

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

95 Perry Street
Buffalo, New York 14203
March 29, 2016
12:00 p.m.

1.0 Call to Order

Directors Present:

James W. Comerford
Janique S. Curry
Dennis W. Elsenbeck
Thomas A. Kucharski
Woodrow W. Maggard
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Benjamin N. Obletz
Christopher J. Schoepflin
Craig A. Slater
Steven J. Stepniak
Maria R. Whyte

Directors Absent:

Thomas Beauford, Jr.
Hon. Byron W. Brown (Chair)
Thomas J. Dearing
Dottie Gallagher-Cohen
Dennis M. Penman (Vice Chair)
Rev. Darius G. Pridgen

Officers Present:

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

Others Present: Dawn Boudreau, ECIDA Compliance Officer; Jonathan Epstein, *The Buffalo News*;
James Fink, *Buffalo Business First*; and Lisa Hicks, BUDC Intern.

Roll Call – The Secretary called the roll of directors at 12:05 p.m. and a quorum was determined to be present. Mr. Mehaffy chaired the meeting. Mr. Stepniak joined the meeting during the presentation of item 3.0. Ms. Curry joined the meeting during the presentation of item 4.6.1.

2.0 Presentation of the Minutes – The minutes of the February 23, 2016 meeting of the Board of Directors were presented. Upon motion made by Mr. Nasca, seconded by Mr. Elsenbeck and unanimously carried, the minutes of the February 23, 2016 meeting of the Board of Directors were approved.

3.0 Monthly Financial Report – Mr. Schoeppich presented the monthly financial report for the period ending February 29, 2016. The unrestricted cash balance at the end of the period was \$2,267,730 and the net position of BUDC at the end of the period was \$15,408,054. Year-to-date revenue was \$874,942 and year-to-date expenses were \$203,485, resulting in year-to-date net income of \$671,457. Mr. Comerford made a motion to accept the financial report. The motion was seconded by Mr. Maggard and unanimously carried.

4.0 New Business

4.1 Governance Committee Report – Mr. Kucharski presented the March 29, 2016 report of the Governance Committee and updated the Board regarding the activities of the Governance Committee.

4.2 Code, Policies, Charter and Guidelines

4.2.1 Code of Ethics (Re-adoption) – Mr. Cammarata reported that the Governance Committee reviewed the Code of Ethics and is recommending that the Board re-adopt the Code of Ethics without changes. Mr. Kucharski made a motion to re-adopt the Code of Ethics in the form presented to the Board. The motion was seconded by Ms. Minkel and unanimously carried.

4.2.2 Procurement Policy (Re-adoption) – Mr. Cammarata reported that the Governance Committee reviewed the Procurement Policy and is recommending that the Board re-adopt the Procurement Policy without changes. Mr. Kucharski made a motion to re-adopt the Procurement Policy in the form presented to the Board. The motion was seconded by Ms. Minkel and unanimously carried.

4.2.3 Governance Committee Charter (Re-adoption) – Mr. Cammarata reported that the Governance Committee reviewed the Governance Committee Charter and is recommending that the Board re-adopt the Governance Committee Charter without changes. Mr. Kucharski made a motion to re-adopt the Governance Committee Charter in the form presented to the Board. The motion was seconded by Ms. Minkel and unanimously carried.

4.2.4 Property Disposition Guidelines (Re-adoption) – Mr. Cammarata reported that the Governance Committee reviewed the Property Disposition Guidelines and is recommending that the Board re-adopt the Property Disposition Guidelines without changes. Mr. Kucharski made a motion to re-adopt the Property Disposition Guidelines in the form presented to the Board. The motion was seconded by Ms. Minkel and unanimously carried.

4.2.5 Whistleblower Policy (Re-adoption) – Mr. Cammarata reported that the Governance Committee reviewed the Whistleblower Policy and is recommending that the Board re-adopt the Whistleblower Policy without changes. Mr. Kucharski made a motion to re-adopt the Whistleblower Policy in the form presented to the Board. The motion was seconded by Ms. Minkel and unanimously carried.

4.2.6 Travel, Conferences, Meals & Entertainment Policy (Re-adoption) – Mr. Cammarata reported that the Governance Committee reviewed the Travel, Conferences, Meals and Entertainment Policy and is recommending that the Board re-adopt the policy without changes. Mr. Kucharski made a motion to re-adopt the Travel, Conferences, Meals and Entertainment Policy in the form presented to the Board. The motion was seconded by Ms. Minkel and unanimously carried.

4.3 2015 Mission Statement and Performance Measurements Review – Mr. Cammarata presented a report of BUDC's achievement of the Performance Measurements that were established by the BUDC Board of Directors for the 2015 calendar year. Mr. Cammarata noted that the results were reviewed in detail with the Governance Committee and are presented to the Board for informational purposes. In response to a question from Ms. Whyte, Mr. Cammarata commented on the significant progress made with respect to the Buffalo Building

exceeded a number of the 2015 performance measurements and did so within the Board-approved budget.

- 4.4 Adoption of 2016 Mission Statement and Performance Measurements** – Mr. Cammarata presented his March 29, 2016 memorandum regarding the proposed 2016 mission statement and 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 2016 have been updated to reflect the status of BUDC's current projects. After a brief discussion, Mr. Kucharski made a motion to approve the 2016 mission statement and performance measurements in the form presented to the Board. The motion was seconded by Mr. Schoepflin and unanimously carried.
- 4.5 2015 Public Authorities Annual Report Approval** – Mr. Cammarata and Ms. Boudreau presented the 2015 Public Authorities Annual Report. Mr. Cammarata indicated that the Governance Committee reviewed the annual report and is recommending that the Board approve the report. Mr. Kucharski made a motion to approve 2015 Public Authorities Annual Report in the form presented to the Board. The motion was seconded by Mr. Stepniak and unanimously carried.
- 4.6 Audit & Finance Committee Report** – In Mr. Penman's absence, Mr. Cammarata presented the March 29, 2016 report of the Audit & Finance Committee. He updated the Board regarding the recent activities of the Audit & Finance Committee, including completion of the Audit & Finance Committee self-evaluation, the financial audit process, Audit & Finance Committee training, review of professional costs and fees, BBRP grant expenditures and ECIDA salary reimbursement matters.
- 4.6.1 2015 Audited Financial Statements Approval** – Mr. Schoepich presented the draft 2015 audited financial statements prepared by Lumsden & McCormick, LLP. Mr. Schoepich reported that the auditors issued an "unqualified" (clean) opinion that the financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2015 and December 31, 2014 and the changes in net position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States. Mr. Schoepich noted that the Audit & Finance Committee met with the auditors on March 16th to review the draft 2015 audited financial statements. The Audit & Finance Committee is recommending that the Board approve the 2015 audited financial statements in the form presented to the Board.
- The Board discussed the draft audited financial statements. At the conclusion of the discussion, Mr. Maggard made a motion to accept the 2015 audited financial statements in the form presented to the Board. The motion was seconded by Mr. Eisenbeck and unanimously carried.
- 4.6.2 2015 Audited Financial Statements-Brownfield Fund** – Mr. Schoepich presented for information purposes the 2015 audited financial statements for the Buffalo Brownfields Redevelopment Fund (BBRF). The total net increase in assets over the prior year was \$378,736. He noted that ECIDA serves as custodian for the fund, and that the 2015 financial statements will be presented for approval by the ECIDA Board at its March 30th meeting.
- 4.6.3 2015 Investment Report Approval** – Mr. Schoepich presented the 2015 Investment Report to the Board. Mr. Schoepich noted that the Audit & Finance Committee reviewed the 2015 Investment Report and is recommending Board approval. Ms. Minkel made a motion to approve the 2015 Investment Report in the form presented to the Board. The motion was seconded by Mr. Obletz and unanimously carried.

4.6.4 Investment and Deposit Policy (Re-adoption) – Mr. Schoepich presented the BUDC Investment and Deposit Policy. The Audit & Finance Committee reviewed the policy and is recommending that the Board re-adopt the policy without changes. Ms. Minkel made a motion to re-adopt the Investment and Deposit Policy in the form presented to the Board. The motion was seconded by Mr. Obletz and unanimously carried.

4.6.5 Audit & Finance Committee Charter (Re-adoption) – Mr. Schoepich presented the Audit & Finance Committee Charter. He noted that no changes to the Charter were proposed by the Audit & Finance Committee. Ms. Minkel made a motion to re-adopt the Audit & Finance Committee Charter in the form presented to the Board. The motion was seconded by Mr. Obletz and unanimously carried.

4.6.6 Reimbursement of 2015 Brownfield Expenses from BBRF – Mr. Schoepich presented his March 29, 2016 memorandum to the Board regarding the reimbursement of third party expenses from the Buffalo Brownfields Redevelopment Fund. Mr. Schoepich noted that third party expenses incurred by BUDC for the Buffalo Lakeside Commerce Park (BLCP), RiverBend and Northland Corridor projects are eligible for reimbursement from the BBRF. Mr. Schoepich 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 \$332,556 from the BBRF for the BLCP, RiverBend and Northland Corridor projects. The Board discussed the reimbursement request. In response to a question from Mr. Obletz, Mr. Cammarata indicated that two of the owners at BLCP have committed to make an annual donation toward maintenance expenses. Mr. Schoepich also confirmed for Mr. Slater that none of the Northland Corridor expenditures listed in the March 29, 2016 memorandum are reimbursable from the ESD grant.

At the conclusion of the discussion, Mr. Slater made a motion to reimburse BUDC from the BBRF for 2015 third party costs incurred by BUDC for the BLCP, RiverBend and Northland Corridor projects in the amount of \$332,556, as detailed in the March 29, 2016 memorandum to the Board. The motion was seconded by Mr. Comerford and unanimously carried.

4.7 Northland - Redevelopment Strategy Contract Task Orders Approval – Mr. Stebbins presented his March 29, 2016 memorandum to the Board regarding a proposal to modify previously issued Task Order Nos. 1 and 2 and approve Task Order No. 4 for LiRo Engineers to perform design work for the abatement, remediation and select demolition at the 537 East Delavan site at a cost of \$42,124. Mr. Stebbins referred to the task orders, copies of which were included in the Board materials provided in advance of the meeting. Mr. Stebbins noted that the work is within the original \$449,936 budget that was allocated for the LiRo contract, and that these expenditures are eligible for reimbursement through the ESD grant. He also noted that the Real Estate Committee reviewed the proposal and is recommending approval.

Following the Board's discussion of the item, Ms. Curry made a motion to: (i) approve the revised Task Order Nos. 1 and 2 to increase the total cost of these task orders, including the allowances, from \$309,276 to \$345,176, (ii) approve Task Order No. 4 for the design work for the abatement, remediation and select demolition at the 537 East Delavan site for a sum not-to-exceed \$42,124, and (iii) authorize the President or Executive Vice President to execute and deliver revised Task Order Nos. 1 and 2 and Task Order No. 4, and to take such actions as may be reasonably necessary or appropriate to implement this action. The motion was seconded by Mr. Slater and (with Mr. Schoepflin abstaining) carried with twelve affirmative votes (12-0-1).

4.8 Northland – Road and ROW Infrastructure Design/Additional BBRF Funding Approval – Mr. Stebbins presented his March 29, 2016 memorandum to the Board regarding a

proposal to advance an additional \$213,030 from the Buffalo Brownfields Redevelopment Fund (BBRF) to fully fund the preliminary design and engineering for the Northland Avenue road and right-of-way improvements project. Mr. Stebbins noted that the Board previously approved the expenditure of \$100,000 at the October 2015 meeting and that the additional funding is required in order for the Department of Public Works to enter into a contract with the design consultant. Mr. Stebbins noted that this expenditure would be eligible for reimbursement through the ESD grant. He also noted that the Real Estate Committee reviewed this item and is recommending approval. The Board discussed the proposal. In response to a question from Ms. Whyte, Mr. Schoepfich stated that as of the end of February there was a balance of approximately \$2.3M in the BBRF.

At the conclusion of the discussion, Mr. Slater made a motion to approve the utilization of an additional \$213,030 from the BBRF 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, and to authorize the President or Executive Vice President to execute and deliver such agreements and other documents and to take such actions as may be reasonably necessary or appropriate to implement this action. The motion was seconded by Mr. Nasca and (with Mr. Schoepflich abstaining) carried with twelve affirmative votes (12-0-1).

- 4.9 Northland – Redevelopment & WTC Design Consultant Approval** – Mr. Stebbins presented his March 29, 2016 memorandum to the Board regarding the proposed retention of a design consulting team to provide final design services for the construction of the WNY Workforce Training Center and renovations to other industrial buildings in the Northland Corridor. Mr. Stebbins reviewed the RFQ process with the Board. Fifteen design consulting teams submitted responses to the RFQ. A review/selection committee comprised of representatives from BUDC, Empire State Development, NYPA and the City of Buffalo/ Buffalo Urban Renewal Agency reviewed the responses and selected four design consulting teams for interviews. Based on the submissions and the interview process, the review/selection committee is recommending that BUDC award the work to the design consulting team led by Watts Architecture & Engineering. Mr. Stebbins outlined the reasons for the recommendation. The Watts team demonstrated exceptional experience in the design disciplines required for the engagement, including experience in designing other workforce training centers. The team has significant prior knowledge of the Northland Corridor properties through the work performed by LiRo, one of the Watts team members. Mr. Stebbins noted that the Watts team addressed the overall campus and neighborhood concept very well. Ms. Curry, a member of the review/selection committee, commented on the strength of the Watts proposal, including the excellent MBE credentials and reputation of Watts as the lead firm. Mr. Stebbins indicated that because the scope of services for the design consultant's work will be developed as the project moves forward, the contract with Watts will be structured as a master services agreement with separate task orders. Each task order under the master services agreement will identify the specific services and associated cost and will be subject to Board approval.

The Board discussed the proposed award. In response to a question from Mr. Comerford, Mr. Stebbins indicated that the review/selection committee viewed Watts' inclusion of LiRo Engineers as a strength because of LiRo's extensive knowledge of the site. Mr. Stebbins also noted however, that the key firms for this engagement are Watts Architecture and SWBR. SWBR's experience with designing similar facilities was an important factor in the committee deciding to recommend the Watts proposal. In response to a question from Mr. Obletz, Mr. Stebbins indicated that BUDC will not seek separate bids to price each task order, but that the review/selection committee obtained hourly rate quotes from Watts as part of the RFQ process and determined that Watts' pricing was competitive with, and in some instances lower, than other design consulting teams that submitted proposals. Mr. Stebbins also indicated that the Watts team would not be providing construction management services as part of this engagement.

There being no further discussion, Ms. Curry made a motion to authorize the President and Executive Vice President to negotiate and enter into a Master Services Agreement with Watts Architecture & Engineering to provide final design services for the Northland Corridor project and WNY Workforce Training Center, including space planning, programming, schematic design, design development, construction documents, construction administration and inspection, and to authorize the President and Executive Vice President to take such actions as are reasonably necessary to implement this action. The motion was seconded by Mr. Comerford and (with Mr. Schoepflin abstaining) carried with twelve affirmative votes (12-0-1).

4.10 Northland Corridor Project Update – Mr. Stebbins presented an update regarding Northland Corridor project matters. Mr. Stebbins first updated the Board regarding efforts to obtain additional funding for the Northland Corridor project. He noted that BUDC is working with the Mayor’s Office of Strategic Planning and BURA to complete the requirements for the transfer of four million dollars in CDBG funds to BUDC for the Northland Corridor project. He reported that BUDC recently retained Rubin Brown and Cannon, Heyman & Weiss to prepare financial and legal models to assist BUDC in determining whether historic preservation tax credits should be pursued for the renovation of the 683 Northland building. BUDC is also exploring the availability of NYS Brownfield Cleanup Program tax credits and potential funding opportunities through NYSEDA and EDA. Mr. Stebbins then reported on the March 24th meeting with representatives from the State Office of Historic Preservation (SHPO). BUDC met with SHPO to discuss the proposed demolitions of 537 East Delavan and 777 Northland and the potential for historic preservation tax credits for the 683 Northland building. Mr. Schoepflin indicated that ESD plans to issue a request for proposals to operate the workforce training center sometime in the next two months. Mr. Cammarata then reported on the emergency demolition of two structures located at 577 Northland Avenue. Both buildings were slated for demolition, but their continually deteriorating condition warranted emergency demolition by the City. The demolition cost, which is borne by BUDC as owner of the property, will be paid for through the Buffalo Brownfields Redevelopment Fund.

4.11 Buffalo Building Reuse Project Update – Ms. Merriweather updated the Board regarding Buffalo Building Reuse Project matters. She noted that March 31st is deadline for applicants to submit for loan funding from the BBRP loan program. She also reported that the \$750,000 loan for the Phoenix Brewery project closed earlier this month. In response to a question from Ms. Whyte, Ms. Merriweather indicated that two loan applications have been received, and that up to five applications are expected to be submitted for this round of loan funding.

4.12 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. Comerford, seconded by Mr. Obletz and unanimously carried, the March 29, 2016 meeting of the Board of Directors was adjourned at 1:20 p.m.

Respectfully submitted,


Kevin J. Zanner, Secretary