

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

**95 Perry Street
Buffalo, New York
October 21, 2021
9:00 a.m.**

Call to Order:

Committee Members Present:

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

Committee Members Absent:

Trina Burruss
Janique S. Curry

Officers Present:

Brandy Merriweather, President
Rebecca Gandour, Executive Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Others Present: Alexis M. Florczak, Hurwitz & Fine, P.C.; Arthur Hall, BUDC Senior Project Manager; and Antonio Parker, BUDC Project Manager.

Roll Call – The meeting was called to order at 9:04 a.m. A quorum of the Committee was present.

- 1.0 Approval of Minutes of the September 22, 2021 Meeting** – The minutes of the September 22, 2021 meeting of the Audit & Finance Committee were presented. Mr. Nasca made a motion to approve the meeting minutes. The motion was seconded by Mr. Comerford and unanimously carried (3-0-0).
- 2.0 2022 683 Northland Master Tenant Budget** – Ms. Profic reviewed the proposed 2022 budget for 683 Northland Master Tenant, LLC. No changes were made to the proposed budget from the version presented at the September meeting of the Committee. The Committee discussed the eventual transition of the investors from the tax credits ownership structure and the development of a strategy to address long-term sustainability of the project. Mr. Penman recommended that a risk analysis be conducted, including a review of the governing documents of the master tenant entity.
- 3.0 2022 BUDC Draft Budget & Three-Year Forecast** – Ms. Profic reviewed the proposed 2022 budget and 2023-2025 forecast. Some adjustments were made on the expense side of the budget after the September meeting of the Committee. The proposed budget was also revised to reflect the 1.2 million dollars in funding that BUDC expects to receive as part of the American Rescue Plan approved by the Common Council. Ms. Merriweather added that BUDC is working with the City to determine how this funding will flow into BUDC. It is anticipated that BUDC will receive this funding in two equal tranches, the first to be received in 2022 and the second in 2023. Ms. Gandour also updated the Committee regarding discussions with Empire State Development (ESD). ESD has

been receptive to BUDC comments regarding long-term operational costs at 683 Northland and the impact on BUDC. The Committee discussed the need to develop a strategy and solutions to resolve challenges faced by the budget projections. At the close of the discussion, Mr. Nasca made a motion to recommend that the Board of Directors approve the proposed 2022 BUDC budget and three-year forecast. The motion was seconded by Mr. Comerford and unanimously carried (3-0-0).

- 4.0 Draft 2020 BUDC 990/990T** – Ms. Profic reviewed with the Committee a summary of the draft 2020 IRS Form 990/990T and the tax payments as outlined in a separate handout. These payments are attributable to the tax credits structure that was established for the 683 Northland project. After allocating eligible expenses to reduce UBIT, BUDC will have approximately \$366,569 in UBIT. BUDC has obtained a filing extension until November 15th. Ms. Profic indicated she will circulate the completed return to the Board prior to filling.
- 5.0 Funding Updates** – Ms. Merriweather presented an update regarding funding. Conversations with Empire State Development regarding funding have been productive and remain ongoing. Ms. Profic added that the 2019 Brownfield Cleanup Program tax credits refund for \$7.3 million was submitted in October 2020 and remains outstanding. BUDC’s 2020 claim was recently filed on October 12, 2021 for approximately \$995,000.
- 6.0 BBRP/BUDC Loan Program Update** – Ms. Merriweather reported that the Loan Committee met recently to discuss restructuring the BBRP loan program. Another Loan Committee meeting will be scheduled soon once the participating lending institutions have reviewed and provided input regarding the proposed changes to the program.
- 7.0 Adjournment** – There being no further business to come before the Committee, the October 21, 2021 meeting of the Audit & Finance Committee was adjourned at 10:10 a.m.

Respectfully submitted,

Kevin J. Zanner
Secretary