

Buffalo Urban Development Corporation

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Audit & Finance Committee Meeting Monday – December 11th, 2017 - Noon BUDC Offices, 4th Floor, 95 Perry

Agenda

1. Approval of Minutes of September 18, 2017 Meeting (*Action*)(*Enclosure*)
2. Insurance Brokerage Services Procurement (*Recommendation*)(*Enclosure*)
3. 683 Northland – Construction Bridge Loan Increase (*Recommendation*)(*Handout*)
4. 683 Northland – Economic Development Group Lease Terms (*Information*)(*Handout*)
5. 683 Northland – Buffalo Manufacturing Works LOI Terms (*Information*)(*Handout*)
6. 683 Northland – Historic Rehab & NMTC Financing Update (*Information*)
7. 683 Northland – Phase II Project Labor Agreement (*Information*)
8. Northland Beltline – Funding Updates (ESD, NYPA, CDBG, Restore NY) (*Information*)
9. Buffalo Brownfields Redevelopment Fund (BBRF) Update (*Information*)(*Handout*)
10. Regionally Significant Project (RSP) Fund Update (*Information*)(*Handout*)
11. BBRP/BUDC Loan Program Update (*Information*)
12. Final Approved 2018 BUDC Budget (*Information*)(*Enclosure*)
13. Adjournment (*Action*)



**Minutes of the
Audit & Finance Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
Buffalo, New York 14203
September 18, 2017
12:00 P.M.**

Call to Order:

Committee Members Present:

James W. Comerford
Janique S. Curry
Dennis M. Penman (Committee Chair)

Committee Members Absent:

Thomas Beauford, Jr.
David J. Nasca (joined by telephone)

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Brandye Merriweather, Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Bradley Bach, Assistant Treasurer

Others Present: Dawn Boudreau, ECIDA; and James Cielencki, BUDC Intern.

Roll Call: The roll of the Committee members was called at 12:10 p.m. A quorum of the Committee was not present. The Chair requested that the information items 4.0-11.0 of the agenda be presented. Ms. Curry joined the meeting during the presentation of item 11.0, at which time a quorum of the Committee was present.

- 1.0 Approval of Minutes of the August 18, 2017 Meeting** – The minutes of the August 18, 2017 meeting of the Audit & Finance Committee were presented. Mr. Comerford made a motion to approve the meeting minutes. The motion was seconded by Ms. Curry and unanimously carried.

- 2.0 Professional Auditing Services Procurement Memo** – Ms. Profic presented her September 18, 2017 memorandum regarding the proposed award of a professional auditing services contract. BUDC and ECIDA issued a joint request for proposals. Five proposals were received, which were reviewed by Peter Cammarata, Bradley Bach and Mollie Profic. The review team is recommending that BUDC award the professional auditing services contract to Freed Maxick. The Committee discussed the proposed contract award. In response to a question from Ms. Curry, Mr. Cammarata indicated that Freed Maxick did not include an M/WBE component in its proposal, but did include a WBE firm as part of accounting team for the tax credits transaction. Mr. Comerford made a motion to recommend that the Board of Directors award a professional auditing services contract to Freed Maxick for the 2017 and 2018 audits, with a BUDC option to extend the contract to cover the 2019-2021 audits. The motion was seconded by Ms. Curry and unanimously carried.

- 3.0 2018 BUDC Draft Budget & Three Year Forecast** – Ms. Profic presented the draft 2018 budget and 2019-2021 forecast. Ms. Profic reviewed the overall sources and uses of funds as set forth in the proposed budget. She then reviewed the proposed budgets for the Northland

Corridor project, Buffalo Lakeside Commerce Park, the Buffalo Building Reuse Project and general corporate operations. The revenue side of the budget includes a projected sale of a five acre parcel at BLCP. Mr. Cammarata noted that the budget also includes a line item expense for a new project manager position. This new position will allow BUDC to provide support on additional brownfield projects in the City of Buffalo. The Committee discussed the proposed budget. Mr. Penman suggested that for future budgets BUDC should consider allocating revenue and costs on a project-by-project basis. Ms. Profic indicated that the proposed budget will be circulated at the September Board of Directors meeting to allow Board members to review and comment prior to the October Board meeting. At the close of the discussion, Ms. Curry made a motion to recommend that the Board of Directors approve the proposed 2018 budget and 2019-2021 forecast. The motion was seconded by Mr. Comerford and unanimously carried.

- 4.0 **683 Northland – Historic Rehab and NMTC Financing Update** – Mr. Stebbins updated the Committee regarding the tax credits transaction for 683 Northland. Due diligence activities are ongoing, and weekly conference calls are taking place to keep the process moving forward. In response to a question from Mr. Penman, Mr. Stebbins indicated that BUDC and Gilbane continue to work toward establishing a guaranteed maximum price (GMP) for the construction of the workforce training center, and that a proposed GMP should be ready for Board review and approval at the October Board meeting.
- 5.0 **683 Northland – Historic Rehab Reasonableness Opinion Solicitation** – Mr. Stebbins reported that the tax credits investors will retain an accounting firm to provide a reasonableness opinion for the historic tax credits transaction. The BUDC will be responsible for paying this cost, which has been accounted for in the overall net benefit that BUDC will realize as a result of the transaction.
- 6.0 **683 Northland – Construction Bridge Loan Update** – Mr. Stebbins reported that KeyBank is expected to issue its commitment letter for the loan before the end of this month.
- 7.0 **683 Northland – Gilbane Guaranteed Maximum Price (GMP) Update** – Mr. Stebbins indicated that Gilbane will circulate to BUDC an internal draft GMP document by the end of this week. It is expected that the GMP will be finalized and presented for approval at the October Board of Directors meeting.
- 8.0 **Northland Beltline – CDBG Funding Update** – Mr. Cammarata informed the Committee that BUDC is working on two CDBG grant disbursement requests which will be submitted separately. After the first of the two requests is submitted, there will be approximately \$450,000 remaining under the original 3.2 million dollar grant.
- 9.0 **Northland Beltline – Restore New York Funding Update** – Mr. Stebbins reported that he is working with Assistant Corporation Counsel John Heffron on a sub-grant agreement between the City of Buffalo and BUDC for the Restore NY grant funding. Common Council approval is required. ESD is expected to authorize the Restore NY grant to the City of Buffalo at its November 2017 Board meeting.
- 10.0 **Northland Beltline – ESD Funding Update** – Mr. Cammarata reported that BUDC continues to work on reimbursement submissions to draw against the ESD grant. There is less than \$400,000 remaining under the 6.7 million dollar grant. Staff is also working on the initial draw against the 10.3 million dollar grant.
- 11.0 **Buffalo Brownfield Redevelopment Fund (BBRF) Update** – Mr. Profic circulated and reviewed with the Committee the BBRF Fund Analysis report for the period ending August 31,

2017. The fund balance as of August 31, 2017 is \$2,092,441. Ms. Profic indicated that there were no major changes to the report that was reviewed at the August meeting of the Committee.

- 12.0 Regionally Significant Project (RSP) Fund Update** – Ms. Profic circulated and reviewed with the Committee the Regionally Significant Project (RSP) Fund Analysis report for the period ending August 31, 2017. The fund balance as of August 31, 2017 is \$112,422. Ms. Profic noted that the report reflects the Board's authorization to use \$17,500 from the RSP Fund to pay for a portion of the cost of the downtown housing study. Ms. Merriweather then updated the Committee regarding the housing study. A request for proposals was issued for a consultant to prepare the housing study. Three responses were received and are being reviewed. Once the consultant is selected, it is expected that the study will be completed in twelve weeks.
- 13.0 BBRP/BUDC Loan Program Update** – Ms. Merriweather reviewed with the Committee the August 18, 2017 BBRP Loan Status Report. All loans are current. She noted that the 23 North Street project is no longer listed in the report because the developer, First Amherst Development Group, decided not to proceed with a BBRP loan. Ms. Merriweather advised that the third quarter request for proposals for the BBRP Loan Program has been issued; responses are due on September 30th. She then reported that the Loan Committee will be convened to discuss potential modifications to BBRP loan program policies and procedures. The Loan Committee will examine potential changes to streamline and improve the cost effectiveness of the program. The Loan Committee will also consider whether the program should be expanded to include projects other than residential projects and whether the current \$750,000 loan limit should be increased.
- 14.0 Adjournment** – There being no further business to come before the Audit & Finance Committee, upon motion made by Ms. Curry, seconded by Mr. Comerford and unanimously carried, the September 18, 2017 meeting of the Audit & Finance Committee was adjourned at 1:25 p.m.

Respectfully submitted,


Kevin J. Zanner, Secretary

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Item 2

MEMORANDUM

TO: BUDC Audit & Finance Committee
FROM: Mollie Profic, Treasurer
SUBJECT: Insurance Brokerage Services Procurement
DATE: December 11, 2017

BUDC elected to participate in a joint Request for Qualifications (RFQ) process with ECIDA for Insurance Brokerage Services. Proposals for these services were last jointly solicited in 2009. On August 31, 2017, the ECIDA issued an RFQ for Insurance Brokerage Services. The RFQ requested Property & Casualty (P&C) and Health & Benefits (H&B) brokerage services for the ECIDA and its affiliates, BUDC and its affiliates and Western Region Corporation (“WRC”). The RFQ requested services for up to seven (7) years, but provides that ECIDA, BUDC, and WRC may terminate the contract at any time.

Request for Qualifications Process:

A hard copy of the RFQ was mailed to the fifteen (15) largest P&C and H&B agencies as ranked by the 2017 Business First Book of Lists. Notice of the RFQ was also placed in the Buffalo News, Challenger Community News, and The Criterion. In addition, the RFQ was posted on ECIDA’s website. The RFQ responses were due on Friday, October 6, 2017. Five (5) proposals were received from individual agencies; two (2) P&C proposals and five (5) H&B proposals.

Evaluation Process:

Proposals were evaluated by Peter Cammarata, Karen Fiala, Mollie Profic, and Phil Riggs. An initial review of the five H&B proposals was conducted, and the three highest scores and the incumbent were selected for interviews. Since only two P&C proposals were received, the committee decided to interview both proposing firms. References for agencies with which the committee was unfamiliar were checked. The proposals were scored based on the following criteria stated in the RFQ:

- 1) The proposed insurance program.
- 2) Qualifications and experience of the individuals to be assigned to the engagement.
- 3) Qualifications and experience of the insurance agency.
- 4) Development of women & minority employees and M/WBE business enterprises.

Results:

Property & Casualty

Lawley was the top-rated Property & Casualty broker. They have a team of experienced and specialized insurance representatives, and have served ECIDA, BUDC and WRC since the previous Insurance RFQ. Lawley has access to a large pool of providers and presents the carriers that offer the best terms, conditions and pricing. We currently meet with the team from Lawley at least annually to review detailed insurance proposals and discuss potential exposures. Their team has been instrumental in obtaining proper coverage for the Northland Project and WNY Workforce Training Center construction. Lawley also has a full-service claims department to assist in protecting the entities' interests when claims occur.

Health & Benefits

Bene-Care, Inc. was the top-rated Health & Benefits broker. Headquartered in Rochester, Bene-Care expanded its footprint to Buffalo twelve years ago, and currently houses eight employees in the Buffalo office. Their proposal offers a one-on-one approach, whereby they would meet with employees individually and make recommendations regarding coverage selection and/or alternatives. The committee was impressed with the knowledge of the representatives during the interview. Additionally, Bene-Care offers consolidated billing at no cost and will review BUDC's carrier invoices each month to ensure all charges are accurate.

Recommendation:

We request that the Audit & Finance Committee approve the recommendations of Lawley as Property & Casualty broker and Bene-Care, Inc. as Health & Benefits broker to the BUDC Board.

Buffalo Urban Development Corporation

2018 Budget

Approved by the Board of Directors October 31, 2017



Buffalo Urban Development Corporation 2018 Budget

A. Overview:

Throughout 2017, Buffalo Urban Development Corporation (“BUDC”) has made significant progress in advancing the Northland Corridor Redevelopment Project on Buffalo’s East Side. This development project began in late 2014 with the acquisition of the 11-acre former Houdaille Industries / Vibratex facility at 537 East Delavan Avenue. A major portion of this building was demolished in 2017, and a NYSDEC superfund clean-up of the site will commence in 2018. In 2015, an additional 40 acres of property were acquired that included four additional buildings. In 2016, Gilbane Building Company was selected as the construction management team for the project and contractors have been procured to initiate remediation and renovation of these properties in order to transform them from underutilized eyesores to productive commercial facilities, including a 100,000 square foot, \$44 million advanced manufacturing and clean energy Workforce Training Center (“WTC”) at 683 Northland Avenue. A team was also engaged to perform work related to the historical preservation, new market and brownfield tax credits that will be obtained throughout this project. To complement the WTC, the City of Buffalo has commenced a road and right-of-way reconstruction project for Northland Avenue.

In 2018, BUDC will continue with the implementation of the Buffalo Building Reuse Project (“BBRP”). BUDC is in the process of funding loans through the BBRP Loan Program. In 2016, with assistance from the Buffalo Niagara Partnership and the New York State Business Development Council, BUDC successfully leveraged additional private bank funding to add to the BBRP Revolving Loan pool, allowing BUDC to fund additional adaptive reuse projects that add to downtown’s residential base. BUDC also utilized the previously released Infrastructure & Public Realm Master Plan as a guide for strategic infrastructure investments for a more cohesive and vibrant downtown. The guidance of the Master Plan was critical in BUDC’s preparation of several successful grant applications for infrastructure improvements including Franklin Street as well as the planning, design and redevelopment of a series of parks along Erie Street in downtown Buffalo, which will begin in Fall 2017. BUDC has also been successful in leveraging funding for improvements to downtown underpasses. This effort will improve connections between the waterfront and the central business district, enhance the pedestrian realm and incorporate lighting and other artistic elements that will ease barrier effects and add to downtown’s vibrancy. The Queen City Pop Up Program was created in 2014 to encourage small business retail along Main Street. This ongoing program acts as a spring board for small business retailers by allowing them to set up shop on downtown Main Street on a temporary basis, rent free. The project looks to encourage participants to open permanent retail locations after completing the program. To date, the program has assisted 27 small business retailers, resulting in 7 retailers opening permanent stores along downtown Main Street and 4 retailers permanently locating in other commercial corridors in the City of Buffalo. BUDC’s 2016 Downtown Development Guide was released to highlight development projects, demographics, statistics and development tools as part of a comprehensive strategy to foster relationships with national developers and investors to further downtown Buffalo’s development and growth. The Downtown Development Guide has been an important and useful tool that has generated additional interest in downtown investment opportunities. BUDC plans to continue this initiative with a future update of the Downtown Development Guide. BUDC is also working with the Buffalo Niagara Partnership on a Downtown Housing Demand Study that will assess recent trends, market drivers, demographics, absorption rates for various housing types and price points as well other relevant information.

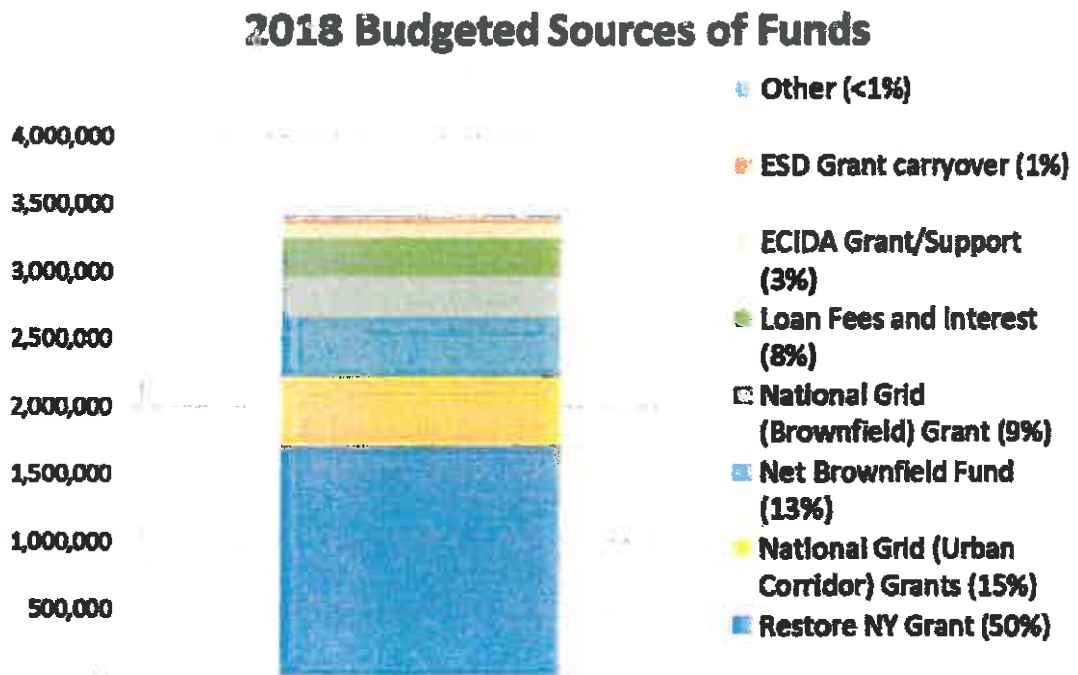
Buffalo Urban Development Corporation 2018 Budget

A. Overview (Continued):

Finally, in 2018, BUDC will continue to operate and market the Buffalo Lakeside Commerce Park ("BLCP"). The 2018 budget assumes that 5 acres of BLCP property will be sold for gross proceeds of \$150,000.

B. Sources of BUDC Funds:

The following chart summarizes the significant sources of the \$3.4 million in funds that have been budgeted for BUDC projects in 2018:



The key sources of BUDC funds are as follows:

- (1) Restore New York Grant Income** – In 2018, BUDC is expected to net \$1.7M in grant funds from Restore NY for Northland Corridor Project.
- (2) National Grid Grant Income** – In 2018, BUDC is expected to receive multiple grants from National Grid. These are expected to consist of \$500,000 of Urban Corridor grants, a \$300,000 Brownfield grant and a \$5,000 strategic marketing grant. These monies will be used for the Northland Corridor Redevelopment Project and BBRP initiatives.

**Buffalo Urban Development Corporation
2018 Budget**

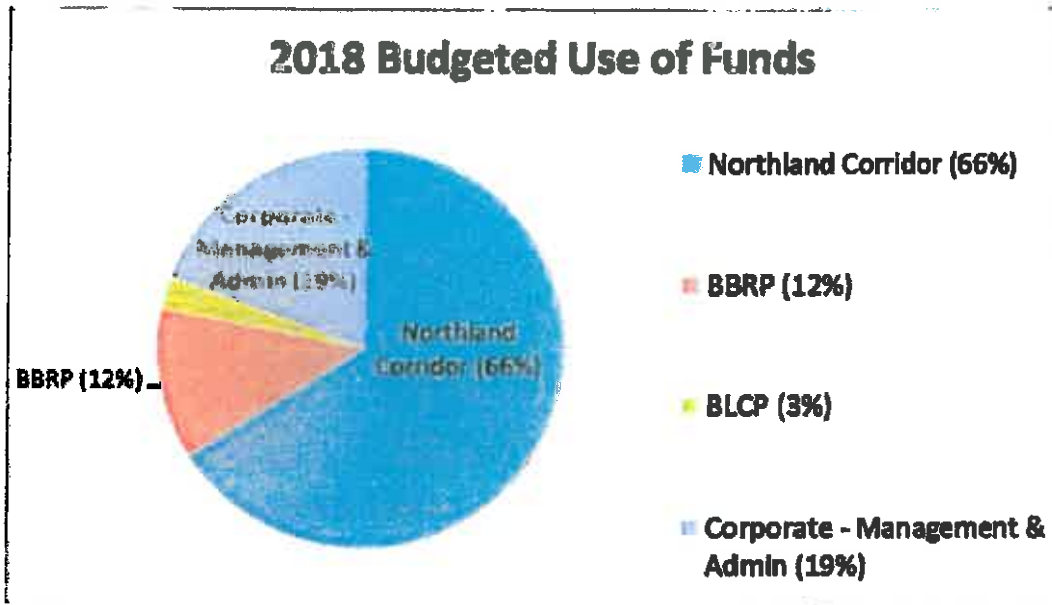
B. Sources of BUDC Funds (Continued):

- (3) Buffalo Brownfields Redevelopment Fund (net) (“Brownfields Fund”) –** The Brownfields Fund was established in 2005 to pay for certain costs in connection with the development of subsequent phases of BLCP and, after completion of the Park, similar brownfield projects located in Buffalo. In 2017, the Brownfields Fund is expected to receive approximately \$449,000 in net PILOT receipts from Cobey Inc., Certainteed Corp. and Sonwil Distribution. As a result of the completion of BLCP, BUDC currently utilizes this fund for operating costs at BLCP and development of the Northland Corridor.
- (4) Loan Fees & Interest Income –** In 2018, the BBRP Downtown Loan Fund is expected to have approximately \$3 million in loans outstanding. The net loan fee and interest revenue attributable to these loans is approximately \$121,000 (loans bear interest at 5.5% and most are interest only throughout 2018), plus the Corporation is anticipating collection 1% commitment fees on 2 new loans which will result in an additional \$15,000 of revenue. In addition, BUDC expects to recognize \$150,000 of interest revenue from 683 Northland LLC in connection with the Workforce Training Center tax credits. This revenue will be for book purposes only, as the interest owed to BUDC is expected to be converted to prepaid rent for the Workforce Training Center.
- (5) Other Income –** Other income totaling approximately \$160,000 reflects the following:
- a. \$100,000 grant from the Erie County Industrial Development Agency.
 - b. \$50,000 in estimated carryover from previous Empire State Development grants.
 - c. \$20,000 of rental income (two tenants confirmed as of 9/15/2017, accounting for approximately \$10,000 of income).
 - d. \$18,000 of net receipts in the Regionally Significant Project Fund (“RSP Fund”).
 - e. BUDC anticipates the sale of approximately 5 acres of property at BLCP, accounting for gross proceeds of \$150,000 less all costs, netting to a loss of approximately \$43,000.
 - f. \$10,400 collected from property owners for public infrastructure maintenance at BLCP.
 - g. \$5,000 of investment interest income.

Buffalo Urban Development Corporation 2018 Budget

C. Uses of BUDC Funds:

BUDC expects to spend nearly \$3.3 million in 2018 as outlined in the following chart:



The key uses of BUDC funds are as follows:

- (1) **Northland Corridor** – As part of the continuing Northland Corridor project, BUDC anticipates spending \$1.9 million on consulting and general development costs for the various properties and \$270,000 in operating costs including: management of the property, utilities, maintenance, security, legal, insurance, marketing and taxes.
- (2) **BBRP** – The Buffalo Building Reuse Project anticipates spending \$400,000 in 2018. \$145,000 is anticipated to be spent for personnel, marketing, administrative and legal costs; \$5,000 is expected to be spent on the downtown pop-up project and \$250,000 for urban corridor development.
- (3) **BLCP** – In 2018, BUDC has budgeted \$59,000 for operations and maintenance costs of Ship Canal Commons. Other ongoing costs, including legal, insurance, marketing and other administrative costs will total an additional \$30,500.
- (4) **Corporate – Management & Administrative** – In 2018, BUDC is expects to spend \$631,000 on management and administrative costs. This includes salary and benefit costs for Peter Cammarata (President), David Stebbins (Executive Vice President) and a new Project Manager position, totaling \$421,000. In addition, \$48,000 in other administrative, financial and property management services provided by ECIDA staff are budgeted to be reimbursed based on the number of hours ECIDA employees devote to these activities. Other management and administrative costs total \$162,000 and include legal, insurance, marketing, rent and other general and administrative costs.

**Buffalo Urban Development Corporation
2018 Budget**

REVENUE	Budget 2018	YTD		
		Projected 2017	August 2017	Actual 2016
Grant Revenue				
Restore NY	\$ 1,710,000	\$ -	\$ -	\$ -
National Grid - Urban Corridor Program	500,000	250,000	-	-
National Grid - Brownfield	300,000	-	-	-
ESD (carryover)	50,000	11,181,735	1,037,235	1,370,189
NYPA	-	15,000,000	290,649	-
City of Buffalo - CDBG	-	3,200,000	2,411,872	-
National Grid - Strategic Marketing	5,000	5,000	-	-
ECIDA	100,000	75,000	72,220	76,555
Other	-	-	-	1,250,000
Gross Proceeds from Land Sales	150,000	-	-	-
Less: Cost of Land Sales	(192,830)	-	-	-
Buffalo Brownfield Fund Revenue (net)	449,000	479,000	288,165	482,379
Regionally Significant Project Fund (net)	18,000	18,000	5,677	21,647
Rental Income	20,000	9,775	5,375	500
BLCF Property Owners' Association	10,400	10,400	-	10,400
Interest Income & Fees - Loans	285,000	106,923	72,124	73,657
Investment Interest Income	5,000	15,299	10,199	5,685
Other Income	-	-	-	1,875
Total	3,409,570	30,351,132	4,193,517	3,292,886
OPERATING EXPENSES				
Property Operations & Maintenance	(104,000)	(201,029)	(134,019)	(369,361)
Legal	(122,000)	(153,067)	(102,045)	(71,435)
Insurance	(203,000)	(126,129)	(84,086)	(116,677)
Marketing	(67,500)	(29,359)	(19,573)	(33,412)
Utilities	(30,000)	(16,974)	(11,316)	(21,125)
Misc.	(10,000)	(2,154)	(1,436)	(3,595)
Consultants	(50,000)	(260,407)	(173,604)	(82,022)
General Development Expenses	(2,102,500)	(1,167,421)	(778,281)	(150,991)
Personnel Costs	(524,202)	(463,844)	(309,229)	(405,153)
Interns	-	(20,000)	(16,895)	(21,795)
Rent	(20,000)	(18,299)	(12,200)	(18,707)
ECIDA Management Fee	(48,000)	(55,000)	(28,000)	(40,257)
Audit	(14,000)	(10,900)	(10,900)	(13,650)
General & Administrative	(113,000)	(40,000)	(30,000)	(38,216)
Depreciation	(1,000)	(1,837)	(1,225)	(5,690)
Total	(3,409,202)	(2,566,422)	(1,712,810)	(1,392,085)
Net Income / (Loss)	\$ 368	\$ 27,784,710	\$ 2,480,707	\$ 1,900,801
CAPITAL/LOAN FUND BUDGET				
Property Acquisition	-	-	-	(1,062,121)
CASH FLOW ADJUSTMENTS				
Cost of Land Sales	170,330	-	-	-
Interest held by NYBDC/Loan Admin Fees	(36,875)	-	-	-
Interest on loan to 683 Northland LLC	(150,000)	-	-	-
Depreciation	1,000	1,837	1,225	5,690
Net Cash Increase/(Decrease)	\$ (15,177)	\$ 27,786,548	\$ 2,481,932	\$ 844,370

**Buffalo Urban Development Corporation
2018 Budget - Project Detail**

	BLCP*	BBRP**	Northland Corridor	Corporate Operations	Total
REVENUE					
Grant Revenue					
Restore NY			\$ 1,710,000		\$ 1,710,000
National Grid - Urban Corridor Program		250,000	250,000		500,000
National Grid - Brownfield			300,000		300,000
ESD (carryover)			50,000		50,000
National Grid - Strategic Marketing		5,000			5,000
ECIDA		100,000			100,000
Gross Proceeds from Land Sales	150,000				150,000
Less: Cost of Land Sales + closing costs	(192,830)				(192,830)
Buffalo Brownfield Fund Revenue (net)				449,000	449,000
Regionally Significant Project Fund (net)				18,000	18,000
Rental Income			20,000		20,000
BLCP Property Owners' Association	10,400				10,400
Interest Income & Fees - Loans		135,000	150,000		285,000
Investment Interest Income				5,000	5,000
Total	(32,430)	490,000	2,480,000	472,000	3,409,570
OPERATING EXPENSES					
Property Operations & Maintenance	(59,000)		(45,000)		(104,000)
Legal	(5,000)	(12,000)	(50,000)	(55,000)	(122,000)
Insurance	(18,000)		(160,000)	(25,000)	(203,000)
Marketing	(2,500)	(15,000)	(25,000)	(25,000)	(67,500)
Utilities			(30,000)		(30,000)
Misc.	(2,500)	(5,000)		(2,500)	(10,000)
Consultants			(50,000)		(50,000)
General Development Expenses	(2,500)	(250,000)	(1,850,000)		(2,102,500)
Personnel Costs		(103,285)		(420,917)	(524,202)
Interns					
Rent				(20,000)	(20,000)
ECIDA Management Fee				(48,000)	(48,000)
Audit			(5,000)	(9,000)	(14,000)
General & Administrative		(15,000)	(73,000)	(25,000)	(113,000)
Depreciation				(1,000)	(1,000)
Total	(89,500)	(400,285)	(2,288,000)	(631,417)	(3,409,202)
Net Income / (Loss)	(121,930)	89,715	192,000	(159,417)	368
CAPITAL BUDGET					
Property Acquisition					
Equipment					
Total					
CASH FLOW ADJUSTMENTS					
Cost of Land Sales	170,330				170,330
Interest held by NYBDC/Loan Admin Fees		(36,875)			(36,875)
Interest on loan to 683 Northland LLC			(150,000)		(150,000)
Depreciation				1,000	1,000
Net Cash Increase/(Decrease)	\$ 48,400	\$ 52,840	\$ 42,000	\$ (158,417)	\$ (15,177)
Composed of:					
Net decrease in Buffalo Brownfields Fund					(5,500)
Net increase in RSP Fund					18,000
Net decrease in Operating account/Downtown Fund					(27,677)
					\$ (15,177)

* Buffalo Lakeside Commerce Park

** Buffalo Building Reuse Project

Buffalo Urban Development Corporation
2018 Budget and 3 Year Forecast

REVENUE	Budget 2018	Projected 2019	Projected 2020	Projected 2021
Grant Revenue	\$ 2,665,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Gross Proceeds from Land Sales	150,000	150,000	150,000	150,000
Less: Cost of Land Sales	(192,830)	(192,830)	(192,830)	(192,830)
Buffalo Brownfield Fund Revenue (net)	449,000	443,000	278,000	-
Regionally Significant Project Fund (net)	18,000	-	-	-
Rental Income	20,000	100,000	100,000	100,000
BLCF Property Owners' Association	10,400	10,400	10,400	10,400
Interest Income & Fees - Loans	285,000	100,000	100,000	100,000
Investment Interest Income	5,000	5,000	5,000	5,000
Other Income	-	-	-	-
Total	3,409,570	1,615,570	1,450,570	1,172,570
OPERATING EXPENSES				
Property Operations & Maintenance	(104,000)	(110,000)	(115,000)	(120,000)
Legal	(122,000)	(120,000)	(115,000)	(110,000)
Insurance	(203,000)	(100,000)	(100,000)	(100,000)
Marketing	(67,500)	(65,000)	(65,000)	(65,000)
Utilities	(30,000)	(35,000)	(40,000)	(45,000)
Misc.	(10,000)	(15,000)	(15,000)	(15,000)
Consultants	(50,000)	(200,000)	(200,000)	(200,000)
General Development Expenses	(2,102,500)	(5,000)	(10,000)	(15,000)
Personnel Costs	(524,202)	(545,170)	(566,977)	(589,656)
Interns	-	(10,000)	(10,000)	(10,000)
Rent	(20,000)	(20,500)	(21,000)	(21,500)
ECIDA Management Fee	(48,000)	(50,000)	(52,000)	(54,000)
Audit	(14,000)	(9,000)	(9,250)	(9,550)
General & Administrative	(113,000)	(42,000)	(44,000)	(46,000)
Depreciation	(1,000)	(1,000)	(1,000)	(1,000)
Total	(3,409,202)	(1,327,670)	(1,364,227)	(1,401,706)
Net Income / (Loss)	\$ 368	\$ 287,900	\$ 86,343	\$ (229,136)

	Budgeted Revenues, Expenditures, And Changes In Current Net Assets		Next Year (Adopted)	Proposed	Proposed	Proposed
	Last Year (Actual) 2016	Current Year (Estimated) 2017				
REVENUE & FINANCIAL SOURCES						
Operating Revenues						
Charges for services	\$0	\$0	\$0	\$0	\$0	\$0
Rentals & Financing Income	\$74,157	\$116,698	\$305,000	\$200,000	\$200,000	\$200,000
Other Operating Revenues	\$12,275	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400
Nonoperating Revenues						
Investment earnings	\$5,685	\$15,299	\$5,000	\$5,000	\$5,000	\$5,000
State subsidies / grants	\$2,620,189	\$29,381,735	\$1,760,000	\$0	\$0	\$0
Federal subsidies / grants	\$0	\$0	\$0	\$0	\$0	\$0
Municipal subsidies / grants	\$504,026	\$497,000	\$467,000	\$443,000	\$278,000	\$0
Public authority subsidies	\$76,555	\$75,000	\$100,000	\$0	\$0	\$0
Other Non-Operating Revenues	\$0	\$255,000	\$762,170	\$957,170	\$957,170	\$957,170
Proceeds from the issuance of debt	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues & Financial Sources	\$3,292,887	\$30,351,132	\$3,409,570	\$1,615,570	\$1,450,570	\$1,172,570
EXPENDITURES						
Operating Expenditures						
Salaries and Wages	\$335,091	\$364,406	\$393,644	\$416,899	\$433,274	\$450,305
Other Employee Benefits	\$85,185	\$112,255	\$130,558	\$138,271	\$143,702	\$149,351
Professional Services Contracts	\$167,107	\$424,374	\$186,000	\$329,000	\$324,250	\$319,550
Supplies and Materials	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Expenditures	\$804,702	\$1,665,387	\$2,699,000	\$443,500	\$463,000	\$482,500
Nonoperating Expenditures						
Payment of principal on bonds and financing arrangements	\$0	\$0	\$0	\$0	\$0	\$0
Interest and other financing charges	\$0	\$0	\$0	\$0	\$0	\$0
Subsidies to other public authorities	\$0	\$0	\$0	\$0	\$0	\$0
Capital asset outlay	\$0	\$0	\$0	\$0	\$0	\$0
Grants and Donations	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$1,392,085	\$2,566,422	\$3,409,202	\$1,327,670	\$1,364,226	\$1,401,706
Capital Contributions	\$0	\$0	\$0	\$0	\$0	\$0
Excess (deficiency) of revenues and capital contributions over expenditures	\$1,900,802	\$27,784,710	\$368	\$287,900	\$86,344	(\$229,136)

The authority's budget, as presented to the Board of Directors, is posted on the following website: <http://www.buffalourbandevelopment.com/budc-corporate-reports>