

**Minutes of the Meeting
of the
Audit & Finance Committee
of
Buffalo Urban Development Corporation**

Via Video Conference Call & Live Stream Audio

**October 14, 2020
12:00 p.m.**

Call to Order:

Committee Members Present:

Trina Burruss
Janique S. Curry
David J. Nasca
Dennis M. Penman (Committee Chair)

Committee Members Absent:

James Comerford

Officers Present:

Peter M. Cammarata, President
Brandye Merriweather, Vice President, Downtown Development
Rebecca Gandour, Vice President, Finance & Development
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Others Present: Jenna Bichler, Buffalo Urban Renewal Agency; Barb Danner, Freed Maxick; and Arthur Hall, BUDC.

Roll Call – The Secretary called the roll of the members of the Audit & Finance Committee at 12:05 p.m. A quorum of the Committee was present.

The meeting was held via video/telephone conference in accordance with the provisions of Executive Order 202.1, issued by Governor Andrew Cuomo on March 12, 2020, as amended. The meeting was also live-streamed to the general public and recorded. A transcript of the meeting will be made available at a later date.

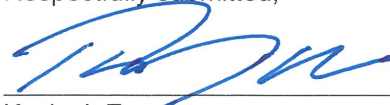
- 1.0 Approval of Minutes of the September 21, 2020 Meeting** – The minutes of the September 21, 2020 meeting of the Audit & Finance Committee were presented. Mr. Nasca made a motion to approve the meeting minutes. The motion was seconded by Ms. Burruss and unanimously carried (4-0-0).

- 2.0 BUDC Line of Credit Update** – Ms. Profic reported that BUDC plans to use the KeyBank line of credit to advance funds in connection with the Great Lakes Commission (GLC) grant for the shoreline and aquatic habitat project at Ralph C. Wilson, Jr. Centennial Park. Ms. Profic noted that the GLC grant is a reimbursement-based grant and that line of credit advances will be repaid as grant dollars are received. BUDC has inquired regarding GLC's response time for fulfilling grant reimbursement requests, and GLC indicated that grant reimbursement payments are promptly issued.

- 3.0 Cash Flow Analysis Update** – Ms. Profic continued a discussion with the Committee regarding BUDC cash flow, including the presentation of an updated two-page graphic outlining the projected vs. actual receipt of historic and brownfield tax credits and the utilization of KeyBank construction loan proceeds and the 683 Northland LLC line of credit. Due to delays in receipt of the tax credit equity, BUDC has incurred approximately \$330,000 in additional interest expenses to date. In response to a question from Mr. Nasca, Ms. Profic indicated that the 4th and 5th installment of historic tax credit equity, along with the BCP tax credits refund, are anticipated to be in an amount sufficient to pay off the construction loan. The Committee discussed the presentation of the cash flow analysis to the Board, with Mr. Penman suggesting that a visual cash flow statement be prepared. Ms. Danner offered to assist Ms. Profic in preparing the document for the Board meeting.
- 4.0 2021 Buffalo Urban Development Corporation Draft Budget & Three-Year Forecast**
Ms. Profic presented the proposed 2021 budget and 2022-2024 forecast, which was reviewed in detail at the September 21st Audit & Finance Committee meeting. Ms. Profic indicated that the budget is essentially the same budget that was presented at the September meeting, except for adjustments that were made to Northland rental income and property operations and maintenance expenses. Ms. Profic reviewed these adjustments with the Committee. She then reviewed the 2022-2024 budget forecast, which includes substantial revisions from the draft document presented last month. The three-year projections are conservative, and do not include anticipated revenue from any land sales at Buffalo Lakeside Commerce Park. The Committee discussed the proposed budget and three-year projections. In response to a question from Mr. Nasca about revenue, Mr. Cammarata indicated that there are additional opportunities at Northland to generate lease revenue as more buildings are redeveloped, as well as possible land sales at Northland and BLCP. At the conclusion of the discussion, Ms. Burruss made a motion to recommend that the Board of Directors approve the proposed 2021 BUDC budget and three-year forecast. The motion was seconded by Ms. Curry and unanimously carried (4-0-0).
- 5.0 2021 683 Northland Master Tenant Budget** – Ms. Profic reviewed the proposed 2021 budget for 683 Northland Master Tenant, LLC, which was initially presented at the September 21st Audit & Finance Committee meeting. Ms. Profic noted that this budget is presented for information purposes only. Adjustments were made to account for increased capital contributions, as it is anticipated that the final dollar amounts for the 4th and 6th installments of historic tax credit equity will be higher than initially projected. Ms. Profic also reviewed a three-year budget projection for 683 Northland Master Tenant, LLC, which shows a projected net cash increase in each of 2022, 2023 and 2024.
- 6.0 EDA Grant Application – 631 Northland** – Mr. Cammarata reported that BUDC has been working on an application for a federal EDA grant for the 631 Northland Avenue rehabilitation project. This is a twelve million dollar rehabilitation project. BUDC is seeking approximately three million dollars in EDA grant funds to help pay for the work. EDA requires a Board resolution authorizing the submission of the grant application. Mr. Nasca made a motion to recommend that the Board of Directors approve the submission of an application for EDA grant funding for the 631 Northland project. The motion as seconded by Ms. Burruss and unanimously carried (4-0-0).
- 7.0 Funding Updates** - Mr. Cammarata presented the funding update for Northland, including reports on the Restore NY IV grant, the Restore NY V grant and the ESD equipment grant. Ms. Profic presented an update regarding the 2018 BCP tax credits refund process and the timing for receipt of the 4th and 5th installments of historic tax credit equity.

- 8.0 **Adjournment** – There being no further business to come before the Committee, upon motion made by Ms. Curry, seconded by Mr. Nasca and unanimously carried, the October 14, 2020 meeting of the Audit & Finance Committee was adjourned at 12:55 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary