

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

95 Perry Street
Buffalo, New York 14203
March 27, 2018
12:00 p.m.

1.0 Call to Order

Directors Present:

Michael Ball
Hon. Byron W. Brown (Chair)
James W. Comerford
Janique S. Curry
Dottie Gallagher-Cohen
Thomas R. Hersey, Jr.
Thomas A. Kucharski
David J. Nasca
Dennis M. Penman (Vice Chair)
Darius G. Pridgen
Steven J. Stepniak
Maria R. Whyte

Directors Absent:

Thomas Beauford, Jr.
Dennis W. Elsenbeck
Darby Fishkin
Brendan R. Mehaffy
Kimberley A. Minkel
Craig A. Slater

Officers Present:

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

Others Present: Dawn Boudreau, ECIDA; Barbara Danner, Freed Maxick CPAs, P.C.; James Fink, *Buffalo Business First*; Jonathan Epstein, *The Buffalo News*; and Andy Young, *Spectrum News*.

Roll Call; Order of Business – The meeting was called to order at 12:10 p.m. A quorum of the Board was not present. The Chair requested that BUDC executive staff present information items 3.9 and 3.8. Mr. Kucharski and Mr. Pridgen joined the meeting during the presentation of item 3.8, at which time a quorum of the Board was present. Ms. Whyte joined the meeting during the presentation of item 3.2.

2.0 Presentation of the Minutes – The minutes of the February 27, 2018 meeting of the Board of Directors were presented. Mr. Penman made a motion to approve the meeting minutes. The motion was seconded by Ms. Gallagher-Cohen and unanimously carried.

3.0 New Business

3.1 Governance Committee Report – Mr. Kucharski presented the March 27, 2018 report of the Governance Committee outlining the activities of the Governance Committee.

- 3.1.1 2017 Mission Statement and Performance Measurements** – Mr. Cammarata presented a report of BUDC's achievement of the Performance Measurements that were established by the BUDC Board of Directors for the 2017 calendar year. Mr. Cammarata noted that the results were reviewed with the Governance Committee and are presented to the Board for information purposes.
- 3.1.2 2018 Mission Statement and Performance Measurements** – Mr. Cammarata presented his March 27, 2018 memorandum regarding the proposed 2018 mission statement and 2018 performance measurements. He noted that the mission statement and performance measurements are subject to annual Board review and approval. No changes are being proposed to the BUDC mission statement. The performance measurements for 2018 have been updated to reflect new measurements applicable to the Northland Beltline and other BUDC projects and initiatives. Mr. Nasca made a motion to approve the 2018 mission statement and the 2018 performance measurements in the form presented to the Board. The motion was seconded by Mr. Stepniak and unanimously carried.
- 3.1.3 Amended and Restated Procurement Policy** – Mr. Kucharski presented his March 27, 2018 memorandum to the Board regarding proposed modifications to the BUDC procurement policy. Mr. Kucharski explained the process undertaken by the Governance Committee to review and recommend changes to the procurement policy and provided an overview of the changes to the policy. Mr. Cammarata noted that one new feature of the policy is the procurement tracking form, which will facilitate uniform reporting and record-keeping. Mr. Kucharski made a motion to approve the Amended and Restated Procurement Policy in the form presented to the Board. The motion was seconded by Mr. Hersey and unanimously carried.
- 3.1.4 Property Disposition Guidelines** – Mr. Cammarata presented the Property Disposition Guidelines. No changes are proposed to the guidelines. Ms. Gallagher-Cohen made a motion to re-adopt the Property Disposition Guidelines in the form presented to the Board. The motion was seconded by Mr. Comerford and unanimously carried.
- 3.1.5 2017 Public Authorities Annual Report** – Mr. Cammarata and Ms. Boudreau presented the 2017 Public Authorities Annual Report. Ms. Boudreau noted that this report was reviewed with the Governance Committee and the Audit & Finance Committee and is required to be filed by March 31st. Mr. Cammarata then reviewed with the Board the operations and accomplishments section of the report. Ms. Curry made a motion to approve 2017 Public Authorities Annual Report in the form presented to the Board. The motion was seconded by Mr. Stepniak and unanimously carried.
- 3.2 Audit & Finance Committee Report** – Mr. Penman presented the March 27, 2018 report of the Audit & Finance Committee outlining the activities of the Audit & Finance Committee.
- 3.2.1 2017 Audited Financial Statements** – Ms. Profic reviewed with the Board the 2017 audited consolidated financial statements prepared by BUDC's auditors, Freed Maxick CPAs P.C. Ms. Profic reported that the auditors issued an unqualified (clean) opinion that the financial statements present fairly, in all material respects, the financial position of BUDC, as of December 31, 2017, and the changes in its financial position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States. No material weaknesses or control deficiencies were found during the course of the audit process. The Audit & Finance Committee met with the auditors on March 15th to review the draft 2017 audited consolidated financial statements and is recommending that the Board approve the 2017 audited consolidated

financial statements. Ms. Profic then introduced Barbara Danner, CPA from Freed Maxick, and together Ms. Danner and Ms. Profic presented a detailed review of the financial statements to the Board. A Board discussion followed the presentation. Mr. Nasca commented that receiving an unqualified opinion from new auditors is an excellent outcome, particularly with the reorganization of BUDC's corporate structure resulting from the tax credits transaction that closed at the end of 2017. At the conclusion of the discussion, Mr. Penman made a motion to accept the 2017 audited consolidated financial statements in the form presented to the Board. The motion was seconded by Mr. Comerford and unanimously carried.

3.2.2 2017 Audited Financial Statements-Brownfield Fund – Ms. Profic presented for information purposes the 2017 audited financial statements for the Buffalo Brownfields Redevelopment Fund (BBRF). The total net increase in assets over the prior year was \$145,925. As ECIDA serves as custodian for the fund, these financial statements were presented to the ECIDA Board at its March meeting.

3.2.3 2017 Investment Report – Ms. Profic presented the 2017 Investment Report to the Board. Ms. Profic noted that the Audit & Finance Committee reviewed the 2017 Investment Report and is recommending Board approval. Mr. Nasca made a motion to approve the 2017 Investment Report in the form presented to the Board. The motion was seconded by Mr. Comerford and unanimously carried.

3.2.4 Amendment to Investment and Deposit Policy – Ms. Profic presented the BUDC Investment and Deposit Policy. There is one proposed amendment to the policy relating to the collateralization of deposits. The Audit & Finance Committee reviewed the policy and is recommending that the Board approve the policy with the proposed amendment. Mr. Nasca made a motion to re-adopt the amended Investment and Deposit Policy in the form presented to the Board. The motion was seconded by Mr. Kucharski and unanimously carried.

3.2.5 Reimbursement of 2017 Brownfield Expenses from BBRF – Ms. Profic presented her March 27, 2018 memorandum to the Board regarding the reimbursement of third party expenses from the Buffalo Brownfields Redevelopment Fund. Ms. Profic noted that third party expenses incurred by BUDC for the Buffalo Lakeside Commerce Park, RiverBend and Northland Beltline projects are eligible for reimbursement from the BBRF. Ms. Profic noted that the Audit & Finance Committee reviewed this item and is recommending that the Board authorize the reimbursement of third party expenses in the amount of \$428,227 from the BBRF for the BLCP, RiverBend and Northland Beltline projects. Mr. Kucharski made a motion to reimburse BUDC from the BBRF for 2017 third party costs incurred by BUDC for the BLCP, RiverBend and Northland Beltline projects in the amount of \$428,227, as detailed in the March 27, 2018 memorandum to the Board. The motion was seconded by Mr. Comerford and unanimously carried.

3.3 Monthly Financial Report – Ms. Profic presented the consolidating statement of net position for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending February 28, 2018. Mr. Stepniak made a motion to accept the financial report. The motion was seconded by Ms. Gallagher-Cohen and unanimously carried.

3.4 683 Northland – \$6M ESD WTC Equipment Grant Acceptance – Mr. Stebbins presented his March 27, 2018 memorandum to the Board regarding grant funding from Empire State Development for the Northland Avenue Belt Line Corridor project. This grant is in the amount of \$6,000,000 and will be used to purchase advanced manufacturing equipment and fund renovations for the Workforce Training Center. Mr. Penman made a motion to: (i) approve the acceptance by BUDC of grant funding from Empire State Development in the amount of six million dollars, to be used for the purchase and installation of advanced manufacturing, welding

and electrical training equipment for the Workforce Training Center, and for continuation of renovations, fit-out and site improvements at 683 Northland Avenue; and (ii) authorize the President or Executive Vice President to execute and deliver a grant disbursement agreement with ESD to facilitate receipt of the grant funding. The motion was seconded by Ms. Gallagher-Cohen and (with Mr. Ball abstaining) carried with eleven affirmative votes (11-0-1).

3.5 683 Northland – \$25M ESD Northland Phase II/BMW Capital Grant Acceptance –

Mr. Stebbins presented his March 27, 2018 memorandum to the Board regarding grant funding from Empire State Development for Phase II of the Northland Avenue Belt Line Corridor project. This grant is in the amount of \$25 million dollars and will be used for design, construction, construction management, equipment purchases, fit-out of space and moving expenses to facilitate the relocation of Buffalo Manufacturing Works (BMW) to 683 Northland. Mr. Comerford made a motion to: (i) approve the acceptance by BUDC of grant funding from Empire State Development in the amount of 25 million dollars, to be used for design, construction, construction management, equipment purchases, fit-out of space and moving expenses to facilitate the relocation of BMW to 683 Northland; and (ii) authorize the President or Executive Vice President to execute and deliver a grant disbursement agreement with ESD to facilitate receipt of the grant funding. The motion was seconded by Mr. Nasca and (with Mr. Ball abstaining) carried with eleven affirmative votes (11-0-1).

3.6 683 Northland – Audio-Visual Equipment and Systems Procurement Approval –

Mr. Stebbins presented his March 27, 2018 memorandum regarding a proposed contract for audio-visual equipment and systems work at the Workforce Training Center. Bid documents for this work were issued on January 23rd and included 25% MBE and 5% WBE goals for the installation portion of the work. The opportunity was advertised in the New York State Contract Reporter, the Criterion and the Challenger. One bid was received from Frey Electric Construction Co. in the amount of \$414,225.81, which was less than budgeted amount for this work of \$441,141. The Board discussed the proposed contract award. In response to a question from Mr. Pridgen, Mr. Cammarata indicated that one of the other potential bidders for this work elected to participate as subcontractor to Frey Electric instead of submitting a separate bid. Mr. Kucharski made a motion to approval of the audio-visual equipment and systems contract to Frey Electric Construction Co. for the amount of \$414,225.81 and to authorize the President or Executive Vice President to execute appropriate agreements with the contractor on behalf of 683 Northland LLC to perform the work. The motion was seconded by Mr. Pridgen and (with Mr. Ball abstaining) carried with eleven affirmative votes (11-0-1).

3.7 683 Northland – Food Service Vendor Procurement Approval –

Mr. Stebbins presented his March 27, 2018 memorandum regarding the proposed award of the food service vendor contract for the Workforce Training Center. BUDC issued a request for expressions of interest on December 7, 2017 for companies interested in providing food service at the Workforce Training Center. The solicitation was publicized in the New York State Contract Reporter and submitted directly to 26 M/WBE companies. BUDC received five expressions of interest. A review team comprised of representatives of BUDC, the City of Buffalo, ESD, the Economic Development Group, Inc. and BUDC's property manager reviewed the expressions of interest and requested proposals from four of the respondents. Two of the four respondents submitted proposals and were interviewed. The unanimous recommendation of the review team was to select the GiGi's of Northland proposal submitted by Darryl Harvin. Mr. Stebbins indicated that lease terms will be negotiated and separately approved by the Board. The Board discussed the proposed award. Mayor Brown expressed his support of the proposal, noting that it would resurrect a historic East Side restaurant. Mr. Pridgen also expressed his support, terming the project a win-win for the community and noting its consistency with BUDC's mission. At the conclusion of the discussion, Mr. Pridgen made a motion to authorize BUDC to enter into lease negotiations with Darryl Harvin to locate Gigi's at Northland at Northland Central. The motion was seconded by Ms. Curry and (with Mr. Ball abstaining) carried with eleven affirmative votes (11-0-1).

- 3.8 Northland Beltline Project Update** – Mr. Stebbins reviewed with the Board the one-page monthly report prepared by Gilbane for the 683 Northland construction project. The Phase I project is 48% complete. Mayor Brown then updated the Board regarding ESD's award of a four million dollar grant for Northland Beltline project. These funds will be used for the ongoing renovation of 612 Northland and 777 Northland demolition costs. Mayor Brown thanked Governor Cuomo and ESD for their continued commitment to the Northland Beltline project. Mr. Stebbins next circulated the March 27, 2018 Northland Corridor Redevelopment Project Update. M/WBE participation for the 683 Northland project is currently 28% MBE and 5% WBE. Workforce Participation for the project is 28% minority and 8% female.
- 3.9 Buffalo Building Reuse Project Update** – Ms. Merriweather presented an update regarding the Buffalo Building Reuse project. BUDC issued its first quarter request for proposals for BBRP loan funding. Responses are due this Friday. BUDC continues to work with the Mayor's Office of Strategic Planning, the Buffalo Niagara Partnership, and Real Property Research Group, Inc. (RPRG) regarding the RPRG downtown residential housing study. Further input has been received from the development community with respect to the study. Ms. Merriweather also provided updates regarding the Erie/Shelton Square infrastructure project and the infrastructure improvements project for portions of Chippewa, Franklin and Court Streets.
- 3.10 Buffalo Lakeside Commerce Park Update** – Mr. Cammarata reported that discussions continue with two prospects interested in locating their business operations at Buffalo Lakeside Commerce Park. Spring cleanup work at BLCP will commence soon.
- 3.11 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 Mr. Ball, seconded by Mr. Nasca and unanimously carried, the March 27, 2018 meeting of the Board of Directors was adjourned at 1:17 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary