

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

Via Video Conference Call & Live Stream Audio

**September 21, 2020
12:00 p.m.**

Call to Order:

Committee Members Present:

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

Committee Members Absent:

[None]

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: Dawn Boudreau, ECIDA; and Arthur Hall, BUDC.

Roll Call: Order of Business – The Secretary called the roll of the members of the Audit & Finance Committee at 12:01 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 July 13, 2020 Meeting** – The minutes of the July 13, 2020 meeting of the Audit & Finance Committee were presented. Ms. Burruss made a motion to approve the meeting minutes. The motion was seconded by Mr. Comerford and unanimously carried.
- 2.0 Cash Flow Analysis Process Update** – Ms. Profic reported that Freed Maxick submitted to BUDC a draft report analyzing actual to projected sources and uses for the 683 Northland project. The final report will be reviewed at a future Committee meeting. Ms. Profic then presented via Zoom share a two-page graphic outlining the projected vs. actual receipt of historic and brownfield tax credits. She explained the impact of the delays on cash flow, the earlier than anticipated utilization of KeyBank construction loan proceeds and the KeyBank lines of credit. The Committee discussed the analysis, with Mr. Penman requesting additional detail in future financial reports regarding line of credit utilization and interest expenses.

- 3.0 2021 BUDC Draft Budget & Three Year Forecast** – Ms. Profic reviewed with the Committee the proposed 2021 budget and 2022-2024 forecast. Ms. Profic began the presentation with overview of the proposed BUDC budget, which projects a net loss of approximately 1.5 million dollars. She then reviewed the proposed project budgets for Buffalo Lakeside Commerce Park, the Buffalo Building Reuse Project, Downtown Waterfront, 308 Crowley and general corporate operations. Ms. Profic then reviewed a separate budget sheet that breaks out the budgeted revenue, operating expenses, capital budget and cash flow adjustments for the Northland Corridor project. The Committee discussed the proposed budget. Mr. Nasca commented that the proposed budget projects a deficit and asked about balancing the budget. Mr. Cammarata responded that balancing the budget would be difficult given the structure of BUDC finances in 2021. Mr. Penman suggested that the deficit budget be viewed in the context of the 2022-2024 projections, which project substantial net income in each year. Ms. Profic then reviewed the three-year projections with the Committee, noting that the projections are preliminary and will be tweaked prior to the next Committee meeting. 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 the meeting.
- 4.0 2021 683 Northland Master Tenant Budget** – Ms. Profic reviewed the proposed 2021 budget for 683 Northland Master Tenant, LLC. The budget projects a net loss on a GAAP basis in the amount of approximately \$533,000. Mr. Cammarata noted that two new tenants (Rodriguez Construction Group and Retech) will begin paying base rent in the next few months.
- 5.0 BBRF Update and Draw (UBIT Payment Schedule)** – Ms. Profic presented her September 21, 2020 memorandum regarding a proposal to utilize Buffalo Brownfield Redevelopment Fund (BBRF) funds to reimburse BUDC for the payment of \$98,436 in unrelated business income taxes for the 683 Northland project. Ms. Curry made a motion to recommend that the Board of Directors approve the requested reimbursement. The motion was seconded by Ms. Burruss and unanimously carried (5-0-0).
- 6.0 Historic Tax Credit Certification Update** – Ms. Profic reported that the Phase 2 cost certification submission is nearly complete. One final document from NTCIC is needed to complete the documentation.
- 7.0 Amended and Restated Leasing Policy for Northland Corridor Properties** – Mr. Cammarata circulated the final version of the Leasing Policy for Northland Corridor Properties, which was approved at the August meeting of the Board of Directors.
- 8.0 Funding Updates (Northland)** – 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.
- 9.0 Funding Updates (Waterfront)** – Mr. Cammarata noted that the funding update for the waterfront was covered as part of the budget presentation.
- 10.0 Adjournment** – There being no further business to come before the Committee, upon motion made by Ms. Curry, seconded by Mr. Comerford and unanimously carried, the September 21, 2020 meeting of the Audit & Finance Committee was adjourned at 12:55 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary