

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

Via Video Conference Call & Live Stream Audio

**May 17, 2021
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:

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

Others Present: Peter M. Cammarata, Cammarata Consulting, LLC; Arthur Hall, BUDC Senior Project Manager; and Jamee Lanthier, ECIDA Compliance Officer.

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. Ms. Burruss joined the meeting during the presentation of item 5.0 of the meeting agenda.

The meeting was held via video/telephone conference in accordance with the provisions of Executive Order 202, 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 March 22, 2021 Meeting** – The minutes of the March 22, 2021 meeting of the Audit & Finance Committee were presented. Mr. Comerford made a motion to approve the meeting minutes. The motion was seconded by Mr. Nasca and unanimously carried (4-0-0).

- 2.0 Draft 2020 BUDC 990/990T** – Ms. Profic presented an update regarding the draft 2020 IRS Form 990/990T prepared by Freed Maxick. An extension has been obtained for this filing. Ms. Profic screen-shared a chart showing the ownership structure of 683 Northland LLC and the interest payments being made by 683 WTC, LLC to BUDC, which result in unrelated business income which is taxable. The tax obligation is a consequence of the for-profit tax credits structure that was established for the 683 Northland project. Total federal taxes owed are \$76,979. Total state taxes are approximately \$32,000. Ms. Profic indicated that similar to last year, the Buffalo Brownfields

Redevelopment Fund would be used to reimburse this expense. She also indicated that a copy of the draft Form 990/990T will be made available for Board member review and comment.

- 3.0 683 Northland Construction Loan/Line of Credit Update** – Ms. Profic presented an update regarding the 683 Northland construction loan and line of credit. The original principal balance of the loan facility was thirty million dollars. The remaining balance is \$10,180,810. The 683 Northland LLC line of credit has a balance of approximately \$646,000. BUDC has a separate line of credit with KeyBank, which has been paid down entirely now that Restore NY grant reimbursement payments have been received. In response to a question from Mr. Nasca, Ms. Profic indicated that the 683 Northland LLC line of credit will be closed once the balance is reduced to zero, while the BUDC line of credit, which is structured as a revolving line of credit, will remain open.
- 4.0 Miscellaneous Funding Source Updates** – Ms. Profic presented a report on the status of the of the remaining installment of historic tax credit equity and Brownfield Cleanup Program tax refunds for the 683 Northland project. Ms. Profic screen-shared a one-page tax credits organizational chart and flow of funds document with the Committee and reviewed the various funding sources. She also updated the Committee regarding non-683 Northland funding sources, including the Restore NY V grant.
- 5.0 BBRP/BUDC Loan Program Update** – Ms. Merriweather reported that the Phoenix Brewery Apartments has fully repaid its BBRP loan. BUDC has issued an RFP for the next round of BBRP loan program funding, with responses due June 30th. Ms. Merriweather indicated that BUDC continues to see interest in the loan program from the development community. The Committee discussed the loan program generally. Mr. Nasca commented on the possible need to address the cost of the program to borrowers. In response to a question from Mr. Comerford, Ms. Merriweather indicated that the current maximum loan amount is \$750,000.
- 6.0 683 Northland Project Financial Update** – Ms. Profic presented a financial update regarding the 683 Northland project. She referred the Committee to the handout that was included in the meeting agenda packet. She reviewed in detail projections vs. actual outcomes as to both the timing and dollar amount of historic tax credit equity and the Brownfield Cleanup Program tax credit refunds, and explained the impact on the repayment of the KeyBank construction loan and line of credit. The Committee discussed the financial report. At the conclusion of the discussion, Mr. Penman suggested that BUDC staff and one or two Committee members meet with the tax credits consulting team in advance of the next Committee meeting regarding the financial report and consider the need for any adjustments.
- 7.0 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 May 17, 2021 meeting of the Audit & Finance Committee was adjourned at 12:41 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary