

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

**95 Perry Street
Buffalo, New York 14203
July 25, 2017
12:00 p.m.**

1.0 Call to Order

Directors Present:

Thomas Beauford, Jr.
James W. Comerford
Janique S. Curry
Darby Fishkin
Dottie Gallagher-Cohen
Thomas R. Hersey, Jr.
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
Dennis M. Penman (Vice Chair)
Darius G. Pridgen

Directors Absent:

Hon. Byron W. Brown (Chair)
Dennis W. Elsenbeck
David J. Nasca
Christopher J. Schoepflin
Craig A. Slater
Steven J. Stepniak
Maria R. Whyte

Officers Present:

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

Others Present: Lou Battaglia, BUDC intern; Dawn Boudreau, ECIDA; Daniel Leonard, Buffalo Niagara Partnership; Mark A. Stebbins, Freed Maxick; Brett Stiehler, Gilbane Building Company; Dennis Sutton, City of Buffalo; Joseph Trapp, Greco Trapp PLLC; Edward Watts, Jr., Watts Architecture & Engineering; and Steven Weathers, ECIDA President and CEO.

Roll Call; Order of Business – The Secretary called the roll of directors at 12:10 p.m. A quorum of the Board was not present. The Vice Chair requested that Mr. Stebbins present information item 4.9 (the Northland Beltline Project update). Ms. Curry and Ms. Gallagher-Cohen joined the meeting during the presentation of item 4.9, at which time a quorum of the Board was present. The Board consented to the presentation of item 4.6 immediately following item 4.1. Mr. Pridgen left the meeting after the presentation of item 4.6. Mr. Kucharski and Mr. Beauford left the meeting after the presentation of item 4.8.

Mr. Penman began the meeting by acknowledging Dennis Sutton for his service to the City of Buffalo and BUDC. Mr. Sutton is retiring from his employment with the City of Buffalo at the end of this month. Mr. Cammarata thanked Mr. Sutton for his contributions to BUDC relating to the Buffalo Lakeside Commerce Park, RiverBend and Northland Beltline projects.

2.0 Presentation of the Minutes – The minutes of the June 27, 2017 annual meeting of the Board of Directors were presented. Mr. Comerford made a motion to approve the meeting minutes. The motion was seconded by Mr. Kucharski and unanimously carried.

3.0 Monthly Financial Reports – Ms. Profic presented the BUDC monthly financial report for the period ending June 30, 2017. The unrestricted cash balance at the end of the period was \$12,115,191 and the net position at the end of the period was \$17,701,310. Year-to-date revenue was \$2,452,022 and year-to-date expenses were \$1,388,110, resulting in year-to-date net income of \$1,063,912. Ms. Profic then reviewed the balance sheet and income statement for 683 Northland LLC for the period ending June 30, 2017. Mr. Hersey made a motion to accept the financial reports. The motion was seconded by Ms. Gallagher-Cohen and unanimously carried.

4.0 New Business

4.1 683 Northland - Historic Rehabilitation and New Market Tax Credits Investors – Mr. Stebbins presented his July 25, 2017 memorandum to the Board regarding the proposed selection of investors for historic tax credits and New Markets Tax Credits (NMTC) for the 683 Northland WNY Workforce Training Center project. Mr. Stebbins indicated that executive staff has been working with the legal/accounting consulting team retained by BUDC to identify and attract investors for the historic tax credits and NMTC for the project. Two potential investors for the historic tax credits submitted letters of intent: JP Morgan Chase Bank (“Chase”) and National Trust Community Investment Corporation (“NTCIC”), with Citibank being the investor for NTCIC. Three offers for allocations of NMTC were received from Consortium America (with Chase only), NTCIC (with Citibank only) and Building America. Mr. Stebbins indicated that the legal/accounting consulting team analyzed the offers and reviewed them in detail with the Audit & Finance Committee at its July 7th meeting. The recommendation of the Audit & Finance Committee is to accept the letter of intent from NTCIC for historic tax credits and a five million dollar allocation of NMTC for the project, and to accept a nine million dollar allocation of NMTC from Building America. Mr. Stebbins then explained the primary differences between the NTCIC and Chase offers, as outlined in his July 25th memorandum.

The Board discussed the proposed recommendation. In response to a question from Ms. Gallagher-Cohen regarding the number of investors, Mark Stebbins (Freed Maxick) indicated that allocations are received through community development entities (CDEs), which have allocations on a year-by-year basis. Some CDEs had no allocations left in 2017. He noted that the project can support up to twenty million dollars of NMTC allocation, and that the remaining six million could be pursued in a second round of NMTC financing in 2018. Mr. Stebbins indicated that both the National Development Council (NDC) had no allocation left in 2017 for the project, but is interested in providing an allocation in 2018. Mr. Mehaffy asked about the procurement process utilized to identify investors. Mark Stebbins indicated that there are only a limited number of investors for a transaction of this size and complexity, and that the legal/accounting consulting team requested that investors submit letters of intent regarding their interest in the project. Mr. Stebbins stated that U.S. Bank was also solicited as a potential investor, but decided against submitting a term sheet. Mr. Cammarata explained that while a more formalized procurement process was not utilized, the process resulted in competitive responses. Mr. Zanner noted that BUDC’s policy for procurements over \$25,000 is to seek responses through a written request for proposal, but that the policy does not require a specific format for a written request for proposal. He indicated that the process was consistent with policy because investors were solicited in writing and asked to submit written proposals. In response to a question from Mr. Cammarata, Mark Stebbins reiterated that there is a very small pool of available investors. He also commented that in his experience with these type of transactions, the historic tax credits pricing received by BUDC is extremely competitive, nearly above market. In response to questions from Ms. Curry, Mr. Stebbins stated that BUDC contacted KeyBank, but KeyBank was not interested in submitting a proposal for the project. He also indicated that the project could be jeopardized if the investors are not approved. Mr.

Kucharski noted that the Governance Committee is reviewing proposed changes to the BUDC procurement policy and will be making recommendations to the Board for changes to the policy. He noted that this is a complex transaction and thanked executive staff and the legal/accounting consulting team for their work. There being no further discussion, upon motion made by Mr. Kucharski, seconded by Ms. Minkel and (with Mr. Mehaffy voting in the negative) carried with ten affirmative votes (10-1-0), it was resolved, that BUDC:

1. Accept the Letters of Intent for Historic Preservation Tax Credits from the National Trust Community Investment Corporation (“NTCIC”) and Citibank for Federal and State Historic Tax Credit Equity Investments.
2. Accept the Letter of Intent for a New Markets Tax Credit Allocation from NTCIC in the amount of five million dollars.
3. Accept the Letter of Intent for a New Markets Tax Credit Allocation from Building America Community Development Entity, Inc. in the amount of nine million dollars.
4. Authorize the President and Executive Vice President to execute the Letters of Intent and such other documents and agreements in connection therewith, and to take such actions as may be reasonably necessary or appropriate to facilitate the receipt by BUDC and/or its subsidiary entities of Historic Preservation Tax Credits and New Markets Tax Credit Allocations for the WNY Workforce Training Center Project at 683 Northland.

4.2 683 Northland - Gilbane Subcontract Bid Results

- 4.2.1 Concrete Infill & Footers** – Mr. Stebbins presented his July 25, 2017 memorandum regarding the proposed award of the concrete infill and footers work for the 683 Northland project. Mr. Comerford made a motion to approve Gilbane’s proposed award of the concrete infill and footers contract to Rodriguez Construction Group, Inc. in the amount of \$667,836 and authorize the President or Executive Vice President to execute the July 20, 2017 Award Recommendation on behalf of BUDC. The motion was seconded by Ms. Fishkin and unanimously carried.
- 4.2.2 Masonry Restoration & Glass Block** – Mr. Stebbins presented his July 25, 2017 memorandum regarding the proposed award of the masonry restoration and glass block work for the 683 Northland project. Ms. Curry made a motion to approve Gilbane’s proposed award of the masonry restoration and glass block contract to Morris Masonry Restoration LLC in the amount of \$921,465 and authorize the President or Executive Vice President to execute the July 17, 2017 Award Recommendation on behalf of BUDC. The motion was seconded by Ms. Minkel and unanimously carried.
- 4.2.3 Exterior Windows & Storefronts** – Mr. Stebbins presented his July 25, 2017 memorandum regarding the proposed award of the exterior windows and storefronts work for the 683 Northland project. Mr. Beauford made a motion to approve Gilbane’s proposed award of the exterior windows and storefronts contract to Sterling Glass Inc. in the amount of \$1,386,200 and authorize the President or Executive Vice President to execute the July 17, 2017 Award Recommendation on behalf of BUDC. The motion was seconded by Ms. Minkel and unanimously carried.
- 4.2.4 Underground Plumbing** – Mr. Stebbins presented his July 25, 2017 memorandum regarding the proposed award of the underground plumbing work for the 683 Northland project. Mr. Kucharski made a motion to approve Gilbane’s proposed award of the underground plumbing contract to MLP Plumbing & Mechanical Inc. in the

amount of \$895,500 and authorize the President or Executive Vice President to execute the July 17, 2017 Award Recommendation on behalf of BUDC. The motion was seconded by Ms. Gallagher-Cohen and unanimously carried.

4.2.5 Early Painting – Mr. Stebbins presented his July 25, 2017 memorandum regarding the proposed award of the early painting work for the 683 Northland project. Ms. Gallagher-Cohen made a motion to approve Gilbane’s proposed award of the early painting contract to R.W. Gaskin & Associates in the amount of \$93,035 and authorize the President or Executive Vice President to execute the July 17, 2017 Award Recommendation on behalf of BUDC. The motion was seconded by Mr. Kucharski and unanimously carried.

4.2.6 Insulated Structural Roof Panels – Mr. Stebbins presented his July 25, 2017 memorandum regarding the proposed award of the insulated structural roof panels work for the 683 Northland project. Ms. Minkel requested that executive staff provide a summary of the early bid contracts authorized by the Board. Ms. Minkel then made a motion to approve Gilbane’s proposed award of the insulated structural roof panels contract to Mader Construction Co., Inc. in the amount of \$1,120,980 and authorize the President or Executive Vice President to execute the July 17, 2017 Award Recommendation on behalf of BUDC. The motion was seconded by Ms. Fishkin and unanimously carried.

4.3 683 Northland – Watts Phase 2 Schematic Design Proposal – Mr. Stebbins presented his July 25, 2017 memorandum regarding proposed Service Order No. 16 from Watts Architecture & Engineering relating to the preparation of schematic design documents for Phase 2 of the 683 Northland project. This work will include the preliminary build-out for prospective tenants Buffalo Manufacturing Works, Buffalo Employment Training Center (BETC) and Buffalo Public Schools Nurses Aide Training Program. The cost of this work is \$342,640. Mr. Stebbins indicated that this expenditure is eligible for reimbursement from ESD as part of the Buffalo Billion II commitment to Buffalo Manufacturing Works. However, a formal grant agreement is not yet in place for that commitment, so the executive staff is requesting authorization to utilize the Buffalo Brownfields Redevelopment Fund to pay for this cost. Mr. Stebbins indicated that peer review of the Service Order was obtained from Gilbane, but ESD has not yet responded. In response to a question from Mr. Mehaffy, Mr. Stebbins indicated that funding is in place for the \$28 million estimated cost for Phase 2. Ms. Curry made a motion to approve Service Order No. 16 for Phase 2 schematic design services in the amount of \$342,640, to authorize the President or Executive Vice President to execute the Service Order and to authorize the use of up to \$342,640 from the Buffalo Brownfields Redevelopment Fund to pay for the work; with the foregoing being contingent upon BUDC’s receipt of a favorable peer review response from ESD. The motion was seconded by Mr. Mehaffy and unanimously carried.

4.4 612 Northland Avenue – Asbestos Abatement Air Monitoring Proposals – Mr. Stebbins presented his July 25, 2017 memorandum regarding asbestos abatement air monitoring services for the 612 Northland renovation project. Cost proposals were received from three contractors. 56 Services, Inc. submitted the lowest cost proposal in the amount of \$16,920. Mr. Stebbins indicated that this work will be paid for with Restore NY grant funds, which require a 10% match. Executive staff is requesting that the Board authorize the use of the Buffalo Brownfields Redevelopment Fund for the 10% match. Mr. Comerford made a motion to approve the award of the third-party asbestos abatement air monitoring contract to 56 Services, Inc. for the estimated contract amount of \$16,920, to authorize the President or Executive Vice President to execute a contract with 56 Services, Inc. and authorize the use of the Buffalo Brownfields Redevelopment Fund as the ten percent (10%) match for the Restore NY grant funding to pay for the work. The motion was seconded by Mr. Kucharski and unanimously carried.

- 4.5 612 Northland Avenue – Glazing and Window Work** – Mr. Stebbins presented his July 25, 2017 memorandum regarding the installation of Kalwall system panels and the installation of aluminum windows and storefronts at 612 Northland. The recommendation is to award the Kalwall system work to Aurora Window Systems & Contracting, Inc. and to award the aluminum windows and storefronts installation work to Ty Wallace d/b/a W&W Paint and Glass. Mr. Stebbins noted that both contractors are MBE companies. Mr. Cammarata noted that with the exception of the asbestos air monitoring work awarded to 56 Services, Inc. all work at 612 Northland has been awarded to MBE or WBE contractors. Ms. Curry made a motion to approve the retention of Aurora Window Systems & Contracting, Inc. to furnish and install Kalwall system panels at a cost of \$122,854; to approve the retention of Ty Wallace d/b/a W&W Paint and Glass to furnish and install aluminum windows and storefronts in the amount of \$69,500 and to authorize the President or Executive Vice President to execute appropriate agreements with these contractors to perform the work. The motion was seconded by Mr. Hersey and unanimously carried.
- 4.6 Updated Downtown Housing Study - Funding Request** – Ms. Merriweather presented her July 25, 2017 memorandum regarding funding for an updated downtown housing study. Ms. Merriweather explained the need for the updated study, noting that the last study was completed in 2011 prior to the implementation of the Buffalo Building Reuse Project. The cost of the study is \$35,000, and the Buffalo Niagara Partnership is soliciting private sector funding to cover one-half of the cost. BUDC is being asked to fund the other half of the cost, which Ms. Merriweather indicated would be paid from the Regionally Significant Project (RSP) Fund. She then introduced Daniel Leonard from the Buffalo Niagara Partnership, who provided additional details regarding the study. Mr. Pridgen noted that the City of Buffalo is also undertaking a housing study and asked whether the studies would conflict. Mr. Leonard responded that the scopes for both studies were compared to confirm they do not conflict. At the conclusion of the discussion, Mr. Pridgen made a motion to authorize the expenditure of \$17,500 from the Regionally Significant Project Fund to pay for a portion of the cost of a new downtown housing study and to authorize the President or Executive Vice President to facilitate any agreements to expend these funds. The motion was seconded by Mr. Mehaffy and carried with ten affirmative votes (10-0-1). Ms. Gallagher-Cohen abstained from discussion and voting on this item.
- 4.7 Amended and Restated Audit & Finance Committee Charter** – Mr. Cammarata presented the July 25, 2017 memorandum from the Audit & Finance Committee Chair regarding the proposed Amended and Restated Audit & Finance Committee Charter. Mr. Cammarata noted that the principal changes involve the addition of finance related functions and responsibilities. Mr. Comerford made a motion to approve the Amended and Restated Audit & Finance Committee Charter. The motion was seconded Ms. Fishkin and unanimously carried.
- 4.8 ULI Advisory Service Panel Additional Funding – Central Terminal** – Mr. Stebbins presented his July 25, 2017 memorandum to the Board regarding additional funding for the ULI Advisory Services Panel for the Central Terminal. Mr. Stebbins indicated that National Grid's contribution for Panel costs was \$10,000 less than the requested amount of \$35,000. Executive staff is recommending that the Board approve the use of the Regionally Significant Project Fund to cover the funding shortfall. The Board discussed the request. Ms. Curry commented that the ULI Advisory Panel should be more inclusive of the community. At the conclusion of the discussion, Mr. Mehaffy made a motion to approve utilizing an additional \$10,000 from the Regionally Significant Project Fund to pay for the remaining portion of the cost for the ULI Advisory Services Panel for the Central Terminal redevelopment strategy. The motion was seconded by Mr. Kucharski and unanimously carried.
- 4.9 Northland Belt Line Project Update** – Mr. Stebbins circulated a written report/update regarding Northland Belt Line project. He then highlighted a few items from the report. A fourth public meeting for the project was held on July 20th at the Math, Science & Technology School on East Delavan Avenue. At the meeting, Mayor Brown introduced the pre-apprenticeship

program and information was provided to attendees regarding entry into the pre-apprenticeship program for the trades. Approximately 100 persons attended the public meeting. More community outreach meetings will be scheduled to inform the community of employment and contracting opportunities for the Northland Beltline project. Mr. Stebbins also updated the Board regarding the submission of reimbursement requests to the City of Buffalo for CDBG grant funding and the current MBE/WBE utilization percentages for the project. Mr. Cammarata commented on efforts to publicize pre-apprenticeship opportunities, noting that the application has been widely circulated. A copy of the application is included in the Board information packet.

4.10 Buffalo Building Reuse Project Update – Ms. Merriweather presented an update regarding the Buffalo Building Reuse Project. At its July 11th meeting, the Downtown Committee reviewed two proposed projects for consistency with BBRP loan program goals. A project by Signature Development for 68-72 Sycamore Street was determined to be consistent with BBRP loan program goals and will be advanced to NYBDC for underwriting. The second project, involving the CW Miller Livery building, was tabled because the Downtown Committee wanted further examination as to whether the BBRP loan program should be utilized for projects that do not include a residential component. Ms. Merriweather also reported that the third quarter RFP for BBRP loan program has been released. One proposal has been received to date. Five responses to the City's request for proposals for the Erie/Shelton Square design work. The consultant for this work should be under contract by September. Ms. Merriweather completed her update with a report on the Queen City Pop-up retail program. Downtown activities such as the Farmers Market have helped generate foot traffic for the retailers at the Brisbane building. The Small Business Administration will hold its technical training session for the program on July 26th.

4.11 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. Minkel, seconded by Mr. Kucharski and unanimously carried, the July 25, 2017 meeting of the Board of Directors was adjourned at 1:30 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary