

**Minutes of the
Audit & Finance Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
September 11, 2019
12:00 p.m.**

Call to Order:

Committee Members Present:

Trina Burruss
James Comerford
David J. Nasca
Dennis M. Penman (Committee Chair)

Committee Members Absent:

Janique S. Curry

Officers Present:

Peter M. Cammarata, President
Brandy Merriweather, Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Others Present: Arthur Hall, BUDC.

Roll Call; Order of Business - The Secretary called the roll of the members of the Audit & Finance Committee at 12:10 p.m. A quorum of the Committee was present.

- 1.0 **Approval of Minutes of the June 13, 2019 Meeting** – The minutes of June 13, 2019 meeting of the Audit & Finance Committee were presented. Mr. Comerford made a motion to approve the meeting minutes. The motion was seconded by Mr. Nasca and unanimously carried.
- 2.0 **2020 BUDC Draft Budget & Three Year Forecast** – Ms. Profic circulated the proposed 2020 budget and 2021-2023 forecast. Ms. Profic first reviewed the overall 2020 BUDC budget, which projects an increase in net income of 6.4 million dollars. She then reviewed the proposed budgets for Buffalo Lakeside Commerce Park, the Buffalo Building Reuse Project, Downtown Waterfront, the Northland Corridor, 308 Crowley and general corporate operations. Mr. Cammarata noted that revenue in the amount of \$935,000 has been budgeted for an anticipated land sale at BLCP, and he updated the Committee the status of pending BLCP land sale transactions. No land sales during 2020 are projected for 308 Crowley due to the demolition work planned for the site. Ms. Profic then reviewed a separate budget sheet which breaks out the budgeted revenue, expenses and cash flow adjustments for the Northland Corridor project. The Committee discussed the proposed budget. Ms. Profic addressed a question from Mr. Comerford regarding Restore NY grant reimbursement procedures. Mr. Penman requested that the budget be revised to include separate line items for depreciation and amortization. At the conclusion of the discussion, Ms. Profic indicated that a Committee meeting will be scheduled in October to recommend Board approval of the proposed budget, and asked that any additional comments regarding the proposed budget be provided to her in advance of that meeting. All Board members will be invited to attend the Committee meeting.
- 3.0 **2020 683 Northland Master Tenant Budget** – Ms. Profic circulated the proposed 2020 budget for 683 Northland Master Tenant, LLC. The budget projects a net loss on a GAAP basis in the amount of approximately one million dollars. Mr. Nasca asked about the timing for 683 Northland

to become cash-flow positive. Mr. Cammarata indicated that once the building is fully leased, which may occur in 2020, the project is expected to be revenue/expense neutral. Mr. Penman asked about the property management fee and asked that leasing commissions be identified as a separate line item in the budget.

- 4.0 **Buffalo Brownfields Redevelopment Fund (BBRF) Update** – Ms. Profic reviewed the Summary of Recent Activity for the Buffalo Brownfields Redevelopment Fund (BBRF). The balance in the BBRF is \$1,916,982, which includes \$242,900 of committed funds that will be used as the match for the Restore NY IV grant and for 1669 Fillmore Avenue environmental remediation costs.
- 5.0 **Regionally Significant Project (RSP) Fund Update** – Ms. Profic reviewed the Regionally Significant Project Fund (RSP) Summary of 2019 Activity. The balance in the RSP Fund is \$103,467, of which \$78,717 remains uncommitted.
- 6.0 **BBRP/BUDC Loan Program Update** – Ms. Profic and Ms. Merriweather presented the September 11, 2019 BBRP Loan Status Report. Ms. Profic reviewed the outstanding loans. Ms. Merriweather reported that letters were sent to the prospective borrowers that are listed in the report as “loans in the pipeline” to inquire as to their continued interest in BBRP loan funding. One project (810 Main Street) was removed from the list as a result. Ms. Merriweather then reported on a request from the Phoenix Brewery Apartments to pay off the balance of its loan by December 31, 2019. She also noted that proposals for BBRP loan program funding are due at the end of September.
- 7.0 **Funding Updates (Northland)** – Ms. Profic circulated and reviewed the Northland Beltline Project Funding Summary dated September 11, 2019. The report shows the amount of each grant and the amount received to date from each grant funding source.
- 8.0 **Funding Updates (Waterfront)** – Presentation of this item was deferred.
- 9.0 **Adjournment** – There being no further business to come before the Committee, upon motion made by Ms. Burruss, seconded by Mr. Comerford and unanimously carried, the September 11, 2019 meeting of the Audit & Finance Committee was adjourned at 1:50 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary