

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation
Annual Meeting of the Members

Date: Tuesday, June 27, 2017

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
June 28, 2016
12:00 p.m.**

1.0 Call to Order

Members Present:

James W. Comerford
Janique S. Curry
Thomas R. Hersey, Jr.
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Benjamin N. Oblatz
Dennis M. Penman (Vice Chair)
Christopher J. Schoepflin
Craig A. Slater
Steven J. Stepniak

Members Absent:

Thomas Beauford, Jr.
Hon. Byron W. Brown (Chair)
Dennis W. Elsenbeck
Dottie Gallagher-Cohen
Thomas A. Kucharski
Rev. Darius G. Pridgen
Maria R. Whyte

Officers Present:

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

Guests Present: Bradley Bach, ECIDA Senior Accountant; Dawn Boudreau, ECIDA Compliance Officer; David Carswell, McGuire Development; Samantha Maziarz Christmann, *The Buffalo News*; Daniel Leonard, Buffalo Niagara Partnership; Evan Schweigel, BUDC intern; and Steven Weathers, ECIDA President and CEO.

Roll Call: The Secretary called the roll of Members at 12:20 p.m. and a quorum was determined to be present.

- 2.0 Reading of the Minutes** – The minutes of the June 30, 2015 Annual Meeting of the Members were presented. Mr. Oblatz made a motion to approve the minutes. The motion was seconded by Mr. Nasca and unanimously carried.
- 3.0 Reports of the Committees** – Mr. Mehaffy presented the Downtown Committee report. Mr. Slater followed with a report regarding the activities of the Real Estate Committee. In Mr. Kucharski's absence, Mr. Cammarata presented the Governance Committee report.
- 4.0 Report of the Officers** – Mr. Cammarata presented the Report of the Officers for the July 2015 - June 2016 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 the Northland Corridor Project, the Buffalo Building Reuse Project, Buffalo Lakeside Commerce Park, the South Buffalo Brownfield Opportunity Area, and other miscellaneous BUDC projects and initiatives.

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) – Ms. Profic presented the Annual Report of the Board of Directors as set forth in her June 28, 2016 memorandum to the Members. This report is required under Section 519 of the Not-for-Profit Corporation Law. Ms. Profic's report referenced the 2015 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 29, 2016 Board meeting.

7.0 Adjournment – There being no further business to come before the Members, upon motion made by Mr. Hersey, seconded by Mr. Stepniak and unanimously carried, the Annual Meeting of the Members was adjourned at 12:35 p.m.

Respectfully submitted by:



Kevin J. Zanner, Secretary

Buffalo Urban Development Corporation
Report of Officers

Accomplishments

The Buffalo Urban Development Corporation accomplishments for 2016 are presented in five (5) significant categories: Northland Corridor, Buffalo Building Reuse Project/Downtown Redevelopment, Buffalo Lakeside Commerce Park, General Corporate, and Miscellaneous Projects and Initiatives.

Northland Beltline 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)

January 2016 – The BUDC Board approved the hiring of La Bella Associates for pre-development consulting services for the 577 Northland Avenue property. This property will be cleared of two dilapidated buildings and then will require remediation services and site clearance. The Board was also provided with the Draft Northland Building Re-Use and Site Development Plan as prepared by LiRo Engineers.

February 2016 – The BUDC Board authorized staff to move forward with the solicitation of firms to provide legal services related to NEPA and Brownfield Cleanup Program applications for 683 Northland. Staff was authorized to proceed with the work after an informal bid process, as long as the work did not exceed \$25,000. Staff also announced that Mayor Brown had committed an additional \$4M in CDBG funding to the project, to remove blight from the project area. The Board was advised that the preliminary site plan for 683 Northland had been approved by the City of Buffalo Planning Board and a negative declaration under SEQRA had been issued for the overall project.

March 2016 – Board approved a proposal by LiRo Engineers to perform design work related to the abatement, remediation, and select demolition at 537 East Delavan. The Board also approved the utilization of \$213,030 from the Buffalo Brownfields Redevelopment fund for design and engineering work for the Northland road and right-of-way improvement project. Of significant importance, the Board approved the hiring of a team led by Watts Engineers to provide final design services for the Northland Corridor and the WNY Workforce training Center.

April 2016 – The Board was informed that Empire State Development had approved a \$10.3M Grant Disbursement Agreement with BUDC for the Northland project. The BUDC has also applied for funding through NYSERDA to explore high performance energy construction at 683 Northland. A \$42,000 demolition was completed at the 577 Northland Avenue property, and the site was secured and fenced.

May 2016 – The Board was presented with the final draft of a Request for Qualifications for Construction Management Services for 683 Northland. It was also reported that National Grid had awarded grant funding to be applied to the Northland Avenue road and infrastructure project.

June 2016 – The Board was informed that BUDC will move forward with applying for historic tax credits and brownfield tax credits, and that a competitive solicitation will be issued for professional services related to the same. A report was also given on the reclassification of the 537 East Delavan property from Class IV site to a Class II site, which will enable BUDC to apply for Superfund clean-up designation.

July 2016 – Due to a lack of quorum, no official meeting of the Board of Directors was held. Those Board members in attendance were updated on the in-depth analysis that was being conducted on the electrical substation that BUDC owns in the Northland Corridor. They were also informed about the excellent response to the construction manager solicitation and the need to “short-list” to three firms for the purpose of conducting interviews.

August 2016 – The Board approved the acceptance by BUDC of grant funding from ESD in the amount of \$10.3M to be used for demolition, remediation, renovations, construction, and site/street improvements. The Board also approved the execution of the proposed Order on Consent between NorDel I, LLC and NYSDEC for the 537 East Delavan site. The Board approved the retention of a team led by Cannon Heyman & Weiss to perform the tax credit services for historic preservation tax credits.

September 2016 – In a special one item session, and after extensive discussion, the Board authorized a contract with Gilbane Building Company and their team to provide pre-construction and construction management services for the Northland Corridor project.

October 2016 – The Board approved a significant service order with Watts A&E to move forward to the schematic design phase of their work. Staff announced the first lease for space in the Northland Corridor at 167 Winchester Avenue to WNY Mortgage Field Services.

November 2016 – The Board authorized the formation of two limited liability companies and the transfer by NorDel II, LLC of its ownership of the real property located at 683 Northland to a newly formed LLC in furtherance of the historic tax credits transaction. The Board was informed that BUDC’s application for Brownfield Cleanup Program tax credits has been submitted to NYSDEC.

December 2016 – The Board approved another significant service order with Watts A&E for design development services to bring design and construction drawings to 80% completion. The Board also approved a Watts service order for the 683 Northland Historic Preservation Certification Application Part 2. An approval was also given for staff to enter into a consulting agreement with LiRo Engineers for 683 Northland BCP remedial investigative services.

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. In 2016, BUDC closed two (2) loans in the amount of each in the amount of \$750,000 for the Main-Cathedral project and Phoenix Brewery. Five (5) loans were selected to move to the underwriting process in 2016 (TRICO, The Glenly, The Sinclair, Main Street Louis Michigan-Broadway). All of these projects convert vacant and underutilized space to residential units and mixed-use developments.

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. BUDC staff continues to explore additional funding sources to leverage additional funding for the BBRP Loan Program to assist projects that continue downtown's momentum.

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 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. 515 Main Street, LLC 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 2016. A total of ten (10) temporary retailers were added to downtown Main Street in 2016. One retailer has already taken permanent retail space on Main Street and BUDC staff is currently working with three (3) other 2016 pop up graduates to secure permanent space following successful runs at Queen City Pop Up. The sixth installment of Queen City Pop-Up is being planned for spring 2017.

Preservation Ready Survey – BUDC staff continued to market the Preservation Ready survey in 2016. This marketing tool was developed and released in 2014 to help developers easily identify properties downtown that are eligible for historic tax credits. BUDC Vice President for Downtown Development participated in the "Preservation Ready Buildings in Buffalo: Building a Future with Historic Tax Credits Conference," a national conference on the current Survey of Preservation Ready Buildings in Buffalo and highlight buildings ripe for development and incentives to revitalize Buffalo's historic assets.

Infrastructure Improvements - BUDC works to coordinate infrastructure improvement projects that add to the vibrancy of downtown. BUDC continues to identify funding and resources to implement the priority projects identified in the Downtown Buffalo Infrastructure and Public Realm Master Plan ("Master Plan"). The Master Plan is

an investment strategy designed to help guide public investments in new street and public realm infrastructure. The Genesee Gateway project was completed in 2016. BUDC is currently assisting the Department of Public Works on finalizing documentation, requests for proposals, public outreach for planning and design of Erie-Shelton Square greenway and infrastructure improvements to the Entertainment District (including Chippewa Street Franklin Street and Court Streets), which will begin the design in 2017. BUDC also developed a proposal for infrastructure and public realm improvements to Downtown Underpasses in furtherance of the recommendations identified in the Master Plan. This project was successfully incorporated into the second phase of the State's Better Buffalo fund budget, now under review by the NYS legislature. All of the above mentioned projects have received funding awards, due to successful grant applications and funding requests prepared by BUDC.

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 2016 Downtown Development Guide proved to be a useful tool, providing helpful downtown statistics, projects, available development site and incentives for projects. The 2016 Downtown Development Guide also helped to generate numerous project leads, locally and nationally. BUDC is currently working with partners on the follow up 2017 Downtown Development Guide for release in early 2017.

BUDC Vice President for Downtown Development has been actively involved in other efforts to increase awareness of downtown's growth, tools and incentives including presentations and speaking engagements to various organizations such as Rotary Club of WNY, Empire State College, Working For Downtown-Buffalo Talks Series, Buffalo Niagara Association of Realtors, Risk Management Association, US Conference of Mayor's Small Business Forum, County Executives of America, Bryant and Stratton College, It Takes A Village Action Organization and the George K. Arthur Center Wealth Building Workshop.

Business Assistance – The BUDC Vice President for Downtown Development assisted over eighty (80) businesses, developers and organizations in 2016, acting as an advocate and coordinator for a myriad of business development issues. Brandye Merriweather's work in this category also includes "problem" properties. Working closely with the City of Buffalo, Brandye developed a draft vacant property registry to address vacant and problem properties in downtown Buffalo that is currently under review with the City of 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 2016, 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 2017 will result from these efforts.

January 2016 – The Board was updated on the Remedial Investigative Work Plan for the Brownfield Cleanup Program project at 193 Ship Canal Parkway, which was finalized and submitted to the New York State Department of Environmental Conservation.

February 2016 – The Board was given an update on the various marketing activities for Buffalo Lakeside Commerce Park that took place in 2015 and those that are planned for 2016.

April 2016 – The Board was informed that CertainTeed has agreed to make a \$5,200 per year contribution to the maintenance and up-keep at Ship Canal Commons Park.

June 2016 - The Board was given an update on landscaping and maintenance work that will occur during the summer months.

July 2016 – The Board members in attendance were given an update on NYSDEC's approval of a work plan for soil demarcation at Ship Canal Commons. They were also informed that the NYSDEC's consultant for the Superfund site was given authorization to bid the cleanup work for a 2017 start.

October 2016 – The Board was informed that staff would move forward with the replacement of ten trees in the right-of-way along Ship Canal Parkway. In addition, BUDC will seek an amendment to the NYSDEC Record of Decision for Parcel 3, to reduce the cap requirement from 24 to 12 inches.

November 2016 – The Board was informed that a pre-bid meeting was held at the Parcel 4 Superfund site for work to be done in the summer of 2017. The estimated cost of the remediation work that will be covered by NYSDEC is \$8M to \$10M.

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
- approved the reimbursement of \$332,556 from the BBRF to BUDC for third party costs in 2015
- Dennis Penman was reappointed as a Citizen Member of the Board of Directors by Mayor Brown
- Craig Slater was reappointed as a Citizen Member of the Board of Directors by the Board
- Thomas Hersey assumed one of the two Erie County positions on the Board replacing Thomas Dearing
- 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 Treasurer and Bradley Bach as Assistant Treasurer
- prepared an Annual Report of Directors as required by NYS Not-For-Profit Law
- 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. BBRC is anticipating a closing on the property in spring of 2017
- maintained and updated BUDC website and Facebook page
- 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, Treasurer

SUBJECT: Annual Report of Directors

DATE: June 27, 2017

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 approved by the Board of Directors at the March 28, 2017 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 27, 2017, 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, 14203.