

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

95 Perry Street
Buffalo, New York 14203
January 30, 2018
12:00 p.m.

1.0 Call to Order

Directors Present:

Hon. Byron W. Brown (Chair)
James W. Comerford
Janique S. Curry
Dennis W. Elsenbeck
Darby Fishkin
Dottie Gallagher-Cohen
Thomas R. Hersey, Jr.
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Craig A. Slater

Directors Absent:

Michael Ball
Thomas Beauford, Jr.
Thomas A. Kucharski
Dennis M. Penman (Vice Chair)
Darius G. Pridgen
Steven J. Stepniak
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

Others Present: Atiqa Abidi, ECIDA Senior Accountant; Dawn Boudreau, ECIDA; Christopher J. Schoepflin, Empire State Development; James Fink, *Buffalo Business First*; Jonathan Epstein, *The Buffalo News*; Sandy White, Mustard Seed Consulting Group; and Terry LoConte, Gilbane Building Company.

Roll Call; Order of Business – Mr. Mehaffy called the meeting to order at 12:15 p.m. as acting Chair. A quorum of the Board was not present. Mr. Mehaffy requested that BUDC executive staff present information items 4.6 and 4.7. Ms. Gallagher-Cohen joined the meeting during the presentation of item 4.6. Mayor Brown and Ms. Curry joined the meeting during the presentation of item 4.7. Following the presentation of item 4.7, the roll of directors was called and a quorum of the Board was determined to be present.

2.0 Presentation of the Minutes – The minutes of the December 19, 2017 meeting of the Board of Directors were presented. Mr. Elsenbeck made a motion to approve the meeting minutes. The motion was seconded by Ms. Gallagher-Cohen and unanimously carried.

3.0 Monthly Financial Reports – Ms. Profic reported that BUDC's new auditing firm, Freed Maxick, is working on the 2017 year-end audit, and that accordingly, monthly financial reports for BUDC and 683 Northland LLC will not be presented this month. Ms. Profic then presented her January 30, 2018 memorandum setting forth a summary of Buffalo Brownfields Redevelopment Fund (BBRF) activity for

the period from November 30, 2017 through January 12, 2018. Ms. Profic explained that on December 27th, BUDC utilized \$1,450,000 from the BBRF account for the purpose of temporarily funding closing costs for the tax credits and KeyBank financing transactions. It was anticipated that these funds would be returned to the BBRF account the same day, but due to a wire room delay, the funds were not deposited into the account until January 2, 2018. As a result, the 2017 BBRF year-end financial statements will reflect a balance of \$797,594 instead of \$2,375,065.

4.0 New Business

4.1 New Empire State Development Board Member – Mr. Cammarata reported that Empire State Development (ESD) recently promoted Christopher Schoepflin to Senior Vice President and named Michael Ball as its new Regional Director. The BUDC Certificate of Incorporation provides that the Regional Director of ESD serves as a member and director of BUDC, so Mr. Ball has succeeded Mr. Schoepflin in that role. Mr. Cammarata indicated that the Governance Committee is recommending that Mr. Ball be appointed to the Governance Committee to take the place of Mr. Schoepflin. Ms. Gallagher-Cohen made a motion to appoint Michael Ball to the Governance Committee through June 2018. The motion was seconded by Mr. Nasca and unanimously carried. Mr. Cammarata and members of the Board then recognized Mr. Schoepflin for his contributions to BUDC and wished him well in his new position.

4.2 Appointment of Assistant Treasurer – Mr. Cammarata introduced Atiqa Abidi, who was recently hired by ECIDA as a Senior Accountant to replace Bradley Bach. The Governance Committee is recommending that Ms. Abidi be appointed as Assistant Treasurer. Ms. Minkel made a motion to appoint Atiqa Abidi as Assistant Treasurer through June 2018. The motion was seconded by Mr. Elsenbeck and unanimously carried.

4.3 683 Northland – Phase II Preconstruction Services - Mr. Stebbins presented his January 30, 2018 memorandum regarding pre-construction services for Phase II of the 683 Northland project. Gilbane Building Company is proposing to provide pre-construction services for Phase II of the project at a cost of \$142,640. This work would begin immediately and be documented through an amendment to the construction management agreement between Gilbane and 683 Northland LLC. Mr. Stebbins noted that the cost of this work is less than the cost of the pre-construction services for Phase I of the project. The Board discussed the proposal. Mayor Brown applauded the progress in meeting and exceeding the project's M/WBE and workforce participation goals. Mr. Stebbins indicated that Phase II of the project may result in greater M/WBE and workforce participation. There being no further discussion, Mr. Comerford made a motion to approve an amendment to the construction management agreement between Gilbane Building Company and 683 Northland LLC for Gilbane to provide pre-construction services for Phase II of the 683 Northland project at a cost of \$142,640 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 Mr. Hersey and unanimously carried.

4.4 Northland Road Project – Interim Funding/Buffalo Brownfields Redevelopment Fund (BBRF) – Mr. Stebbins presented his January 30, 2018 memorandum regarding the proposed utilization of the Buffalo Brownfields Redevelopment Fund (BBRF) to help cash flow the Northland Avenue road and infrastructure project. Mr. Stebbins noted that the cost of the road and infrastructure project will be paid with ESD grant funds, but that the timing for receiving grant reimbursements can result in a two-three month lag in payments to contractors. To help bridge this cash flow issue, BUDC executive staff is suggesting that BUDC utilize up to one million dollars from the BBRF for a period of up to ninety days to advance payments for the project. The proposal was reviewed with the Real Estate Committee, which is recommending approval. The Board discussed the proposal. In response to a question from Mr. Nasca, Mr. Cammarata indicated that BUDC generally receives reimbursements from ESD within forty-five to sixty days, and that the extra thirty days will provide some cushion in the event of a late

reimbursement. Mr. Zanner confirmed that the proposed transaction is permitted under the BBRF agreement. In response to a question from Ms. Curry, Mr. Stebbins indicated that ESD grant funds are disbursed to BUDC pursuant to an executed grant disbursement agreement. Mr. Schoepflin noted that funds allocated to the Northland project under the Buffalo Billion I and Buffalo Billion II programs have been legislatively approved and are available for the project. At the conclusion of the discussion, Mr. Nasca made a motion to authorize the utilization of up to one million dollars from the BBRF for a period of up to 90 days to advance payments for the Northland Road project, with such amount to be repaid to the BBRF from ESD grant funds and to authorize the President, Executive Vice President or Treasurer to execute and deliver such agreements and documents and to take such actions as may be reasonably necessary or appropriate to implement this action. The motion was seconded by Mr. Slater and unanimously carried.

4.5 Northland Beltline – Community Outreach Services Agreement - Mr. Cammarata presented his January 30, 2018 memorandum regarding community outreach services for the Northland Beltline project. Mr. Cammarata noted that the funding allocated under the current consulting agreement with Sandy White (d/b/a Mustard Seed World Consulting) has been fully expended as of this month. He noted that Ms. White has become an integral part of the Northland team through her work with BUDC staff, the Mayor's communications staff and the Northland stakeholders group. BUDC executive staff is recommending that BUDC contract with Mustard Seed World Consulting to continue to provide community outreach services for the Northland Beltline project. The proposed fee is \$24,000. Mayor Brown commented on the importance and effectiveness of Ms. White's community outreach activities. Mayor Brown then made a motion to authorize BUDC to enter into a one year agreement with Mustard Seed World Consulting for Northland Beltline community outreach services at a cost not to exceed \$24,000. The motion was seconded by Mr. Nasca and unanimously carried.

4.6 Northland Beltline Project Update – Mr. Stebbins referred Board members to the one-page monthly report prepared by Gilbane for the 683 Northland construction project. Mr. Stebbins reported that BUDC received its Part 2 conditional approval from National Parks Service earlier this week, which will allow Gilbane to advance certain elements of the project that had been delayed due to the lack of approval. Mr. Stebbins then circulated and reviewed a one-page summary of owner allowances and owner contingencies for the project. The amount committed for the skylights and clerestories work is expected to exceed the original GMP budget due to SHPO design requirements. Mr. Stebbins noted that the amounts committed for other elements of the work are lower than original GMP budget allowances, which, along with adjustments to certain budgeted owner contingencies, will offset the increased expense for the skylights and clerestories work. Mr. Stebbins next circulated a written report/update regarding the Northland Beltline project. He highlighted some items from the report, including an update on the January 9th stakeholders meeting chaired by Mayor Brown, and the closing of the historic tax credits, New Markets tax credits and KeyBank bridge loan financing transactions at the end of December. He also reported on ESD's approval of a six million dollar grant for the purchase of workforce training center equipment, the 21.5 million dollar grant from ESD for the design and construction of Phase II of the 683 Northland project and the execution of a letter of intent with Buffalo Manufacturing Works.

4.7 Buffalo Building Reuse Project Update – Ms. Merriweather presented an update regarding the Buffalo Building Reuse project. Last week, Real Property Research Group, Inc. (RPRG) presented to the Loan Committee and Downtown Committee a preliminary report regarding its downtown residential housing study. The consultant indicated that downtown development has been focused on rehabilitating specific buildings, and that the establishment of a centralized node of activity in the downtown urban core is recommended in order to help create a downtown neighborhood. Ms. Merriweather indicated that the study will be used to consider modifications to the BBRP Loan program, and that the Loan Committee and Downtown Committee will be actively involved in those discussions. Mr. Mehaffy stressed that the report is

preliminary and under review, and that a final report will be presented at a later date to the Board. Ms. Merriweather then reported on the proposed loans for the C.W. Miller Livery and McCarley Gardens projects. Earlier this month, the Loan Committee provided feedback to the Downtown Committee regarding these projects, and the Downtown Committee subsequently met and issued BBRP consistency determinations for both projects. Both projects will now advance to the underwriting stage of the loan process. Ms. Merriweather informed the Board that the 1st quarter request for proposals for BBRP loan program funding have been issued. Responses are due March 31st. Ms. Merriweather closed her report with an update on the Erie/Shelton Square infrastructure project, including a stakeholders meeting that took place earlier this month.

4.8 Buffalo Lakeside Commerce Park Update – Mr. Cammarata presented a brief update regarding Buffalo Lakeside Commerce Park, including an update on maintenance activities and potential prospects for two separate parcels at BLCP.

4.9 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. Gallagher-Cohen, seconded by Ms. Fishkin and unanimously carried, the January 30, 2018 meeting of the Board of Directors was adjourned at 1:15 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary