

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

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

1.0 Call to Order

Directors Present:

Thomas Beauford, Jr.
Hon. Byron W. Brown (Chair)
James W. Comerford
Dennis W. Elsenbeck
Dottie Gallagher-Cohen
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
Benjamin N. Oblatz
Dennis M. Penman (Vice Chair)
Christopher J. Schoepflin
Steven J. Stepniak
Maria R. Whyte

Directors Absent:

Janique S. Curry
Thomas R. Hersey, Jr.
David J. Nasca
Darius G. Pridgen
Craig A. Slater

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: Dawn Boudreau, ECIDA; Jonathan Epstein, *The Buffalo News*; and James Fink, *Buffalo Business First*.

Roll Call – The Secretary called the roll of directors at 12:15 p.m. and a quorum was determined to be present. Mayor Brown joined the meeting during the presentation of item 4.1. Mr. Mehaffy joined the meeting during the presentation of item 4.2.

2.0 Presentation of the Minutes – The minutes of the March 28, 2017 meeting of the Board of Directors were presented. Mr. Comerford made a motion to approve the meeting minutes. The motion was seconded by Ms. Gallagher-Cohen and unanimously carried.

3.0 Monthly Financial Report – Ms. Profic presented the monthly financial report for the period ending March 31, 2017. The unrestricted cash balance at the end of the period was \$13,691,382 and the net position at the end of the period was \$16,530,927. Year-to-date revenue was \$1,014,372 and year-to-date expenses were \$1,120,843, resulting in a year-to-date net loss of (\$106,471). Mr. Schoepflin made a motion to accept the financial report. The motion was seconded by Mr. Kucharski and unanimously carried.

4.0 New Business

4.1 **537 East Delavan – LiRo CA/CI Proposal for Demolition** – Mr. Stebbins presented his April 25, 2017 memorandum regarding a proposal to retain LiRo Engineers to provide construction administration, construction inspection and asbestos monitoring services for the demolition of the former Houdaille building at the 537 East Delavan site. The total cost of these services is \$87,278, as detailed in LiRo's April 11, 2017 proposal. The City of Buffalo will undertake demolition of the building through a demolition contract with Regional Environmental Demolition. Mr. Stebbins noted that BUDC initially procured LiRo Engineers through a competitive solicitation for the Northland Corridor and that LiRo prepared the demolition specifications for this project. He also noted that the Real Estate Committee reviewed and is supportive of the proposal. After a brief discussion, Mr. Obletz made a motion to approve LiRo Engineers' April 11, 2017 proposal for construction administration, construction inspection and asbestos monitoring services for the 537 East Delavan demolition project at a lump sum cost of \$87,278 and to authorize the President or Executive Vice President to execute the proposal on behalf of BUDC. The motion was seconded by Mr. Beauford and (with Mr. Schoepflin abstaining) carried with eleven affirmative votes (11-0-1).

4.2 **612 Northland – Phase I (Roof, Asbestos Abatement, Non-Hazardous Removal)** – Mr. Cammarata presented his April 25, 2017 memorandum to the Board regarding proposed contracts for non-hazardous debris removal, asbestos abatement and roof repair work at 612 Northland. Mr. Cammarata noted that 612 Northland is intended to serve as a pilot project for the incubation and development of M/WBE companies and that accordingly, BUDC has been focused on soliciting work for this project from M/WBE firms, with an emphasis on local neighborhood M/WBEs. He noted that at last month's Board meeting, the Board authorized the retention of Kathleen Kinan, R.A., a WBE firm for this project. Ms. Kinan solicited proposals for debris removal, asbestos abatement and roof repair work. Of the eight companies that submitted proposals, four were certified MBE companies. The recommendation is to retain (i) Western New York Field Services (MBE, local) for non-hazardous debris removal at a cost of \$28,605, (ii) Comprehensive Employee Management, Inc. (MBE) for asbestos abatement at a cost of \$96,400 and (iii) Bynum Brothers (MBE, local) for roof repairs at a cost of \$210,670. Mr. Cammarata noted that the proposals submitted by Western New York Mortgage Field Services and Bynum Brothers were very competitive cost-wise but were not the lowest cost proposals submitted for the work. He indicated however, that the BUDC procurement policy permits BUDC to award a contract to other than the lowest bidder under circumstances which justify such an award. The important goal of providing opportunities to M/WBE and neighborhood businesses for the Northland project is furthered by the proposed contract awards and is justification for making the awards. Mr. Cammarata also noted that the Real Estate Committee reviewed this item and is supportive of the recommendation. The Board discussed the proposed contract awards. Mr. Zanner confirmed that BUDC is not required under all circumstances to award contracts to the lowest bidder and that the BUDC procurement policy includes an exception that permits the awarding of contracts to other than the lowest bidder provided there is justification for doing so. Mr. Kucharski commented that this item was vetted with the Real Estate Committee and the contract awards are consistent with the M/WBE and local employment objectives for the Northland Corridor. In response to a question from Mr. Comerford, Mr. Cammarata indicated that the roof repair is a roof replacement.

There being no further discussion, Mayor Brown made a motion to approve the retention of (i) CEM to perform asbestos removal work at a cost of \$96,400; (ii) WNYMFS to perform non-hazardous debris removal work in the amount of \$30,605; and (iii) Bynum Brothers to perform roof replacement work, all such work to be performed at 612 Northland; and to authorize the President or Executive Vice President to execute appropriate agreements with these contractors to perform the work. The motion was seconded Ms. Whyte and (with Mr. Schoepflin abstaining) carried with twelve affirmative votes (12-0-1).

- 4.3 Northland Road Project - BUDC/COB Grant Agreement for Construction** – Mr. Stebbins presented his April 25, 2017 memorandum regarding a proposed grant agreement with the City of Buffalo for the construction of road and right-of-way infrastructure improvements for Northland Avenue. BUDC previously provided grant funding for the design of this project. The design is complete and the design consultant has completed a construction estimate for the project. Construction is expected to begin this June. Mr. Stebbins indicated that BUDC will utilize up to 3.15 million dollars in ESD funds and \$250,000 in National Grid funds for its 3.4 million dollar commitment to the project. The total project is estimated at 5.134 million dollars, with the Buffalo Sewer Authority and Buffalo Water Board expected to provide the balance of the funding for the project. The Board discussed the proposed grant. In response to a question from Mr. Oblatz, Mr. Stepniak indicated that the utility work will be completed first, and that ingress and egress for the 683 Northland WTC construction project will be established to minimize damage to the new road and infrastructure.

There being no further discussion, upon motion made by Mayor Brown, seconded by Mr. Kucharski and (with Mr. Schoepflin abstaining) carried with twelve affirmative votes (12-0-1), it was resolved, that BUDC utilize up to \$3,150,000 in ESD grant funds and \$250,000 in National Grid grant funds for a maximum grant of \$3,400,000 to the City of Buffalo to fund the construction of the Northland Corridor road and ROW improvement project, and to authorize the President or Executive Vice President to execute and deliver such agreements and other documents and to take such action as may be reasonably necessary or appropriate to implement this action.

- 4.4 683 Northland - LiRo BCP Design Proposal** – Mr. Stebbins presented his April 25, 2017 memorandum regarding a proposal from LiRo Engineers to complete the remedial design documents, provide remediation oversight and complete the Brownfield Cleanup Program work at 683 Northland through issuance of a certificate of completion. The cost of these services is \$71,159. Mr. Stebbins noted that LiRo was procured through a competitive solicitation for the Northland Corridor redevelopment strategy and that these services fall within the scope of work proposed in the competitive solicitation. He also noted that this work may be paid for with ESD and NYPA grant funding, and will be an eligible cost for tax credit purposes for the Brownfield Cleanup Program. Mayor Brown made a motion to approve the April 18, 2017 proposal of LiRo Engineers for Brownfield Cleanup Program remedial design, construction oversight and project closeout services for 683 Northland at a lump sum cost of \$71,159, and to authorize the President or Executive Vice President to execute the proposal on behalf of BUDC. The motion was seconded by Ms. Minkel and (with Mr. Schoepflin abstaining) carried with twelve affirmative votes (12-0-1).

- 4.5 683 Northland – Construction Bridge Loan Proposals** – Mr. Stebbins presented his April 25, 2017 memorandum regarding the proposed selection of a financial institution to provide up to twenty million dollars in construction bridge loan financing to BUDC for the WNY Workforce Training Center project at 683 Northland. Mr. Stebbins reviewed the request for proposals process utilized by BUDC to solicit bridge loan proposals from local lenders. Five lenders submitted term sheets, which were reviewed by an evaluation team comprised of BUDC executive staff, ECIDA/BUDC Finance staff (Mollie Profic and Bradley Bach), staff from the Mayor's Office of Strategic Planning (Royce Woods), a Board member (Thomas Kucharski) and a member of the Tax Credits Consulting Team (Mark Stebbins, Freed Maxick). The term sheet submitted by KeyBank contained the most favorable terms and is being recommended for acceptance. Mr. Stebbins then reviewed the proposed terms of the KeyBank financing. Mr. Stebbins noted that this matter was also reviewed with members of the Real Estate Committee and the Audit & Finance Committee, all of whom are supportive of the KeyBank proposal. The Board discussed the proposed borrowing. In response to a question from Ms. Gallagher-Cohen, Mr. Stebbins indicated that BUDC's Tax Credits Consulting Team has developed a tax credits model that will generate up to twenty million dollars in historic preservation and Brownfield Cleanup Program tax credits for the project. Mr. Kucharski commented on the thorough process

undertaken with respect to this financing and noted the favorable financing terms and KeyBank's outstanding CRA rating.

There being no further discussion, upon motion made by Mayor Brown, seconded by Mr. Mehaffy and (with Mr. Beauford and Mr. Schoepflin abstaining) carried with eleven affirmative votes (11-0-2), it was resolved, that BUDC and/or its special purpose entities (683 Northland LLC and/or 683 WTC, LLC) borrow up to twenty million dollars (\$20,000,000) from KeyBank as bridge loan financing for the renovation of 683 Northland Avenue and construction of the WNY Workforce Training Center in accordance with the KeyBank Term Sheet and such other terms and conditions as the President or Executive Vice President determine are commercially reasonable and consistent with the Term Sheet, and the President or Executive Vice President are each hereby authorized to execute and deliver such agreements and documents and to take such actions as may be reasonably necessary or appropriate to implement this action.

4.6 Buffalo Building Reuse Program Update – Ms. Merriweather provided an update regarding the Buffalo Building Reuse Program. The Downtown Committee recently reviewed two projects seeking loan funding and found both to be consistent with the BBRP loan program goals. The projects have been submitted to NYBDC for underwriting. Ms. Merriweather reported that BUDC issued a request for proposals for the next session of Queen City PopUp. She also reported on the downtown housing market study update.

4.7 Northland Belt Line Project Update – Mr. Stebbins reported on the Northland project community workforce meeting that took place on April 24th at Mt. Olive Baptist Church. The meeting was hosted by Mayor Brown, BUDC and representatives from CASNY and Gilbane. Over 200 people attended the meeting, including persons seeking employment on the Northland project and small businesses seeking contracting opportunities. Members of the building trades were present to explain apprenticeship opportunities and how to join the building trades. Members of the Concerned Clergy were also in attendance. Mayor Brown commented on the strong turnout for the meeting and the community's positive response to this outreach effort. He thanked Dolly Randle, Sandy White, Gilbane and BUDC and OSP personnel who helped organize and publicize the meeting.

4.8 Buffalo Lakeside Commerce Park Update – Mr. Cammarata presented the Buffalo Lakeside Commerce park update. BUDC's landscape contractor, Elber's Landscaping is working on spring cleanup activities at BLCP. This is the final year of Elber's three year property maintenance contract. Mr. Cammarata reported that BUDC is working with three prospects at BLCP and that a term sheet is being negotiated with one prospect. He closed his report with an update on the Parcel 4 Superfund project, which will be underway this spring.

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 Mr. Kucharski, seconded by Mr. Obletz and unanimously carried, the April 25, 2017 meeting of the Board of Directors was adjourned at 1:00 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Kevin J. Zanner', written over a horizontal line.

Kevin J. Zanner, Secretary