Maria R. Whyte

Directors Absent:

Mayor Byron W. Brown (Chair)
Janique S. Curry
Dottie Gallagher
Thomas R. Hersey, Jr.
Thomas A. Kucharski
Kimberley A. Minkel

Officers Present:

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

Guests Present: Dawn Boudreau, ECIDA; Evan Y. Bussiere, Esq., Hurwitz & Fine, P.C.; John Cleary, Gilbane Building Company; Marie Carone, Watts Architecture & Engineering; Jonathan Epstein, *The Buffalo News*; James Fink, *Buffalo Business First*; Rebecca Gandour, City of Buffalo Office of Strategic Planning; Eamon Reilly, Esq., Buffalo Niagara Partnership; Robert Sanders, Watts Architecture & Engineering; Brett Stiehler, Gilbane Building Company; and Edward Watts, Jr., Watts Architecture & Engineering.

- 1.0** **Roll Call** – The Vice Chair called the meeting to order at 12:15 p.m. and a quorum was determined to be present. The Vice Chair requested that information items 4.5 and 4.6 be presented first, followed by the remaining agenda items in order.
- 2.0** **Approval of Minutes – Meeting of March 26, 2019** – The minutes of the March 26, 2019 meeting of the Board of Directors were presented. Mr. Nasca made a motion to approve the meeting minutes. The motion was seconded by Mr. Comerford and unanimously carried.
- 3.0** **Monthly Financial Reports**

3.1 683 Northland Master Tenant, LLC Financial Statements – Ms. Profic presented the consolidated financial statements for 683 Northland Master Tenant LLC for the period ending March 31, 2019. Ms. Profic stated that there has not been significant change in the financial statements for the master tenant since September 2018 and that rental income for the project will be reflected in the next report.

3.2 BUDC Consolidated Financial Statements – Ms. Profic presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending March 31, 2019. Mr. Halligan made a motion to accept the financial report. The motion was seconded by Ms. Fishkin and unanimously carried.

4.0 New Business

4.1 683 Northland I – HVAC Modifications Initial Change Order – Mr. Cammarata read his April 30, 2019 memorandum regarding a proposed change order in the amount of \$46,144.85 for additional HVAC work at 683 Northland Avenue. The Board had multiple questions for Mr. Cammarata regarding the additional work for the HVAC system. Mr. Cammarata explained the need for the HVAC system work, which will involve a system re-design. Mr. Nasca expressed concern that the issue was a design flaw and BUDC should not be responsible to fund the repair, to which Mr. Cammarata agreed, noting that there is an ongoing negotiation with the consultants' insurance carriers regarding reimbursement. He also stated that incremental fixes to the HVAC should be implemented to ensure that the ongoing operations at the project are not affected. Mr. Nasca also inquired if BUDC should spend the initial \$46,144.85 requested by the change order in light of not having a final determination of the cost to completely fix the HVAC system. Mr. Cammarata reiterated that interim repair measures are needed despite not having a final determination of the total cost. Mr. Watts noted that it will take a number of months for the professional liability carriers to resolve the matter and that Popli, the subcontractor for the work, will bear the majority of the cost and responsibility for the design flaw. Mr. Slater noted that BUDC has an obligation to fix the HVAC issue as the building is occupied by tenants. In response to a question from Mr. Mehaffy, Mr. Zanner indicated that the payment by BUDC of these costs would not waive any rights with respect to future insurance claims. Mr. Cammarata also noted that phase 2 will have its own independent HVAC system. There being no further discussion, Mr. Nasca made a motion to approve the Change Order to the previously approved contract amendment with Gilbane Building Company for the initial Phase I HVAC modifications in the amount of \$46,144.85, and to authorize the President or Executive Vice President to execute and deliver the Change Order on behalf of 683 Northland LLC. The motion was seconded by Mr. Slater and carried with ten affirmative votes (10-0-1). Ms. Mays abstained. Mr. Pridgen left the meeting during the presentation and prior to the vote and did not return. Mr. Slater joined the meeting during the presentation.

4.2 683 Northland II – NWTC Expansion Space Construction Amendment – Mr. Stebbins presented his April 30, 2019 memorandum regarding the proposed amendment to the Gilbane construction management contract for the construction of additional classroom space for Alfred State programming to be located in the former Area 3 “gray shed” building at 683 Northland. Mr. Stebbins indicated that ESD will provide grant funding to NWTC to fund the expansion work and that the proposed amount for the expansion has been reduced due to value engineering from an estimated \$991,091 to \$947,629. He noted that the work must be completed by July 31, 2019 so that the space is available for classes in September. Mr. Stebbins also noted that the Real Estate Committee has reviewed the proposed amendment and recommended that the Board approve the amendment. Mr. Comerford made a motion to approve the amendment of the existing construction management agreement with Gilbane Building Company to cover the expansion of the Northland Workforce Training Center into 9,505 square feet of space in Area 3 in the 683 Northland Avenue project at an estimated, not-to-exceed cost of \$947,629 and to authorize the President or Executive Vice President to execute and deliver the amendment to the construction management agreement on behalf of 683 Northland LLC. The motion was seconded by Ms. Burruss and carried with ten affirmative votes (10-0-1). Ms. Mays abstained.

4.3 683 Northland II – NWTC Expansion Space Equipment Change Order – Mr. Stebbins presented his April 30, 2019 memorandum regarding a proposed change order to the contract amendment with Gilbane in connection with additional training equipment for electric training cubicles for the NWTC expansion. Mr. Stebbins noted that the funds for this change order will be sourced from the six million dollar ESD equipment grant and that the Real Estate Committee has reviewed the proposed amendment and recommended that the Board approve the amendment. Mr. Slater made a motion to approve a Change Order to the previously approved Contract Amendment with Gilbane Building Company for additional equipment installations for the Northland Workforce Training Center project at 683 Northland Avenue at a not-to-exceed cost of \$87,280.61 and to authorize the President or Executive Vice President to execute and deliver the Change Order on behalf of 683 Northland LLC. The motion was seconded by Mr. Mehaffy and carried with ten affirmative votes (10-0-1). Ms. Mays abstained.

4.4 683 Northland II – Entrepreneurial Center Space Amendment – Mr. Stebbins presented his April 30, 2019 memorandum regarding a proposed change order for work to fit out the “red shed” building at 683 Northland. He noted that this space will house the entrepreneurial center, which is being relocated from 612 Northland. Mr. Stebbins explained that the proposed work would involve basic core and shell improvements, installation of mechanicals and bathroom facilities. Funding would be provided from the Phase II contingency. Mr. Stebbins noted that value engineering principles have been utilized to reduce the project cost down to an estimated \$543,272. Mr. Stebbins stated that the Real Estate Committee has reviewed the proposed amendment and recommended that the Board approve the amendment. Mr. Elsenbeck made a motion to amend the existing construction management agreement with Gilbane Building Company to cover the construction of the leasehold improvements for the Entrepreneurial Center for an estimated, not-to-exceed cost of \$543,272, to transfer \$543,272 from the Owner’s Contingency for this amendment to the Gilbane Contract and to authorize the President or Executive Vice President to execute and deliver the amendment to the construction management agreement on behalf of 683 Northland LLC. The motion was seconded by Ms. Whyte and carried with ten affirmative votes (10-0-1). Ms. Mays abstained.

4.5 683 Northland II – GMP & Construction Update – Mr. Stebbins presented an update regarding Phase II of the project. He noted that the BMW space remains on schedule for occupancy by July 2019, with BMW’s relocation process to start shortly thereafter so that BMW can commence operations in the new space by September. The project continues to track well for meeting or exceeding M/WBE and minority participation goals. Mr. Stebbins referred the Board to the Gilbane project monthly report for further details regarding the Phase II project.

4.6 612 Northland – Albright-Knox Northland – The Vice Chair asked Mr. Mehaffy to comment on the recent announcement of the Albright-Knox Art Gallery project at 612 Northland. Mr. Mehaffy noted that Mayor Brown has championed public art initiatives on the east side of Buffalo and is pleased to see the Art Gallery’s commitment to Northland. Mr. Pridgen expressed strong support for the project. Mr. Cammarata reported that a lease has been drafted and circulated to Albright-Knox for review. The proposed lease term is three years commencing on September 1st, with a tenant option to renew for an additional two-year period. Mr. Cammarata noted that Albright-Knox is interested in conducting special events in the space and will transition educational programs to 612 Northland. He also reported on the need for additional improvements to the space, including the installation of a sprinkler system.

4.7 612 Northland – Watts Site Design & Construction Administration Proposal – Mr. Stebbins presented his April 30, 2019 memorandum regarding the retention of Watts to conduct site design and engineering services for 612 Northland. Mr. Stebbins outlined the scope of services as set forth in the service order and noted that the \$63,240 cost is eligible for reimbursement from the Restore NY grant. Mr. Stebbins indicated that this work is time sensitive due to the Albright-Knox project. He also noted that Paul Tronolone (ESD) reviewed the proposed service order and advised executive staff that the cost was reasonable. Mr. Comerford made a motion to approve Watts

Architecture & Engineering's Amended Service Order No. 8 for the Northland Corridor, Campus Master Planning and Stormwater Management Plan: 612 Northland Site Design and Construction Services at a cost of \$63,240 and to authorize the President or Executive Vice President to execute and deliver the Service Order on behalf of BUDC. The motion was seconded by Mr. Nasca and carried with ten affirmative votes (10-0-1). Ms. Mays abstained.

4.8 Northland Beltline Project Update – Mr. Stebbins circulated a handout and provided an update regarding the process for selecting next food service provider for the NWTC. The RFP for the next operator is due on May 2 and interest to date has been high. An information meeting was held on April 11 which was attended by over two dozen potential operators. The goal is to have an operator in the space by August 1st to align with the next school year.

4.9 Buffalo Building Reuse Project Update – Ms. Merriweather reported that responses for the second quarter request for proposals for the BBRP loan program are due on the last Friday of June. Ms. Merriweather then reported on downtown infrastructure matters, including a progress report on the entertainment district project. She also stated that BUDC is working with the Buffalo Arts Commission to incorporate art design in the district. Ms. Merriweather completed her report with an update regarding Queen City Pop-Up, and noted that BUDC is working with Buffalo Place to secure the location for the next session of Queen City Pop-Up.

4.10 Buffalo Lakeside Commerce Park Update – Mr. Cammarata reported that the Flora group has requested an extension of the due diligence period to correspond with the end of the New York State legislative session. He also updated the Board regarding the sale of 255 Ship Canal, which is in the due diligence phase. BUDC is waiting on a response from the NYSDEC regarding additional items that may be needed in order to complete the environmental easement for Parcel 4. He concluded his report by noting that the landscape contractor has begun spring clean-up activities at BLCP.

4.11 308 Crowley Project Update – Mr. Cammarata reported on progress at 308 Crowley. He noted that the City has approved LiRo to do pre-demolition work. This work will be paid for with City CDBG funds. BUDC is in negotiations with Enterprise Folding Box Co., Inc. regarding the sale of 71 Isabelle Street. A draft Land Sale Agreement has been circulated to Enterprise Folding Box Co., Inc. He noted that Enterprise Folding Box Co., Inc. may have interest in additional acquisitions at the site.

4.12 Information Package – Mr. Cammarata reviewed the informational, marketing and media materials that were included in the monthly information package provided to the Board.

5.0 Late Files – None.

6.0 Tabled Items – None.

7.0 Executive Session – None.

8.0 Adjournment – There being no further business to come before the Board, upon motion made by Ms. Curry, seconded by Ms. Whyte and unanimously carried, the April 30, 2019 meeting of the Board of Directors was adjourned at 1:30 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary