

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation **Annual Meeting of the Members**

Date: Tuesday, June 28, 2016

Time: 12:00 Noon

***Place: BUDC/ECIDA Offices, 95 Perry Street, 5th Floor Conference Room
Buffalo, New York 14203***

1.0 CALL TO ORDER

2.0 READING OF THE MINUTES *(Action) (Enclosure)*

3.0 REPORTS OF COMMITTEES *(Information)*

4.0 REPORTS OF OFFICERS *(Information) (Enclosure)*

5.0 OLD AND UNFINISHED BUSINESS *(Information)*

6.0 NEW BUSINESS

6.1 Annual Report of Directors (NYS Not-For-Profit Corp. Law) *(Information) (Enclosure)*

7.0 ADJOURNMENT

**Minutes of the Annual Meeting of the Members
of
Buffalo Urban Development Corporation
95 Perry Street
5th Floor Conference Room
Buffalo, New York 14203
June 30, 2015
12:00 p.m.**

1.0 Call to Order

Members Present:

Thomas Beauford
Hon. Byron W. Brown
Dottie Gallagher-Cohen
Kimberley A. Minkel
Benjamin N. Obletz
Dennis M. Penman
Rev. Darius G. Pridgen
Christopher Schoepflin
Craig A. Slater
Steven Stepniak
Maria R. Whyte

Members Absent:

James W. Comerford
Dennis W. Eisenbeck
Thomas A. Kucharski
Woodrow W. Maggard
Brendan R. Mehaffy

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Vice President
Andrew Schoeppich, Treasurer
Kevin J. Zanner, Secretary

Guests Present: Sheldon Anderson, Office of NYS Assemblywoman Crystal D. Peoples-Stokes; Dawn Boudreau, ECiDA Compliance Officer; James Fink, *Buffalo Business First*; and Mollie Profic, ECiDA Controller.

Roll Call: The Secretary called the roll of Members at 12:15 p.m. and a quorum was determined to be present. Mayor Brown joined the meeting during the presentation of item 3.0.

- 2.0 Reading of the Minutes** – The minutes of the June 24, 2014 Annual Meeting of the Members were presented. Upon motion made by Ms. Minkel, seconded by Mr. Beauford and unanimously carried, the minutes of the June 24, 2014 Annual Meeting of the Members were approved.
- 3.0 Reports of the Committees** – Brief reports of the Real Estate Committee and the Audit & Finance Committee were presented to the Members. For the Governance Committee report, Ms. Boudreau updated the Members regarding a recent Authorities Budget Office Policy Guidance, which is recommending, as a best practice, that Board members participate in refresher PAAA Board member training at least every three years.
- 4.0 Report of the Officers** – Mr. Cammarata presented the Report of the Officers for the July 2014 - June 2015 program year, copies of which were included in the meeting agenda packet provided to the Members in advance of the meeting. The Report summarizes the activities of

BUDC over the past year relating to RiverBend, Buffalo Lakeside Commerce Park, the South Buffalo Brownfield Opportunity Area, the Buffalo Building Reuse Project, the Northland Avenue Beltline Corridor and other miscellaneous projects and initiatives of BUDC.

5.0 Old and Unfinished Business – None.

6.0 New Business

6.1 Annual Report of the Board of Directors (NYS Not-For-Profit Corporation Law) – Mr. Schoepich presented the Annual Report of the Board of Directors as set forth in his June 29, 2015 memorandum to the Members. This report is required under Section 519 of the Not-for-Profit Corporation Law. Mr. Schoepich's report referenced the 2014 year-end audited financial statements of the Corporation, copies of which were made available to the Members at the meeting, and which were previously provided to each Member at the March 31, 2015 Board meeting.

7.0 Adjournment – There being no further business to come before the Members, upon motion made by Ms. Gallagher-Cohen, seconded by Rev. Pridgen and unanimously carried, the Annual Meeting of the Members was adjourned at 12:25 p.m.

Respectfully submitted by:



Kevin J. Zanner, Secretary

Buffalo Urban Development Corporation
Report of Officers
July 2015 – June 2016

Accomplishments

The Buffalo Urban Development Corporation accomplishments for the period above are presented in six (6) significant categories: Northland Corridor, Buffalo Building Reuse Project/Downtown Redevelopment, Buffalo Lakeside Commerce Park, South Buffalo Brownfield Opportunity Area, General Corporate, and Miscellaneous Projects and Initiatives.

Northland Corridor Project (Northland)

(Mayor Byron W. Brown's initiative, with support from Governor Cuomo's Buffalo Billion, to create a 35 acre shovel-ready business park on the east side of Buffalo to attract workforce training, light manufacturing, and advanced technology facilities)

July 2015 – The BUDC Board approved the retention of The Mancuso Group to provide property management services for the Northland Corridor. The Board also approved the development of a purchase agreement for BUDC to acquire a neighborhood eyesore property at 577 Northland.

October 2015 – The BUDC Board approved the utilization of \$100,000 in Buffalo Brownfields Redevelopment Funds for road and right-of-way infrastructure design for Northland Avenue. The City of Buffalo will bid the work and contract for its completion. The Board also approved the hiring of Fisher Associates to perform supplemental Phase II site assessment services specifically for 683 Northland. The first full public meeting for the Northland Corridor project was held on October 14th and was very well attended by members of the community. Also in October, historic preservation materials were submitted to the State Historic Preservation Office for review. In addition, staff and counsel continued to work with NYSDEC to finalize and Order on Consent to have 537 East Delavan designated as a NYS Superfund site.

November 2015 – A local resident that owns HLM Landscaping, an MBE firm, was awarded a contract for snowplowing services at the Northland Corridor for the 2015-2016 season.

December 2015 – The BUDC adopted a leasing policy for the properties at the Northland Corridor. Leasing proposals from local community groups and businesses will be properly encouraged. Also in December, the City of Buffalo Planning Board accepted designation as the Lead Agency for the SEQRA review and a Cultural Resources Study was submitted to SHPO for the Corridor project

January 2016 – The BUDC Board authorized a contract with LaBella Associates to perform pre-development services at 577 Northland. BUDC staff provided a detailed

overview of the draft Northland Building Re-Use and Site Development Plan. Additional updates were provided regarding the SEQRA submission, the RFQ for the workforce training center design work, the progress of hazmat survey for 683 Northland, and the newly formed stakeholders' advisory committee.

February 2016 – BUDC staff reported that Mayor Brown has committed an additional four million dollars in City funding to remove blight in the Northland Corridor project area. Staff also noted that BUDC is exploring the availability of historic preservation and Brownfield Cleanup Program tax credits for Northland, in addition to seeking grant funding from National Grid. The BUDC Board authorized the BUDC President and Executive Vice President to solicit and award legal work concerning National Environmental Policy Act review of the Mayor's committed City funding.

March 2016 – The BUDC Board approved and revised three Task Orders related to the Northland project. Also, the Board approved the utilization of additional funding from the Buffalo Building Reuse Fund to fully fund the preliminary design and engineering for the Northland Corridor road and right-of-way improvement project, with BUDC to seek reimbursement for the expenditure from the Empire State Development grant. Also, BUDC staff reviewed the RFQ process for the construction of the WNY Workforce Training Center and relayed the review/selection committee's recommendation that BUDC award the work to the design consulting team led by Watts Architecture & Engineering. The BUDC Board authorized the President and Executive Vice President to negotiate and enter into a Master Services Agreement with Watts to provide final design services. BUDC staff also updated the Board on various matters regarding Northland, including the emergency demolition of two structures located at 577 Northland Avenue.

April 2016 – BUDC staff updated the Board regarding Empire State Development's recent RFP for an operator for the Workforce Training Center and its work with its academic partners regarding programming. Also, staff provided an update that ESD approved a grant for the Northland Corridor Project, and that BUDC has applied for NYSERDA funding to explore high performance energy construction and the potential for a zero net energy campus. Also, an update regarding the demolished structures on the property at 577 Northland, which has been secured and fenced.

May 2016 – The BUDC Board approved Service Order Nos. 1 through 5 with Watts Architecture & Engineering for design services related to the Northland Corridor project, and authorized the President to execute the Service Orders so that the work may proceed immediately. BUDC staff updated the Board regarding the issuance of an RFQ for at-risk construction management services for the Workforce Training Center. Also, BUDC staff updated the board that a grant agreement between BUDC and the City of Buffalo had been executed and that design work on the road and infrastructure improvements project would commence that week. National Grid has also awarded grant funding for the road and infrastructure improvement project.

Buffalo Building Reuse Project (BBRP) / Downtown Development

(Mayor Byron W. Brown's creation of a public/private partnership between BUDC, the Mayor's Office of Strategic Planning, the Buffalo Niagara Partnership, National Grid and the Erie County Industrial Development Agency (ECIDA) to support the vibrancy of downtown Buffalo)

BBRP Loan Program - The BBRP Loan program was developed to provide gap financing for adaptive reuse projects downtown. Two loans were selected to move to the underwriting process in the 2015 (Main Cathedral and Phoenix Brewery Apartments). Both projects convert vacant and underutilized space to residential units and mixed-use developments. Both loans have closed in spring of 2016.

BBRP Loan Fund Capital Campaign - BUDC has partnered with the Buffalo Niagara Partnership on a capital campaign to leverage additional funding from private sector banks for the BBRP revolving loan fund. The capital campaign raised an additional \$9 million from five local banks, as well as a contribution from New York Business Development Corporation.

Queen City Pop-Up Project - In an effort to attract additional retailers to downtown, BUDC teamed-up with Buffalo Place and Working for Downtown to continue "Queen City Pop-Up" in 2015-2016. This initiative is designed to promote retail activity along Main Street by creating new "pop-up" shops that feature local retailers. The project activates empty storefronts by filling them with retailers on a short-term basis, free of charge. Plaza Group and Key Success/Ciminelli Real Estate Corp agreed to provide rent-free retail space for Queen City Pop Up during the two installments of the project in 2015. A total of nine temporary retailers were added to downtown Main Street in 2015, four of which took permanent spaces after their Queen City Pop Up run ended. A fourth installment of Queen City Pop-Up is currently running on the 500 block of Main Street in a property provided by Roger Trettel.

Preservation Ready Survey – BUDC staff continued to market the Preservation Ready survey in 2015-2016. This marketing tool was developed and released in 2014 to help developers easily identify properties downtown that are eligible for historic tax credits. Outreach was made to over 450 developers and real estate firms (locally, nationally and internationally). Outreach was also made to the top minority and women owned firms across the country. This outreach has resulted in numerous project leads from local and national development firms.

Infrastructure Improvements - BUDC works to coordinate infrastructure improvement projects that add to the vibrancy of downtown. In March 2015, BUDC released the Downtown Buffalo Infrastructure and Public Realm Master Plan. The Master Plan is an investment strategy designed to help guide public investments in new street and public realm infrastructure. Preliminary construction work on the Genesee Gateway project began in 2015, with the remainder to be completed in 2016. Improvements to public space at Fountain Plaza was also completed in 2015. BUDC also successfully prepared two grant applications that secured State funding for the planning and design of Erie-Shelton Square greenway and infrastructure improvements to Franklin Street.

Downtown Marketing - BUDC looks to increase awareness about development opportunities, tools and incentives that are available to encourage additional private investment downtown. There is a coordinated outreach plan to promote downtown development opportunities. Marketing initiatives like CORE Strength, Book of Lists, and advertising in Urban Land Magazine help BUDC reach its prime development targets. The most significant outreach effort in 2015 was the creation and distribution of the Downtown Buffalo, NY 2016 Development Guide. The guide is a collaborative effort between BUDC and its Chairman Mayor Brown, Buffalo Niagara Enterprise, CBRE/Buffalo, the Buffalo Niagara Partnership and Buffalo Place; and it was sponsored by National Grid. It is patterned after similar guides that have been developed in other cities and emphasizes Buffalo's significant economic development transformation, downtown amenities, residential opportunities, evolving workforce, development sites, and development tools and resources.

Business Assistance – The BUDC Vice President for Downtown Development assisted over sixty businesses and developers in 2015, acting as an advocate and coordinator for a myriad of business development issues. Brandye Merriweather's work in this category also includes "problem" properties. She is working with the City on a possible vacant property registry to address vacant and problem properties in downtown Buffalo.

Buffalo Lakeside Commerce Park (BLCP)

(The award-winning brownfield redevelopment project located in South Buffalo on the waterfront, featuring Ship Canal Commons Park)

Throughout this time period, BUDC staff continued to work with various prospects who expressed interest in purchasing land at BLCP. Extensive information was shared with all prospects for their due-diligence process. It is hoped that at least one land sale in 2016 will result from these efforts.

A final close-out of the contracts related to the construction of Ship Canal Commons at BLCP was accomplished. Working with legal counsel from the bond holder (Hanover) and the contractor (Man'O Trees), BUDC settled this matter in 2015, and by the diligent efforts of our legal counsel was able to recoup \$53,000 of consultant costs.

The NYSDEC continued its design work for the Superfund cleanup on Parcel 4 at BLCP and has agreed to expand its project area by another approximately 15 acres. As of the preparation of this report remedial work has still not begun.

Working with NYSDEC, BUDC advanced the Brownfield Cleanup Program (BCP) designation for the 193 Ship Canal Commons site. In February 2015, the Board approved a contract with LaBella Associates to provide further environmental remediation investigation and related reporting services. The draft remedial investigation report for the BCP was presented to the NYSDEC in September for its review.

In early 2015, BUDC was granted CPS-7 property owner's association status from the New York State Attorney General for the Buffalo Lakeside Commerce Park Property

Owners Association. Subsequently, the Declaration of Covenants for BLCP was filed with the Erie County Clerk's Office. In the summer of 2015, the Internal Revenue Service granted 501(c)(4) tax-exempt status to the BLCP Property Owners Association. BUDC has received annual payments from two property owners (CertainTeed and Sonwil) to apply to BLCP maintenance.

In November 2015, NYSDEC re-opened an issue regarding soil cover depth at the BLCP Parcel 3 project. In June 2016, BUDC received a letter outlining the specific information NYSDEC needs to satisfy this issue and is working with Arcadis engineers to provide same.

BUDC staff continued to work with Elbers Landscaping Service on all seasonal maintenance issues at BLCP and contracted to have all lighting on the pedestrian bridge and sea walls maintained.

South Buffalo Brownfield Opportunity Area (SBBOA)

(To directly assist the Mayor's Office of Strategic Planning, BUDC assumed the role of coordinator for this Step 3 BOA in 2012)

Recreational Needs Assessment - The South Buffalo Brownfield Opportunity Area's recreational needs assessment study was completed by Paradigm Economics in 2014. The key components of the study were to provide an existing conditions/supply analysis, a market analysis, the identification and analysis of comparable facilities, a location analysis, construction cost estimates, a financial operations analysis, and an economic impact analysis. In 2015, the study was circulated to a select audience nationwide, who may have interest in developing a recreational facility in the City of Buffalo. Staff continues to follow-up on some leads and the final copy of the study remains resident on the BUDC website.

South Buffalo Golf Course Feasibility Study – In 2014, a consultant team led by Wendel Companies completed the South Buffalo Golf Course Feasibility Study, one of the key implementation projects under Step 3 of the SBBOA. The study included a physical assessment of the study area, a market feasibility analysis, conceptual design development, a permitting summary, a financial viability analysis, and a section about the potential restoration of the historic South Park arboretum. In 2015, BUDC staff continued to discuss with Buffalo Olmsted Parks Conservancy officials whether they had any interest in implementing the plan.

Formal Designation – In November of 2015, David Stebbins worked with Architectural Resources to deliver the voluminous documentation for the New York State Department of State (NYSDOS) to obtain formal designation as a Brownfield Opportunity Area. This marked a culmination of an application process that began in 2006. Most significantly, an additional 5% brownfield tax credit will be available for any project located in the SBBOA study area as long as the SBBOA receives a formal designation before the tax credit is utilized.

General Corporate

- maintained full compliance with Public Authorities Accountability Act (PAAA), including all changes applicable from Public Authorities Reform Act of 2009 and subsequent Authority Budget Office (ABO) directives
- approved 2015 Public Authorities Annual Report
- completed Board and Committee self-evaluations for 2015
- approved the 2016 Mission Statement and Performance Measurements of the Corporation as required by the above
- adopted, re-adopted or approved the Code of Ethics, Procurement Policy, Property Disposition Guidelines, Audit & Finance and Governance Committee Charters, Public Authorities Annual Report, Investment Report, Investment & Deposit Policy, Travel, Conferences, Meals & Entertainment Policy, and the Whistleblower Policy
- expanded the scope of activities of all Board Committees
- approved 2015 Audited Financial Statements
- earned a “clean” audit report for Fiscal Year 2015
- designated the Northland Corridor Project as a “comparable project” for Buffalo Brownfields Redevelopment Fund (BBRF) purposes
- approved the reimbursement of \$332,566 from the BBRF to BUDC for third party costs in 2015
- Thomas Beauford and Benjamin Obletz were reappointed to the Board of Directors by Mayor Brown
- Janique S. Curry was appointed to the Board of Directors by Mayor Brown
- Thomas Dearing assumed one of the two Erie County positions on the Board replacing Richard Tobe, but subsequently retired and was replaced by Tom Hersey.
- prepared an Orientation Manual for new Board Members
- worked with Audit & Finance Committee to prepare a comprehensive budget and three year projection for Board approval
- conducted Annual Meeting of Board and Membership
- approved a banking resolution to reflect the appointment of Mollie Profic as Assistant Treasurer
- recognized the title changes of David Stebbins (Executive Vice President) and Brandye Merriweather (Vice President)
- prepared an Annual Report of Directors as required by NYS Not-For-Profit Law
- conducted an internal controls audit utilizing ECIDA Compliance Officer Dawn Boudreau
- approved the establishment of a separate bank account for the Northland Corridor Project
- reviewed 2015 IRS Form 990 with all Board members and solicited comments

Miscellaneous Projects & Initiatives

- in January 2014, the BUDC Board approved up to \$40,000 in funding for the Buffalo Brownfield Restoration Corporation (BBRC); for operating, legal, insurance, and other carrying costs related to the former Trico property. The funds were made available from the Empire Zone Regionally Significant Project Fund. Subsequently, BBRC negotiated a real estate purchase agreement with The Krog Corporation to purchase the building and fund the building's operating costs. In December of 2015, the BBRC Board extended the due diligence period for the transaction until January 31, 2016. Early in 2016, the due diligence period was extended again through June 1, 2016
- worked with the Mayor's Office of Strategic Planning to analyze various brownfield redevelopment opportunities throughout the City of Buffalo
- continued to participate in the City of Buffalo's "Green Code" land use and zoning process
- continued to participate in the City of Buffalo's Brownfield Opportunity Area (BOA) process
- maintained and updated BUDC website
- maintained and updated property marketing brochures
- provided assistance to multiple companies and strategic projects, often in conjunction with ECIDA
- partnered with National Grid and National Fuel to provide economic development grants to significant projects within the City of Buffalo
- conducted economic development tours for local civic organizations
- serve as the Chair for the Urban Land Institute-WNY Satellite, and assisted in the organization of real estate and economic development activities for the organization
- organized various local activities for Upstate NAIOP

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Item 6.1

MEMORANDUM

TO: Buffalo Urban Development Corporation Members
FROM: Mollie Profic, Assistant Treasurer
SUBJECT: Annual Report of Directors
DATE: June 28, 2016

Under Section 519 of the New York State Not-for-profit Corporation Law, BUDC is required to present an annual report at its annual member meeting. The annual report is to include 1) information on the assets and liabilities of BUDC as of the end of the prior fiscal year, 2) the principal changes in assets and liabilities during the prior fiscal year, 3) the revenue or receipts of BUDC during the prior fiscal year, 4) the expenses or disbursements of BUDC during the prior fiscal year and 5) the number of members of BUDC as of the date of the report, together with a statement of increase or decrease in the number of members during the prior fiscal year and a statement of the place where the names and places of residence of the current members may be found.

The Audited Financial Statements were previously approved by BUDC's Board of Directors at their March 29, 2016 meeting. In order to satisfy the first four requirements noted above, members can obtain a copy of the Audited Financial Statements at <http://www.buffalourbandevelopment.com/budc-corporate-reports>.

In satisfaction of the final requirement of the NYS Not-for-profit Corporation Law, BUDC has 19 membership positions at June 28, 2016 which is the same as reported at the prior year's annual meeting. The names of the members of BUDC may be found at: <http://www.buffalourbandevelopment.com/board-of-directors> while the places of residence of current board members may be found at the BUDC offices at 95 Perry Street, Suite# 404, Buffalo, NY.