

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Board of Directors Meeting

Date: Tuesday, April 26, 2016 Time: 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 MONTHLY FINANCIAL REPORT *(Action) (Enclosure)*

4.0 NEW BUSINESS

4.1 BBRP Loan Program – Underwriting Recommendation *(Action) (Enclosure)*

4.2 Buffalo Building Reuse Project (BBRP) General Update *(Information)*

4.3 683 Northland / Workforce Training Center Update *(Information)*

4.4 Northland Corridor Project General Update *(Information)*

4.5 Buffalo Lakeside Commerce Park Project Update *(Information)*

4.6 Information Package *(Information)*

5.0 LATE FILES

6.0 TABLED ITEMS

7.0 EXECUTIVE SESSION

8.0 ADJOURNMENT *(Action)*

**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 Schoepfich, Treasurer
Kevin J. Zanner, Secretary
Mollie Profic, Assistant Treasurer

Others Present: Dawn Boudreau, EC!DA 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. Schoepfich 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. Schoeplich presented the draft 2015 audited financial statements prepared by Lumsden & McCormick, LLP. Mr. Schoeplich 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. Schoeplich 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. Schoeplich 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. Schoeplich presented the 2015 Investment Report to the Board. Mr. Schoeplich 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. Schoepfich 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. Oblatz and unanimously carried.

4.6.5 Audit & Finance Committee Charter (Re-adoption) – Mr. Schoepfich 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. Oblatz and unanimously carried.

4.6.6 Reimbursement of 2015 Brownfield Expenses from BBRF – Mr. Schoepfich presented his March 29, 2016 memorandum to the Board regarding the reimbursement of third party expenses from the Buffalo Brownfields Redevelopment Fund. Mr. Schoepfich 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. Schoepfich 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. Oblatz, Mr. Cammarata indicated that two of the owners at BLCP have committed to make an annual donation toward maintenance expenses. Mr. Schoepfich 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. Schoepflich 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. Schoepfich 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 NYSERDA 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. Obietz 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

Buffalo Urban Development Corp
Financial Statements
as of March 31, 2016

Buffalo Urban Development Corporation (BUDC)

Balance Sheet

March 31, 2016

	Mar 2016	Feb 2016	Dec 2015
Assets			
Cash*	\$ 2,156,742	\$ 2,267,730	\$ 2,570,197
Cash - Downtown Revolving Loan Fund*	751,719	1,500,000	783,651
Cash - Buffalo Brownfields Redevelopment Fund **	2,339,523	2,339,324	2,307,680
Cash - Regionally Significant Project Fund ***	85,019	85,015	85,008
Loans Receivable	750,000	-	-
Accrued Interest Receivable	-	-	-
Prepaid/Deferred Expenses	69,659	82,115	15,165
Grant Receivable	2,207,519	2,207,519	2,207,519
Other Receivables	-	-	-
Due from BBRC	20,000	20,000	20,000
Fixed Assets, net	14,424	14,898	15,847
Land/Buildings - Northland Corridor, net	4,558,863	4,570,583	4,594,022
Land & Improvements Held For Sale - BLCF	3,996,668	3,996,668	3,996,668
	<u>\$ 16,950,136</u>	<u>\$ 17,083,853</u>	<u>\$ 16,595,757</u>
Liabilities and Net Assets			
Liabilities:			
Accounts Payable and Accrued Expenses	\$ 55,203	\$ 49,561	\$ 242,338
Due to ECIDA	15,369	10,319	43,616
Promissory Note Payable	257,381	257,381	257,381
Unearned Grant Income	1,281,346	1,358,537	1,315,824
Total Liabilities	<u>1,609,300</u>	<u>1,675,799</u>	<u>1,859,160</u>
Net Assets	15,340,836	15,408,054	14,736,597
	<u>\$ 16,950,136</u>	<u>\$ 17,083,853</u>	<u>\$ 16,595,757</u>

Monthly Investment Report:

- * Cash is invested in interest-bearing accounts at First Niagara Bank at a rate of 0.10% (0% for Downtown and Northland accounts). The maximum FDIC insured amount is \$250,000, with the remainder collateralized (secured) with eligible securities by First Niagara Bank.
- ** The Buffalo Brownfields Redevelopment Fund is held by the ECIDA on behalf of BUDC for Eligible Project Costs at Buffalo Lakeside Commerce Park & Riverbend. The fund is invested in an interest-bearing account at First Niagara Bank at a rate of 0.10%. The maximum FDIC insured amount for this and the other ECIDA First Niagara accounts is \$250,000, with the remainder collateralized (secured) with eligible securities by First Niagara Bank. Note: Rate was reduced effective March 2014 from 0.15%.
- *** The Regionally Significant Project Fund is held by the ECIDA on behalf of BUDC for economic development and planning goals established by the BUDC Board. The fund is invested in an interest-bearing account at First Niagara Bank at a rate of 0.05%. The maximum FDIC insured amount for this and the other ECIDA First Niagara accounts is \$250,000, with the remainder collateralized (secured) with eligible securities by First Niagara Bank.

Buffalo Urban Development Corporation (BUDC)
Income Statement
Month of March 2016

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUE			
Grant Revenue	\$ 77,191	\$ 77,000	\$ 191
Gross Proceeds from Land Sales	-	-	-
Less: Cost of Land Sales	-	-	-
Buffalo Brownfield Fund Revenue (net)	-	-	-
Regionally Significant Project Fund (net)	-	-	-
Rental Income	-	-	-
Interest Income & Fees - Loans	9,219	7,009	2,210
Investment Interest Income	389	333	56
Other Income	5,200	-	5,200
Total	91,999	84,342	7,656
OPERATING EXPENSES			
Property Operations & Maintenance	\$ 51,419	\$ 8,667	\$ 42,753
Legal	13,390	10,833	2,557
Insurance	12,455	10,625	1,830
Marketing/Public Outreach	1,070	3,333	(2,263)
Utilities	2,068	6,250	(4,182)
Misc.	80	1,083	(1,003)
Consultants	20,749	21,000	(252)
General Development Expenses	-	-	-
Personnel Costs	37,559	33,447	4,113
Interns	1,330	2,083	(753)
Rent	1,550	1,600	(50)
ECIDA Management Fee	3,500	3,500	-
Audit	-	-	-
General & Administrative	1,852	2,500	(648)
Depreciation	12,194	9,875	2,319
Total	159,216	114,796	44,420
Net Income / (Loss)	\$ (67,217)	\$ (30,454)	\$ (36,764)

Buffalo Urban Development Corporation (BUDC)
Income Statement
YTD March 31, 2016

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Yr.	Variance
REVENUE						
Grant Revenue	\$ 859,478	\$ 609,500	\$ 249,978	\$ 859,478	\$ 50,211	\$ 809,267
Gross Proceeds from Land Sales	-	-	-	-	-	-
Less: Cost of Land Sales	-	-	-	-	-	-
Buffalo Brownfield Fund Revenue (net)	89,992	81,598	8,394	89,992	82,470	7,522
Regionally Significant Project Fund (net)	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-
Interest Income & Fees - Loans	9,219	21,028	(11,809)	9,219	8,514	705
Investment Interest Income	1,177	1,000	177	1,177	2,181	(1,004)
Other Income	7,075	-	7,075	7,075	1,476	5,599
Total	966,941	713,125	253,815	966,941	144,852	822,089
OPERATING EXPENSES						
Property Operations & Maintenance	\$ 81,718	\$ 26,000	\$ 55,718	\$ 81,718	\$ 7,013	\$ 74,705
Legal	26,570	32,500	(5,930)	26,570	39,841	(13,271)
Insurance	37,056	31,875	5,181	37,056	16,655	20,401
Marketing/Public Outreach	5,902	10,000	(4,098)	5,902	921	4,981
Utilities	5,420	18,750	(13,330)	5,420	704	4,716
Misc.	80	3,250	(3,170)	80	628	(548)
Consultants	29,530	29,700	(171)	29,530	12,348	17,182
General Development Expenses	-	-	-	-	1,031	(1,031)
Personnel Costs	105,057	100,340	4,717	105,057	93,480	11,577
Interns	3,052	6,250	(3,198)	3,052	2,982	70
Rent	4,650	4,799	(149)	4,650	4,500	150
ECIDA Management Fee	10,500	10,500	-	10,500	15,230	(4,730)
Audit	10,400	10,400	-	10,400	6,000	4,400
Grant to BBRC	-	-	-	-	-	-
General & Administrative	6,185	7,500	(1,315)	6,185	8,184	(1,999)
Repayment to City of Buffalo	-	-	-	-	-	-
Loan Loss Expense	-	-	-	-	-	-
Depreciation	36,581	29,625	6,956	36,581	3,000	33,581
Total	362,702	321,489	41,212	362,702	212,517	150,185
Net Income / (Loss)	\$ 604,239	\$ 391,636	\$ 212,603	\$ 604,239	\$ (67,665)	\$ 671,904

Buffalo Urban Development Corporation

Income Statement - by Project

YTD March 31, 2016

	BLCP*	BBRP -			Corporate Operations	Total
		BBRP**	Downtown Loan Fund	Northland		
REVENUE						
Grant Revenue	\$ -	\$ -	\$ 750,000	\$ 85,052	\$ -	\$ 835,052
ESDC/City of Buffalo - City by City	-	-	-	-	-	-
NYS Dept. of State	-	-	-	-	-	-
Niagara River Greenway Commission	-	-	-	-	-	-
ECIDA/Other	-	24,427	-	-	-	24,427
Gross Proceeds from Land Sales	-	-	-	-	-	-
Less: Cost of Land Sales	-	-	-	-	-	-
Buffalo Brownfield Fund Revenue (net)	-	-	-	-	89,992	89,992
Regionally Significant Project Fund (net)	-	-	-	-	-	-
Designated Developer Fees	-	-	-	-	-	-
Interest Income & Fees - Loans	-	-	9,219	-	-	9,219
Investment Interest Income	-	-	-	-	1,177	1,177
Other Income	7,075	-	-	-	-	7,075
Total	7,075	24,427	759,219	85,052	91,169	966,941
OPERATING EXPENSES						
Property Operations & Maintenance	\$ 7,261	\$ -	\$ -	\$ 74,457	\$ -	\$ 81,718
Legal	820	1,080	-	8,700	15,970	26,570
Insurance	3,909	-	-	28,327	4,820	37,056
Marketing	-	690	-	4,817	395	5,902
Utilities	193	-	-	5,227	-	5,420
Misc.	-	-	-	-	80	80
Consultants	595	-	400	28,535	0	29,530
General Development Expenses	-	-	-	-	-	-
Personnel Costs	-	22,657	-	-	82,401	105,057
Interns	-	-	-	-	3,052	3,052
Rent	-	-	-	-	4,650	4,650
ECIDA Management Fee	-	-	-	-	10,500	10,500
Audit	-	-	-	-	10,400	10,400
Grant to BBRC	-	-	-	-	-	-
General & Administrative	-	-	-	-	6,185	6,185
Repayment to the City of Buffalo	-	-	-	-	-	-
Loan Loss Expense	-	-	-	-	-	-
Depreciation	-	-	-	-	1,423	1,423
Total	12,779	24,427	400	185,221	139,875	362,702
Net Income / (Loss)	\$ (5,704)	\$ -	\$ 758,819	\$ (100,169)	\$ (48,707)	\$ 604,239

* Buffalo Lakeside Commerce Park

** Buffalo Building Reuse Project (Downtown Buffalo)

*** South Buffalo Brownfield Opportunity Area

Buffalo Urban Development Corporation

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Item 4.1

MEMORANDUM

TO: BUDC Board of Directors

FROM: Brandye Merriweather, Vice President – Downtown Development

SUBJECT: BBRP Loan Program - Funding Recommendations

DATE: April 26, 2016

BUDC recently issued a Request for Proposals for projects seeking financing through the BBRP Loan Program. BUDC received the following three (3) proposals in response to our BBRP Loan Program Request for Proposals issued on January 1, 2016:

1. **The Sinclair**, 465 Washington Street – Ciminelli Real Estate Corporation
2. **400 Oak Lofts**, 400 Oak Street – Signature Development/Ellicott Lofts III, LLC (Rocco Termini)
3. **328 N. Oak Street**, 328 North Oak Street – Sienna Realty (Fred Lofaso)

More detailed descriptions are attached to this memorandum.

The proposals were reviewed by a selection committee that included City of Buffalo Office of Strategic Planning (Rebecca Gandour), BUDC (Peter Cammarata, David Stebbins & Brandye Merriweather), and the Buffalo Niagara Partnership (Daniel Leonard). Proposals were evaluated based on the preliminary financial information, developer experience and need factors, as well as the projects alignment with the criteria established by the Buffalo Building Reuse Project and the Queen City Hub Plan; such as:

- Project Readiness
- Reduction of existing office vacancies
- Addition of new residential units
- Proximity to existing residential clusters, light rail and public transportation and market/economic drivers;
- Creates critical mass
- Adaptive and historic reuse opportunities
- First floor retail or “active” commercial opportunity
- Builds on recent public and private investments
- Net new downtown growth

RECOMMENDATIONS

Based upon input and analysis from the selection committee and the overall quality of the submissions, BUDC is recommending that the following projects move forward to the formal loan application and underwriting process that will be conducted by New York Business Development Corporation. Note that applicants must successfully complete the loan application and underwriting process prior to being awarded funding.

1. The Sinclair, 465 Washington Street – Ciminelli Real Estate Corp. for funding in the amount of \$750,000

- ✓ Located in a priority node
- ✓ Adds 45 residential units
- ✓ Active first floor use
- ✓ Close Proximity to other private investment (Lafayette Hotel, Hilton Garden, 201 Ellicott St. Grocery Store)
- ✓ Close proximity to Public Transit
- ✓ Close proximity to infrastructure improvements (ie Cars Sharing Main St.)
- ✓ Includes Retail, Commercial & Residential components
- ✓ Will contain a public art component
- ✓ Ready to Go Project

2. 400 Oak Lofts, 400 Oak Street – Signature Development for funding in the amount of \$750,000

- ✓ Vacant lot infill; fills gaps in urban fabric
- ✓ Located in a priority node
- ✓ Adds 76 residential units
- ✓ Close Proximity to other private investment (ie: Buffalo Niagara Medical Campus)
- ✓ Close proximity to Public Transit
- ✓ Reduces surface parking
- ✓ Includes Retail, Commercial & Residential components
- ✓ Ready to Go Project

The BUDC Downtown Committee reviewed this item on April 12, 2016 and has deemed The Sinclair and 400 Oak Lofts to be in alignment with BBRP goals and policy.

BUDC is in the process of collecting additional follow up information on the 328 N. Oak Street project. This proposal may be brought back for consideration at a later time.

ACTION

I am requesting that the BUDC Board of Directors accept the Downtown Committee's recommendation that The Sinclair located at 465 Washington Street and 400 Oak Lofts located at 400 Oak Street are both consistent with Buffalo Building Reuse Project goals and that both projects proceed to the BBRP loan underwriting process.

Buffalo Building Reuse Project
Loan Program – Quarter 1 Summary of Proposals
March 31, 2016

The Sinclair

Location: 465 Washington Street

Developer: Ciminelli Real Estate Corporation

Principal/Primary Contact: Paul F. Ciminelli

Project: Ciminelli Real Estate Corporation plans to convert a 82,254 square foot historic building into a mixed use development that consists of residential, retail, and commercial office space. The project will include 45 one and two bedroom market rate apartments. Tenant amenities include interior bicycle storage, additional tenant storage, a building-wide laundry room, and a community room with a kitchen that can be used for large events. The retail space will occupy 1,500 square feet on the ground floor, with the remaining 10,000 square feet used for commercial space, most likely to be office.

Cost: \$16.04 Million

Funding Request: \$750,000

400 Oak Lofts

Location: 400 Oak Street

Developer: Signature Development/Ellicott Lofts III, LLC (Rocco Termini)

Principal/Primary Contact: Rocco Termini

Project: Ellicott Lofts, LLC seeks to transform a vacant parking lot space into a mixed use development that consists of 750 square feet of commercial office space, and 500 square feet of residential apartments. The project will construct 76 micro apartments, each a 2 story unit with the bedroom on the top floor. Tenants will also have their own parking space available in the underground parking lot below the building. This project could likely be the first residential infill project supported through the BBRP program.

Cost: \$12.2 Million

Funding Request: \$750,000

328 N. Oak Street

Location: 328 North Oak Street

Developer: Frederic LoFaso/Sienna Realty

Principal/Primary Contact: Frederic LoFaso

Project: Sienna Realty seeks funding to renovate 328 North Oak Street into a mixed use development that consists of 6,950 square feet of 5 residential market rate apartments, and 3,000 square feet of retail space on the ground floor. Each apartment will feature a loft-style open floor plan, including high-end countertops, stainless steel modern appliances, hardwood flooring, lighting, glass tile, and large tiled showers. The building will undergo total renovation that includes window systems, exterior masonry restoration, new interior walls and doors, well designed kitchens and bathrooms, and complete installation of new electrical, plumbing, and mechanical systems. This project is one portion of his overall plan to redevelop a series of properties in the Oak, Genessee, and Ellicott Street area.

Cost: \$1.42 Million

Funding Request: \$621,000