

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation **Annual Meeting of the Members**

Date: Tuesday, June 30, 2020

Time: 12:00 Noon

Via Video Conference Call & Live Stream Audio

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 25, 2019
12:00 p.m.**

1.0 Call to Order

Members Present:

Hon. Byron W. Brown (Chair)
Trina Burruss
James W. Comerford
Thomas Halligan
Thomas R. Hersey, Jr.
Thomas A. Kucharski
Amanda Mays
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Dennis M. Penman (Vice Chair)
Darius G. Pridgen
Craig A. Slater

Members Absent:

Janique S. Curry
Dennis W. Elsenbeck
Darby Fishkin
Dottie Gallagher
Maria R. Whyte

Officers Present:

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

Others Present: David Dittmar, 34 Group, Inc.; James Fink, *Buffalo Business First*; Garrett Gruendike, Gilbane Building Company; Arthur Hall, BUDC; Eamon Reilly, Buffalo Niagara Partnership; Robert Sanders, Watts Architecture & Engineering; and Edward Watts, Jr., Watts Architecture & Engineering.

Roll Call: The Secretary called the roll of Members at 12:10 p.m. and a quorum was determined to be present.

- 2.0 Reading of the Minutes** – The minutes of the October 30, 2018 special meeting of the Members were presented. Mr. Penman made a motion to approve the minutes. The motion was seconded by Mr. Comerford and unanimously carried.
- 3.0 Reports of the Committees** – The Chair asked whether the chairs of the respective Board committees had any committee matters to report. No reports were presented.
- 4.0 Report of the Officers** – Mr. Cammarata presented the Report of the Officers for the July 2018 - June 2019 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/Downtown Development, Buffalo Lakeside Commerce Park, general corporate matters 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 25, 2019 memorandum to the Members. This report is required under Section 519 of the Not-for-Profit Corporation Law. Ms. Profic's report referenced the 2018 year-end audited financial statements of the Corporation, copies of which were made available to the Members at the meeting, and which were previously approved at the March 26, 2019 Board of Directors meeting.

7.0 Adjournment – There being no further business to come before the Members, upon motion made by Mr. Kucharski, seconded by Mr. Nasca and unanimously carried, the Annual Meeting of the Members was adjourned at 12:20 p.m.

Respectfully submitted by:



Kevin J. Zanner, Secretary

Buffalo Urban Development Corporation
Report of Officers

Operations & Accomplishments

Operations

The Corporation is managed by a nineteen (19) member Board of Directors. Eleven (11) members serve as “ex-officio” members, related to public or quasi-public offices or positions that they hold. Their term on the Board parallels the time they hold that office or position. Eight (8) members serve as “citizen” members, appointed by the Board of Directors or the Chairman for three (3) year terms on a staggered basis. Regular Board meetings are commonly held on a monthly basis. The “Annual Meeting” of the Board is held in June and preceded by an annual meeting of the Corporation’s Membership.

In 2019, five Committees (Audit and Finance, Governance, Downtown, Real Estate, and Loan), as established by the Board, met on a regular basis to assist the staff with conducting the day-to-day business of the Corporation. Board members are encouraged to participate in at least one Committee.

At its Annual Meeting, the Board elects Officers of the Corporation to serve one year terms. The 2019 officer positions were President, Executive Vice President, Vice-President, Treasurer, Assistant Treasurer and Secretary.

The mission of Buffalo Urban Development Corporation (BUDC) is to support the urban economic development efforts of the region through acquisition, remediation and management of distressed properties, to support the revitalization of downtown Buffalo by coordinating financial assistance for adaptive re-use projects and public right-of-way improvements, and to engage in related real estate development activities for the purpose of attracting and/or retaining new and existing businesses to the City as part of the region.

The goals of the Corporation are to:

- reclaim fallow and distressed land and buildings for future development
- attract and/or retain new and existing businesses to the City and region
- effectively manage property, development projects and initiatives, and
- support the revitalization of downtown Buffalo

Funding for the administration of the Corporation was initially provided by the City of Buffalo; however, the City has not allocated funding for administration to the Corporation for over twenty years, and future allocations are not expected. However, the City and especially New York State have been instrumental in funding and supporting various grants for acquisitions, construction projects, lending programs, and infrastructure development consistent with the Corporation’s mission. Income for operations has been generated primarily through land sales, lease payments, grants, with a minor portion coming as interest income and fees from loans.

Accomplishments

The Buffalo Urban Development Corporation accomplishments for 2019 are presented in six (6) significant categories: Northland Corridor Project, Buffalo Building Reuse Project/Downtown Redevelopment, Buffalo Lakeside Commerce Park, Ralph C. Wilson, Jr. Centennial Park Project, General Corporate, and Miscellaneous Projects and Initiatives.

Northland Corridor Project (Northland)

(Mayor Byron W. Brown's initiative, with support from Governor Cuomo's Buffalo Billion and Buffalo Billion II, to create a 35 acre shovel-ready campus on the east side of Buffalo to attract workforce training, light manufacturing, and advanced technology facilities.)

January 2019 – The Phase 1 Brownfield Cleanup Program (BCP) remediation was completed before the 12/31/2018 and a Certificate of Completion (COC) was issued. The final M/WBE numbers for Phase 1 were presented at 29% MBE and 6% WBE, above the targets of 25% and 5%. The Empire State Development Board approved a Restore NY V grant to be used for properties at 541 E. Delavan and 777 Northland. The Northland Workforce Training Center (NWTC) expressed interest in expanding into additional space at the campus.

February 2019 – The Board approved a variety of change orders related to different construction, equipment, and furniture for the Phase I project. The Board also approved additional costs related to the LiRo Engineers contract. These cost were related to the implementation of the Soils Management Plan for the BCP. The Board approved the development of contracts for Watts Architecture and Engineering to provide scoping and cost estimates for the redevelopment of 631 Northland and the demolition of 777 Northland.

March 2019 – The March BUDC Board Meeting featured all the items that were required to be reviewed by the Board to complete the Authorities Budget Office reporting by March 31, 2019, including many items that pertained to the Northland project. The Board approved the selection of 34 Group as the Construction Manager for the 541 E. Delavan core and shell work.

April 2019 – The Board approved an initial change order to work on 683 Northland Phase I HVAC modifications. The Board also approved an amendment to the Gilbane Building Company construction management contract to build additional educational space for Northland Workforce Training Center in the “grey shed” building. Another amendment was passed that allowed for the build-out of the “red shed” building for the potential use as an entrepreneurial center.

May 2019 – The Board approved an additional change order to work on 683 Northland Phase I HVAC modifications and the restoration of the west “foundry” area wall for 683 Northland Phase II. A change order was also approved for the 612 Northland project related to the build-out for Albright Knox Art Gallery (AKAG). A change order was also approved to increase the construction management contract for 34 Group related to the 541 E. Delavan project.

June 2019 – The Board approved a change order for the Phase II project to provide furniture for the NWTC expansion space. The Board approved an additional change order to work on 683 Northland Phase I HVAC modifications. The Board also approved a contract for select demolition and hazardous material abatement at 541 E. Delavan. In addition, a contract was approved with Watts Architecture & Engineering to provide construction administration, inspection, and monitoring for the same project. The Board also approved additional proposals and change orders related to the build-out for AKAG.

July 2019 – The Board approved a change order for the Gilbane construction contract for additional work related to the Brownfield Cleanup Program Remedial Action Work Plan at 683 Northland. The Board also approved the purchase of additional equipment for the NWTC Senior Lab. The Board approved a lease agreement with AKAG for space at 612 Northland and a contract for major floor refinishing at this location.

August 2019 – The Board approved a change order to the Gilbane construction contract for further renovations related to the restaurant space at 683 Northland and the construction of bathrooms for Areas 4 & 5. The Board also again approved the purchase of additional equipment for the NWTC Senior Lab.

September 2019 – The Board approved a lease with Manna Culinary Group LLC for the restaurant space at 683 Northland, and a change order for additional equipment. The Board approved a change order to the Gilbane contract for third floor build-out for the 683 Northland Phase II project. The Board also approved the development of a contract with Apollo Steel Corp. for Phase 1B work at 541 E. Delavan. A contract was approved for Rodriguez Construction to pave and stripe the parking lot at 612 Northland.

October 2019 – The Board approved a lease agreement with SparkCharge to lease approximately 6,000 square feet at 683 Northland. The Board approved HLM Services to provide snow removal services for the Northland Campus for the 2019-2020 snow removal season. The Board also approved moving forward with a land exchange with the City of Buffalo that will return potential residential properties to the City in exchange for commercial properties for BUDC to develop. The Board approved change orders to the Gilbane contract for continued work on the 683 Northland Phase II project, including misc. tenant improvements, NWTC expansion construction, NWTC expansion equipment installation, and Area 2 tenant improvements.

November 2019 – The Board approved the utilization of the Buffalo Brownfields Redevelopment Fund for up to one million dollars in interim funding for Northland related projects. The Board also approved two items for the 541 E. Delavan Phase I project. A change order was approved for Apollo Dismantling, and a construction management contract extension was approved for 34 Group. The Board approved a change order to the Gilbane contract for tenant improvements related to the 683 Northland Phase II project.

December 2019 – Due to a lack of quorum, the December Board Meeting was cancelled. All “action” items were moved to the January 2020 Board Meeting.

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. All of these projects convert vacant and underutilized space to residential units and mixed-use developments. Four quarterly requests for proposals were again issued in the past year. Also In 2019, the Loan Committee and the Downtown Committee teamed to take a close look at potential modifications to the loan program, to help stimulate further interest in it. In March of 2019, the Board approved a one year extension of the Phoenix Brewery Apartments, LLC loan. No loans were approved in 2019, but several are in the immediate pipeline for early in 2020.

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 2019. 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. For the 2019 holiday Pop-Up session, Sinatra Development provided space at the Market Arcade building. Pop-Up has assisted over 40 businesses to date, with several opening their own permanent shops along Main Street and in other commercial corridors in the City of Buffalo. Several Pop-Up graduates have expanded their businesses within the Market Arcade Building. Also, Pop-Up graduate Zandra Cunningham of Zandra Beauty expanded her operations and now has products in Wegmans and Target.

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.

- **Entertainment District Improvement Project** – BUDC has helped to secure approximately \$5M for infrastructure and streetscape improvements to the entertainment district. The project includes streetscape improvements to Chippewa Street (from Main to Elmwood Avenue); Franklin Street (from Chippewa to Court Street); Court Street (from Niagara Square to Main Street). BUDC is working with DPW, Watts Engineering and the area stakeholders on the design of the project. This project was also identified as a key transformational project in the Downtown Buffalo Infrastructure & Public Realm Master Plan. The first phase of construction will begin in 2020.
- **Erie Street Greenway project** – BUDC secured funding for planning, design and redevelopment of a series of parks along Erie Street in downtown Buffalo. The design of the Greenway was completed by Clark Patterson Lee in fall of 2018. BUDC is currently

working with the City of Buffalo Department of Public Works and Empire State Development on beginning the construction phase in 2020.

- **Downtown Underpass Improvements** - BUDC has also been successful in leveraging funding for improvements to downtown underpasses. This effort will improve connections between the waterfront and the central business district, enhance the pedestrian realm and incorporate lighting and other artistic elements that will ease barrier effects and add to downtown's vibrancy, spurring additional investment. BUDC is currently working with the City of Buffalo Department of Public Works and Empire State Development on beginning the construction phase in 2020.
- **Ellicott Node Concept Plan** – In July of 2019, the BUDC Board approved a contract with Wendel Companies to prepare the Ellicott Street Node Concept Plan. The Board also approved the use of the Regionally Significant Project Fund to pay for the cost of this work.

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 Build Western New York, Book of Lists, and advertising in Urban Land Magazine help BUDC reach its prime development targets. The 2016 Downtown Development Guide has still proved to be a useful tool, providing helpful downtown statistics, projects, available development site and incentives for projects. The Guide also helped to generate numerous project leads, locally and nationally. BUDC partnered with the Buffalo Niagara Partnership on a 2018 Downtown Residential Demand Study, which provided updated market data on downtown's housing market, as well as recommendations and opportunities to drive further demand to create a sustainable downtown neighborhood.

BUDC Vice President for Downtown Development has been actively involved in other efforts to increase awareness of downtown's growth, tools and incentives. In 2019, the Vice President had speaking engagements for the Buffalo Business First Power Breakfast, the WNY @ Work Radio Show, It Takes a Village Action Organization, and the Buffalo Niagara Area Realtors.

Business Assistance – The BUDC Vice President for Downtown Development assisted over fifty (50) businesses, developers and organizations in 2019, acting as an advocate and coordinator for a myriad of business development issues. Brandye Merriweather's work in this category also includes "problem" properties.

Buffalo Lakeside Commerce Park (BLCP)

Throughout 2019, 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 2019 will result from these efforts.

January 2019 – The Board approved the sale of multiple parcels of land at Buffalo Lakeside Commerce Park (72 acres) to Zephyr Investors, LLC for the future development of a campus related to the cannabis industry, which is believed to have a dramatic future in New York State.

March 2019 – The Board approved the sale of 255 Ship Canal Parkway to Uniland Development Company, for the development of a logistics hub, in partnership with the International Trade Gateway Organization (ITGO). The Board also approved the placement of an environmental easement on the Parcel 4 land at BLCP, as the result of the NYSDEC Superfund Clean-up that took place at the site.

May 2019 – The Board was informed that the City of Buffalo Planning Board issued a negative declaration under SEQRA with respect to the Flora Group cannabis project.

October 2019 – The Board approved a Land Sale Agreement for approximately 22 acres to Thinking Robot Studios Inc. The Board also approved an amendment to the Zephyr Investors, LLC Land Sale Agreement which extended the due diligence period through July 31, 2020.

Waterfront / Ralph C. Wilson, Jr. Centennial Park Project

March 2019 – As an extension of BUDC's role supporting downtown infrastructure and development activity, BUDC applied to the Ralph C. Wilson, Jr. Foundation for grant funds to assist the City of Buffalo to become more engaged in downtown waterfront planning and development activities. The Foundation awarded BUDC a \$2.8 million dollar grant to enhance both BUDC's and the City's capacity to manage such development activities and to successfully implement the design and construction of Ralph C. Wilson, Jr. Centennial Park.

May 2019 – The Foundation awarded BUDC with an additional \$3.9 million to cover costs associated with the schematic design, design development, site development, and due diligence work related to the Centennial Park project. The Board approved a contract with Michael Van Valkenburgh Associates (MVVA) to provide landscape design services for the park transformation. The Board approved a contract with Wendel Companies to provide due diligence services for the park project.

September 2019 – The Board approved a change order to the Wendel Companies due diligence contract for their work at Centennial Park.

November 2019 – The Board approved an amendment to add \$500,000 to the schematic design contract with MVVA. After a request for proposals (RFP) process, the Board approved a project management contract with Gardiner & Theobald Inc for the design and construction phases of Centennial Park.

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 2018 Public Authorities Annual Report.
- Completed Board and Committee self-evaluations for 2018.
- Approved the 2019 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.
- At the June Annual Meeting, made 2019-2020 Board Committee appointments and expanded the scope of activities of all Board Committees.
- At the June Annual Meeting, held 2019-2020 Election of Officers.
- Approved 2017 Audited Financial Statements.
- Earned a “clean” audit report for Fiscal Year 2018.
- Approved the reimbursement of \$428,227 from the BBRF to BUDC for third party costs in 2017.
- Dennis Penman was reappointed as a Citizen Member of the Board of Directors by Mayor Brown for a three year term. In addition, the Mayor reported on the Governance Committee’s recommendation to reappoint David Nasca and Craig Slater as Citizen Members of the Board of Directors for three year terms.
- 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.
- Prepared an Annual Report of the Board of Directors as required under Section 519 of the NYS Not-For-Profit Corporation Law.
- Reviewed 2018 IRS Form 990 with all Board members and solicited comments.
- Updated the corporate chart to reflect the revised corporate structure.
- At the October 2019 meeting, the Board approved the 2020 budget and the 2021-2023 forecast for submittal to the Authorities Budget Office. This took place after extensive meetings with the Audit & Finance Committee and other members of the Board. The Board also approved the granting of Power of Attorney to Freed Maxick for tax credit cost certification.

Miscellaneous Projects & Initiatives

- Northland Project Manager Art Hall has successfully organized the Northland Small Business Networking Series, which has assisted numerous east side small businesses and is establishing strong relationships for the future East Side Entrepreneurial Center.
- Mr. Hall has also organized and continues to process the Northland Brownfield Opportunity Area checklist, as the BOA nomination process continues.
- Mr. Hall has championed the City of Buffalo for the next Gathering of the Urban Manufacturing Alliance. He has progressed with the solicitation of sponsors for a 2020 event.
- Mr. Hall has been the principal for the Local Initiatives Support Corporation (LISC) Northland Corridor Delavan Grider Community Enhancement Project. His efforts will continue in 2020.
- In February 2019, BUDC counsel successfully negotiated with the New York State Attorney General's Office for a reduction of the environmental lien related to 308 Crowley from \$75,000 to \$5,000.
- In March 2019, the BUDC Board approved the sale of 71 Isabelle Street to the adjacent owner (Enterprise Folding Box). 71 Isabelle was a portion of BUDC's property at 308 Crowley.
- In May 2019, the City of Buffalo contracted with LiRo Engineers to proceed with pre-demolition investigation and testing for BUDC's 308 Crowley property.
- Maintained and updated BUDC website and Facebook pages.
- Maintained and updated property marketing brochures.
- Provided assistance to multiple companies and strategic projects, often in conjunction with the Mayor's Office of Strategic Planning and 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.
- Dave Stebbins served 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.
- Dave Stebbins served on the Board of the Foundry.
- Peter Cammarata served on the Board of the Upstate Chapter of NAIOP.
- Brandye Merriweather served on the Board of Arts Services Initiative of WNY, Inc. and Partners for a Livable Western New York.

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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 30, 2020

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 previously approved by BUDC's Board of Directors at their March 31, 2020 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 30, 2020 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.