

# Minutes of the Board of Directors Meeting Buffalo Urban Development Corporation

143 Genesee Street  
Buffalo, New York 14203  
December 20, 2011  
12:00 p.m.

## 1.0 Call to Order

### Directors Present:

Catherine M. Braniecki  
James W. Comerford  
Thomas P. Dee  
Dennis W. Elsenbeck  
Hon. David A. Franczyk  
Thomas A. Kucharski  
Woodrow W. Maggard  
Brendan R. Mehaffy  
Benjamin N. Obletz  
Dennis M. Penman (Vice Chair)  
Andrew J. Rudnick  
Craig A. Slater

### Directors Absent:

Hon. Byron W. Brown (Chair)  
Darren E. Kempner  
Kathy Konst  
Kimberley A. Minkel  
Christina P. Orsi  
Sundra L. Ryce

### Officers Present:

Peter M. Cammarata, President  
David A. Stebbins, Vice President  
Andrew Schoepich, Treasurer  
Kevin J. Zanner, Esq., Secretary

ECIDA Staff Present: Dawn Boudreau, Theresa Carpenter and Alfred D. Culliton.

Guests Present: James Fink, *Buffalo Business First*.

**Roll Call:** The Secretary called the roll of directors at 12:10 p.m. and a quorum was determined to be present. Mr. Mehaffy joined the meeting during the presentation of item 4.3.

**2.0 Reading of the Minutes** – The minutes of the November 29, 2011 meeting of the Board of Directors were presented. Upon motion made by Mr. Comerford, seconded by Mr. Elsenbeck and unanimously carried, the minutes of the meeting of November 29, 2011 were approved.

**3.0 Monthly Financial Report** – Mr. Schoepich presented the BUDC monthly financial report for the period ending November 30, 2011. The cash balance at the end of the period was \$390,021 and unrestricted net assets at the end of the period were \$10,500,628. Year-to-date revenue was \$2,492,639 and year-to-date expenses were \$3,339,736, resulting in a year-to-date net loss of (\$907,098). A brief discussion followed regarding BUDC's cash position. At the conclusion of the discussion, Mr. Maggard made a motion to accept the monthly financial report for the period ending November 30, 2011. The motion was seconded by Mr. Slater and unanimously carried.

## 4.0 New Business

- 4.1 **Reimbursement of BLCP Expenses from Brownfield Fund** – Mr. Schoeppich presented his December 20, 2011 memorandum and attached materials to the Board regarding the proposed reimbursement from the Buffalo Brownfield Redevelopment Fund (BBRF) of certain third party expenses incurred by BUDC in connection with Buffalo Lakeside Commerce Park. Mr. Schoeppich noted that these third party expenses were eligible to be paid from the BBRF at the time they were incurred by BUDC, but that reimbursement was not sought at that time for a number of reasons, including the fact that many of the costs were individually not significant and that the BBRF was being utilized for other BLCP costs. He also noted that the Board previously authorized the reimbursement of expenses from the BBRF in June 2011 and that those funds were used by BUDC to pay for expenses relating to the RiverBend master plan project. The current reimbursement request is for the amount of \$367,368 and will be used to stabilize cash flow and provide operating account funding. Mr. Schoeppich also indicated that the proposed reimbursement was reviewed by the Finance & Audit Committee, and that the Committee is recommending that the Board authorize the reimbursement.

Upon motion made by Dr. Rudnick, seconded by Mr. Oblatz and unanimously carried, it was resolved, that the Board authorize the reimbursement to BUDC of \$367,368 in third party BLCP costs from the Buffalo Brownfield Redevelopment Fund as outlined in the attachment to the Board memorandum dated December 20, 2011.

- 4.2 **Employee Transitions & Benefits** – Dr. Rudnick presented the December 20, 2011 memorandum to the Board from the Chairs of the Finance & Audit and Governance Committees regarding the transition of Messrs. Cammarata and Stebbins from ECIDA to BUDC and the establishment of an employee benefits program for BUDC. He noted that Messrs. Cammarata and Stebbins have both agreed to defer the lump sum payment of their accrued employee benefits upon termination of their employment with ECIDA. Instead of receiving lump sum amounts for their accrued benefits, Messrs. Cammarata and Stebbins will be credited by BUDC for their years of service at ECIDA and will be paid their ECIDA accrued benefits upon termination of their employment with BUDC, or earlier if so determined by the Board. The details of the arrangement are set forth in a proposed agreement between BUDC and ECIDA, copies of which were included in the Board materials. Dr. Rudnick next reviewed with the Board a summary of the proposed employee benefits program for BUDC. Ms. Branieceki commented that the summary was reviewed in detail by staff with the Finance & Audit and Governance Committees, and that an employee handbook is being developed which will incorporate the benefits summary. Mr. Cammarata commented that the employee benefits program is modeled on and is very similar to the ECIDA program. A discussion followed among the Board members. Mr. Oblatz asked how the new arrangement would impact the services provided to BUDC by Mr. Schoeppich and Ms. Boudreau. Mr. Schoeppich responded that those services would continue to be provided through the management fee arrangement between BUDC and ECIDA. He also indicated that the administrative services agreement between BUDC and ECIDA will need to be updated to reflect the new arrangements.

At the conclusion of the discussion, Dr. Rudnick made a motion to (i) authorize BUDC to enter into an agreement with ECIDA and each of Peter M. Cammarata and David A. Stebbins pursuant to which Messrs. Cammarata and Stebbins would become employees of BUDC effective January 1, 2012 and BUDC would assume responsibility for the payment of the accrued employee benefits owed by ECIDA to Messrs. Cammarata and Stebbins, payable upon the termination of their employment with BUDC, or earlier if so determined by the BUDC Board (ii) authorize the President and Vice President to execute the foregoing agreements for and on behalf of BUDC and (iii) approve the proposed BUDC employee benefits package in the form presented to the Board. Dr. Rudnick's motion was seconded by Ms. Branieceki and was unanimously carried.

- 4.3 Ship Canal Commons – Ladle (Artifact) Loan Agreement** – Mr. Stebbins presented his December 20, 2011 memorandum to the Board and a proposed loan agreement regarding the acquisition from the Senator John Heinz History Center of a large industrial ladle to be displayed at Buffalo Lakeside Commerce Park. BUDC would be responsible for the cost of transporting the ladle from Pennsylvania to Buffalo, along with the cost of insuring the ladle while it remains in BUDC's possession. The cost to transport the ladle is approximately \$10,000, and Mr. Stebbins indicated that NYSDOS grant funds are available to pay for the cost. Mr. Oblatz asked whether the ladle might pose a safety issue. Mr. Stebbins responded that this issue will be reviewed when the ladle is mounted. In response to a question from Mr. Dee regarding insurance costs, Mr. Cammarata indicated that the value of the ladle is listed as having zero value in the loan agreement, so it is expected that the cost of insuring the ladle will be minimal.

There being no further discussion, upon motion made by Mr. Dee, seconded by Mr. Comerford and unanimously carried, it was resolved, that the Board authorize the execution of a loan agreement with the Senator John Heinz History Center to accept and care for a steel industrial ladle, and to extend payment for the cost of transporting the ladle to Buffalo.

- 4.4 First Niagara Deposit Resolution** – Mr. Schoeppich presented his December 20, 2011 memorandum to the Board and the form of municipal deposit resolution required by First Niagara Bank in connection with the establishment of accounts with the bank. Upon motion made by Dr. Rudnick, seconded by Mr. Elsenbeck and unanimously carried, it was resolved, that the Board adopt resolutions in connection with First Niagara Bank in the form annexed to these minutes and made a part hereof.
- 4.5 Year End Update ABO/PARIS Report** – Mr. Cammarata asked Dawn Boudreau to present an update regarding Public Authorities Law compliance activities. Ms. Boudreau reported that staff has begun the process of assembling the information necessary for the completion of the ABO annual report. She indicated that Board self-evaluation forms will be circulated to Board members in January or February. In addition, the Board will review and be asked to approve a report outlining 2011 accomplishments, and will also establish the 2012 goals for BUDC.
- 4.6 BLCP - Parcel 3 Project Update** – Mr. Cammarata updated the Board regarding the status of the Parcel 3 project. Fabrication of the bridge was completed two weeks ago, and the bridge is being installed this week. Mr. Cammarata then briefly explained the bridge installation process. Once the bridge installation is complete, all work on the Parcel 3 project will be complete.
- 4.7 BLCP - Phase IV Project Update** – Mr. Cammarata reported that National Grid is wrapping up its work on the Phase IV project electrical service installation. All lighting should be operational within the next few weeks. The road is now open, and staff is working on having the road formally dedicated to the City of Buffalo.
- 4.8 RiverBend Master Plan Project Update** – Mr. Stebbins reported that BUDC was not awarded grant funding under the consolidated funding application that was submitted by the regional development council to New York State. Staff is optimistic that the application for a consistency determination from the Niagara Greenway Commission will be approved when the Greenway Commission reviews the application at its January meeting. Mr. Stebbins then commented on the Riverkeeper shoreline restoration project, noting that Riverkeeper has decided to move forward with a design phase-only request for proposals. Mr. Stebbins also updated the Committee on public presentations regarding the RiverBend project, including presentations to Working for Downtown and the Erie County Environmental Management Council.

**4.9 South Buffalo BOA Project Update** – Mr. Stebbins reported that NYSDOS only recently commenced its review process for the BOA grant, even though staff submitted the grant documents to NYSDOS on August 1<sup>st</sup>. Staff is working with NYSDOS to answer NYSDOS inquiries regarding workers compensation coverage and BUDC's compliance with Charities Bureau filing requirements. It may be another two to three months before BUDC receives the grant funds from NYSDOS. Staff will reach out to Senator Timothy Kennedy's office to assist in expediting the grant process.

**4.10 Buffalo Building Reuse Project Update** – Dr. Rudnick updated the Board regarding the Buffalo Building Re-use project. He noted that there have been direct discussions with Mr. Mehaffy and the Mayor's office regarding funding for the project and the manner of implementing the recommendations of the project team. The project team report is expected to be released during the first week of January.

**4.11 BUDC BERC Merger Update** – Mr. Cammarata reported that the merger transition team met on December 14<sup>th</sup>, and that the next step is to prepare a request for proposals to analyze the condition and marketability of the BERC properties. Mr. Penman commented that an unanticipated personnel issue at BERC may impact BERC's ability to expedite the merger process.

**4.12 Information Package** – Mr. Cammarata reviewed the package of information materials, including articles regarding RiverBend that were recently published in *Business First* and the CBRE newsletter, and information regarding the City of Buffalo Planning Day.

**5.0 Late Files** – None.

**6.0 Tabled Items** – None.

**7.0 Executive Session** – None.

**8.0 Adjournment** – Upon motion made by Dr. Rudnick, seconded by Mr. Comerford and unanimously carried, the Board of Directors meeting of December 20, 2011 was adjourned at 1:00 p.m.

Respectfully submitted by:



Kevin J. Zanner, Secretary