

Buffalo Urban Development Corporation

95 Perry Street
Suite 404
Buffalo, New York 14203
phone: 716-856-6525
fax: 716-856-6754
web: buffalourbandevelopment.com



Buffalo Urban Development Corporation **Annual Board of Directors Meeting**

Date: Tuesday, June 27, 2023

Time: Immediately Following the Annual Meeting of the Members

***New Location: Center of Excellence in Bioinformatics & Life Sciences
701 Ellicott Street, 2nd Floor -- The Event Space Conference Room B2-205
Buffalo, NY 14203***

1.0 CALL TO ORDER

2.0 READING OF THE MINUTES *(Action) (Enclosure)*

3.0 MONTHLY FINANCIAL REPORTS *(Enclosure)*

- 3.1 683 Northland Master Tenant, LLC Financial Statements *(Information)*
- 3.2 BUDC Consolidated Financial Statements *(Action)*

4.0 NEW BUSINESS

- 4.1 2023-2024 Election of Officers *(Action) (Enclosure)*
- 4.2 Appointment of Citizen Board Members *(Action) (Enclosure)*
- 4.3 2023-2024 Board Committee Appointments *(Action) (Enclosure)*
- 4.4 Ralph C. Wilson Centennial Park - Fifth Amendment to BUDC- City of Buffalo Wilson Foundation Subgrant Agreement *(Action)(Enclosure)*
- 4.5 Buffalo's Race For Place – Downtown Waterfront Improvement Plan MIG Contract Extension *(Action)(Enclosure)*
- 4.6 Buffalo's Race For Place – Project for Public Spaces Electrical Contractor Agreement *(Action)(Enclosure)*
- 4.7 BBRP Loan Program – Loan Termination Agreement *(Action)(Enclosure)*
- 4.8 Buffalo Lakeside Commerce Park – Exclusivity Agreement with Savarino Companies Relating to 193 Ship Canal Parkway *(Action)(Enclosure)*
- 4.9 Buffalo Lakeside Commerce Park Update *(Information)*
- 4.10 Buffalo's Race For Place Update *(Information)*
- 4.11 Northland Corridor Project Update *(Information)*

5.0 LATE FILES

6.0 TABLED ITEMS

7.0 EXECUTIVE SESSION

8.0 ADJOURNMENT *(Action)*

Hon. Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Brandye Merriweather, President
Rebecca Gandour, Executive Vice President • Mollie Proff, Treasurer • Atiqah Abidi, Assistant Treasurer • Kevin J. Zanner, Secretary

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

***Center for Excellence in Bioinformatics & Life Sciences
701 Ellicott Street, 2nd Floor—The Event Space Conference Room B2-205
Buffalo, New York 14203***

**April 25, 2023
12:00 p.m.**

Directors Present:

Catherine Amdur
Scott Bylewski
Daniel Castle
Janique S. Curry
Dennis W. Elsenbeck
Darby Fishkin
Thomas Halligan
Elizabeth Holden
Thomas A. Kucharski
Kimberley A. Minkel
David J. Nasca
Karen Utz

Directors Absent:

Mayor Byron W. Brown (Chair)
Trina Burruss
Dottie Gallagher
Nathan Marton
Brendan R. Mehaffy
Dennis M. Penman (Vice Chair)(attended
via Zoom)
Darius G. Pridgen

Officers Present:

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

Guests Present: John Cleary, Gilbane Building Company; Jonathan Epstein, *Buffalo News*; Alexis M. Florczak, Hurwitz Fine P.C.; Soma Hawramee, ECIDA Compliance Officer; Brian Krygier, Director of IT, ECIDA; and Antonio Parker, BUDC Project Manager.

- 1.0 Roll Call** – The meeting was called to order at 12:15 p.m. by Ms. Minkel who served as chair of the meeting. The Secretary called the roll of directors and a quorum of the Board was determined to be present. Ms. Fishkin joined the meeting during the presentation of item 3.1. Ms. Curry joined the meeting during the presentation of item 4.4.
- 2.0 Approval of Minutes – Meeting of March 28, 2023** – The minutes of the March 28, 2023 meeting of the Board of Directors were presented. Mr. Halligan made a motion to approve the meeting minutes. The motion was seconded by Mr. Nasca and unanimously carried (10-0-0).

3.0 Monthly Financial Reports – Ms. Profic presented for information purposes the financial statements for 683 Northland Master Tenant, LLC for the period ending March 31, 2023. She then presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending March 31, 2023. Ms. Profic also reported that the KeyBank construction for the 683 Northland project has been paid in full. In response to a question from Mr. Nasca, Ms. Profic explained the reporting of pass-through grant revenue on BUDC's consolidated financial statements. Mr. Bylewski made a motion to accept the BUDC consolidated financial statements. The motion was seconded by Ms. Utz and unanimously carried (11-0-0).

4.0 New Business

4.1 Northland Beltline Corridor Update – Ms. Gandour presented the Northland Beltline Corridor update. At its April board meeting, the Empire State Development Board of Directors approved a \$1.8 million grant to BUDC for the microgrid system and a \$55 million grant for the Northland Corridor Redevelopment Area. BUDC and LaBella Associates have executed an agreement for architecture, engineering, inspection and grant administration services for the Phase 3 Northland Redevelopment project. A kick-off meeting with LaBella Associates was held on April 11th and the consultant presented an overview of the project at the April 20th meeting of the Real Estate Committee. A meeting of the Northland stakeholder advisory committee will be convened on May 10th to discuss the project. Spring clean-up at Northland is ongoing, and staff has been working with the City to seek reimbursement of costs for the snow dumping that occurred at 612 Northland and adjacent lots. Ms. Gandour noted that while there has been some interest in the former SparkCharge space, no formal offers to lease the space have been received. Following the update, Mr. Elsenbeck asked whether the City's streetscape plans for Delavan Avenue include increasing underground conduit capacity for future utility needs. Ms. Gandour indicated she would discuss this question with DPW.

4.2 Waterfront/ Ralph C. Wilson, Jr. Centennial Park Project Update – Mr. Parker introduced John Cleary from Gilbane Building Company to present an update regarding the Ralph Wilson Park project. Mr. Cleary provided an overview of the three scopes of work for Phase 1 construction of the Park, which consists of the bridge, park core and marine bid packages. The bridge steel package will be awarded in the next week and will be the first package awarded due to long lead times for steel. The apparent low bidder for the pedestrian bridge work is an MBE. The apparent low bidder for the park core work, consisting of the sledding hill and ball field elements of the project, is a women-owned business enterprise. The marine scope of work includes shoreline excavation and plantings. Mr. Cleary commented that the park sustained considerable damage from the November and December 2022 winter storms and safety fencing has been installed around the park. A decision was made to close the park during construction and Gilbane is taking over safety logistics for the park. In response to a question from Ms. Minkel, Mr. Cleary clarified that shutdown of the park will not shorten the construction schedule.

4.3 BBRP / Buffalo's Race for Place Project Update – Ms. Merriweather presented an update regarding Buffalo's Race for Place. Work on the Inner Harbor Public Realm study continues. A meeting will be held Friday, April 28th with DPW and the Parks department to discuss how real estate development will influence the public realm and to determine how the waterfront can better connect to neighborhoods and provide opportunities for the small business community, including women- and minority owned businesses. A public meeting will be held at the end of May regarding the public realm plan. BUDC is working with ESD regarding the agreement pertaining to Erie Street improvements. A test run of the lighting system for the library underpass was conducted last week. A request for proposals was issued to identify a contractor to install the lighting system. Ms. Merriweather also commented on BUDC efforts to assist the small business community and is working to identify ways to promote downtown and highlight small business.

4.4 Buffalo Lakeside Commerce Park Project Update – Ms. Gandour presented an update regarding Buffalo Lakeside Commerce Park. Savarino has extended its exclusivity agreement for

80, 134,158 and 200 Ship Canal Parkway and is current on payments under the agreement. Savarino has identified some issues with TENORM on-site and is working with the NYSDEC to determine the extent of required mitigation work. Krog chose not to extend its exclusivity agreement for 193 Ship Canal Parkway. BUDC is working with Invest Buffalo Niagara to highlight 193 Ship Canal Parkway as a potential site of interest. Ms. Gandour reported that Ryan Herrell of Zephyr Investors provided an update at the April 20th Real Estate Committee meeting regarding phase 1 of Zephyr's project. The steel frame of the building was recently erected, and site utility work is progressing. Ms. Merriweather added that a request for qualifications was issued for M/WBE monitoring and compliance with respect to Zephyr's project, the cost of which will be paid by Zephyr. BUDC received eight proposals and has identified a short list of candidates that will be interviewed next week.

5.0 Late Files – None.

6.0 Tabled Items – None.

7.0 Executive Session – None.

8.0 Adjournment – There being no further business to come before the Board, on motion made by Mr. Kucharski, seconded by Ms. Amdur and unanimously carried (12-0-0), the April 25, 2023 meeting of the Board of Directors was adjourned at 12:43 p.m.

Respectfully submitted,

Kevin J. Zanner, Secretary

683 Northland Master Tenant, LLC

Financial Statements

May 31, 2023

(Unaudited)

683 NORTHLAND MASTER TENANT, LLC
Balance Sheet

	May 2023	April 2023	December 2022
ASSETS			
Current assets:			
Cash	\$ 343,124	\$ 533,411	\$ 486,590
Tenant receivable	90,588	42,927	42,206
Prepaid expenses	42,526	53,831	115,882
Total current assets	476,238	630,169	644,678
Prepaid rent - sublessee	507,828	502,941	483,394
Prepaid leasing commission	177,483	179,710	188,616
Tenant security deposits	85,143	85,086	84,894
Cash reserves	347,596	347,362	356,575
Equipment, net	19,869	19,869	19,869
Right of use asset - Master Lease Agreement	27,688,639	27,833,720	28,430,126
Total assets	\$ 29,302,796	\$ 29,598,857	\$ 30,208,152
LIABILITIES & MEMBERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 57,238	\$ 52,362	\$ 130,895
Due to related parties	254,935	254,935	254,935
Total current liabilities	312,173	307,297	385,830
Operating deficit loan	132,359	132,359	132,359
Tenant security deposits	84,850	84,850	84,850
Deferred operating lease liability - Master Lease Agreement	7,597,212	7,584,255	7,736,986
Deferred operating lease liability - sublessee	5,367,317	5,413,407	5,637,433
Distribution payable - priority return	-	238,207	238,207
Total noncurrent liabilities	13,181,738	13,453,078	13,829,835
MEMBERS' EQUITY	15,808,885	15,838,482	15,992,487
Total liabilities and net position	\$ 29,302,796	\$ 29,598,857	\$ 30,208,152

683 NORTHLAND MASTER TENANT, LLC
Income Statement

Year-to-Date For the Period Ended:

	May 2023	April 2023	December 2022
Revenues:			
Lease revenue	\$ 611,890	\$ 489,512	\$ 1,466,335
Additional lease revenue	304,770	238,940	753,037
Interest and other revenue	2,550	1,961	1,372
Total revenues	<u>919,210</u>	<u>730,413</u>	<u>2,220,744</u>
Expenses:			
Lease expense	806,889	648,852	1,879,742
Payroll	64,783	49,555	143,808
Utilities expense	(474)	(6,422)	85,089
Insurance expense	51,877	41,501	122,769
Professional fees	44,598	40,848	77,936
Property management fee	29,397	23,517	70,520
Real estate taxes	4,701	4,701	20,398
Repairs and maintenance	91,041	71,866	286,011
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	-	-	318
Depreciation expense	-	-	5,056
Total expenses	<u>1,102,812</u>	<u>884,418</u>	<u>2,701,647</u>
Net loss	(183,602)	(154,005)	(480,903)
Members' equity - beginning of period	<u>15,992,487</u>	<u>15,992,487</u>	<u>14,578,450</u>
Change in members' equity	(183,602)	(154,005)	(480,903)
Members' capital contributions	-	-	2,091,098
Distributions	-	-	(196,158)
Members' equity - end of period	<u>\$ 15,808,885</u>	<u>\$ 15,838,482</u>	<u>\$ 15,992,487</u>

683 NORTHLAND MASTER TENANT, LLC
Statement of Cash Flows

Year-to-Date For the Period Ended:

	May 2023	April 2023	December 2022
Cash flows from operating activities:			
Net loss	\$ (183,602)	\$ (154,005)	\$ (480,903)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	-	-	5,056
Decrease (increase) in assets:			
Tenant receivables	(48,382)	(721)	32,479
Prepaid insurance	73,356	62,051	(9,220)
Accrued rental income	(24,434)	(19,547)	(57,085)
Prepaid leasing commission	11,133	8,906	29,322
Right of use asset - Master Lease Agreement	601,713	443,675	1,395,256
Increase (decrease) in liabilities:			
Security deposit liability	-	-	(4)
Accounts payable	(73,657)	(78,533)	(13,655)
Deferred operating lease liability - sublessee	(270,116)	(224,026)	(513,406)
Net cash provided (used) by operating activities	86,011	37,800	387,840
Cash flows from investing activities:			
Equipment purchases	-	-	(18,390)
Net cash used by investing activities	-	-	(18,390)
Cash flows from financing activities:			
Members' contributions	-	-	2,091,098
Distributions	(238,207)	-	(221,892)
Payments of prepaid rent under Master Lease Agreement	-	-	(1,869,206)
Net cash provided by financing activities	(238,207)	-	-
Net increase (decrease) in cash	(152,196)	37,800	369,450
Cash and restricted cash - beginning of period	928,059	928,059	558,609
Cash and restricted cash - end of period	\$ 775,863	\$ 965,859	\$ 928,059

683 NORTHLAND MASTER TENANT, LLC
Budget to Actual Comparison

	<u>YTD May 2023</u>	<u>YTD Budget 2023</u>	<u>Variance</u>
Revenues:			
Lease revenue	\$ 611,890	\$ 606,667	\$ 5,223
Additional lease revenue	304,770	309,167	(4,397)
Interest and other revenue	<u>2,550</u>	<u>104</u>	<u>2,446</u>
Total revenues	<u>919,210</u>	<u>915,938</u>	<u>3,273</u>
Expenses:			
Lease expense	806,889	783,226	23,663
Payroll	64,783	69,208	(4,425)
Utilities	(474)	42,500	(42,974)
Insurance	51,877	52,917	(1,040)
Professional fees	44,598	28,208	16,390
Property management fee	29,397	30,417	(1,020)
Real estate taxes	4,701	10,833	(6,132)
Repairs and maintenance	91,041	108,750	(17,709)
Asset management fee	10,000	10,000	-
Miscellaneous	-	2,083	(2,083)
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>1,102,812</u>	<u>1,138,143</u>	<u>(35,330)</u>
Net income (loss)	\$ (183,602)	\$ (222,205)	\$ 38,603

Budget variances:

- Additional rent represents amounts charged to tenants for common area maintenance (CAM) charges, insurance, etc.
- Utility costs are negative due to timing. Costs incurred must be paid by the Master Tenant, then billed back to the tenants in the following month based on leased area.
- Professional fees are above budget year-to-date because of timing (e.g. audit and tax prep fees).
- Repairs and maintenance includes building automation system costs, snow removal and landscaping.

Buffalo Urban Development Corporation
Consolidated Financial Statements
May 31, 2023
(Unaudited)

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidated Statements of Net Position
(Unaudited)

	May 2023	April 2023	December 2022
ASSETS			
Current assets:			
Cash	\$ 20,621,598	\$ 20,416,371	\$ 20,354,669
Restricted cash	3,867,815	3,867,001	4,014,036
Grants receivable	42,246,624	42,022,989	32,183,206
Other current assets	5,920,978	6,181,081	6,230,118
Total current assets	72,657,016	72,487,441	62,782,029
Noncurrent assets:			
Loans receivable	9,666,400	9,666,400	9,666,400
Equity investment	178,051	178,051	178,051
Capital assets, net	103,052,253	103,390,445	104,743,214
Land and improvement held for sale, net	788,212	788,212	788,212
Total noncurrent assets	113,684,916	114,023,108	115,375,877
Total assets	\$ 186,341,931	\$ 186,510,549	\$ 178,157,906
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 120,572	\$ 155,354	\$ 244,121
Lines of credit	677,158	677,158	677,158
Loans payable, current	369,750	369,750	1,001,167
Unearned grant revenue	64,678,217	64,164,200	53,843,821
Total current liabilities	65,845,697	65,366,462	55,766,267
Deferred rent liability	20,084,467	20,202,860	20,693,140
Loans payable, noncurrent	13,730,000	13,730,000	14,099,750
Total noncurrent liabilities	33,814,467	33,932,860	34,792,890
NET POSITION			
Net investment in capital assets	89,740,715	90,078,907	90,430,509
Restricted	3,310,454	3,309,855	3,510,166
Unrestricted	(6,369,401)	(6,177,536)	(6,341,926)
Total net position	86,681,768	87,211,226	87,598,749
Total liabilities and net position	\$ 186,341,931	\$ 186,510,549	\$ 178,157,906

Balance Sheet Notes:

- Cash increased mainly due to receipt of grant funds during the month.
- Grants receivable increased due to recording of new grants.
- Capital assets decrease is due to monthly depreciation expense.
- Lines of credit: balances at end of April are BUDC: \$0 ; 683 Northland: \$677,158. 683 Northland took no advances during the month and BUDC's line is currently paid down.
- Unearned grant revenue increased due to additional grant receivable net of recognized grant revenue.

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidated Statements of Revenues, Expenses
and Changes in Net Position
Year to Date (with Comparative Data)
(Unaudited)

	May 2023	April 2023	December 2022
Operating revenues:			
Grant revenue	\$ 524,005	\$ 429,404	\$ 8,056,897
Brownfield funds	31,181	31,181	36,183
Loan interest and commitment fees	40,277	32,221	618,537
Rental and other revenue	1,768,117	1,599,075	9,024,458
Proceeds from sale of land, net	-	-	(440,604)
Total operating revenues	<u>2,363,580</u>	<u>2,091,881</u>	<u>17,295,471</u>
Operating expenses:			
Development costs	544,222	444,637	8,152,353
Adjustment to net realizable value	25,670	15,084	121,587
Salaries and benefits	167,496	132,086	384,460
General and administrative	852,026	536,925	1,678,689
Management fee	38,500	30,800	83,967
Depreciation	1,690,961	1,352,769	4,152,122
Total operating expenses	<u>3,318,875</u>	<u>2,512,302</u>	<u>14,573,179</u>
Operating income (loss)	(955,295)	(420,420)	2,722,292
Non-operating revenues (expenses):			
Loss on disposal	-	-	18,051
Interest expense	(67,872)	(58,891)	(782,784)
Interest income	63,874	49,477	18,966
Other income	-	-	(44,366)
Total non-operating revenues (expenses)	<u>(3,997)</u>	<u>(9,414)</u>	<u>(790,133)</u>
Change in net position	(959,292)	(429,834)	1,932,159
Net position - beginning of period	<u>87,598,749</u>	<u>87,598,749</u>	<u>85,318,266</u>
Capital contributions, net of distributions	42,311	42,311	348,325
Net position - end of period	<u>\$ 86,681,768</u>	<u>\$ 87,211,226</u>	<u>\$ 87,598,749</u>

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Net Position
May 31, 2023 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
ASSETS					
Current assets:					
Cash	\$ 20,597,636	\$ 60	\$ 23,902	\$ -	\$ 20,621,598
Restricted cash	3,667,768	-	200,047	-	3,867,815
Grants receivable	42,246,624	-	-	-	42,246,624
Other current assets	7,799,611	26,833	132,359	(2,037,824)	5,920,978
Total current assets	74,311,640	26,893	356,307	(2,037,824)	72,657,016
Noncurrent assets:					
Loans receivable	61,853,679	-	-	(52,187,279)	9,666,400
Equity investment	-	67,097,964	-	(66,919,913)	178,051
Capital assets, net	8,402,866	-	94,649,387	-	103,052,253
Land and improvement held for sale, net	788,212	-	-	-	788,212
Total noncurrent assets	71,044,756	67,097,964	94,649,387	(119,107,192)	113,684,916
Total assets	\$ 145,356,396	\$ 67,124,856	\$ 95,005,695	\$ (121,145,016)	\$ 186,341,931
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expense	\$ 116,209	\$ 2,037,824	\$ 4,363	(2,037,824)	(1)\$ 120,572
Line of credit	-	-	677,158	-	677,158
Loans payable, current	369,750	-	-	-	369,750
Unearned grant revenue	64,678,217	-	-	-	64,678,217
Total liabilities	65,164,176	2,037,824	681,521	(2,037,824)	65,845,697
Noncurrent liabilities:					
Deferred rent liability	-	-	20,084,467	-	20,084,467
Loans payable, noncurrent	-	52,187,279	13,730,000	(52,187,279)	13,730,000
Total noncurrent liabilities	-	52,187,279	33,814,467	(52,187,279)	33,814,467
NET POSITION					
Net investment in capital assets	8,821,327	-	80,919,387	-	89,740,715
Restricted	3,310,454	-	-	-	3,310,454
Unrestricted	68,060,439	12,899,753	(20,409,680)	(66,919,913)	(6,369,401)
Total net position	80,192,220	12,899,753	60,509,707	(66,919,913)	86,681,768
Total liabilities and net position	\$ 145,356,396	\$ 67,124,856	\$ 95,005,695	\$ (121,145,016)	\$ 186,341,931

(1) This represents activity between the entities to be eliminated for the consolidated financial statements.

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Revenues, Expenses and Changes in Net Position
Year to Date: May 31, 2023 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
Operating revenues:					
Grant revenue	\$ 524,005	\$ -	\$ -	\$ -	\$ 524,005
Brownfield funds	31,181	-	-	-	31,181
Loan interest and commitment fees	40,277	-	-	-	40,277
Rental and other revenue	57,267	897,001	813,850	-	1,768,117
Proceeds from land sales, net	-	-	-	-	-
Total operating revenue	652,729	897,001	813,850	-	2,363,580
Operating expenses:					
Development costs	544,222	-	-	-	544,222
Adjustment to net realizable value	25,670	-	-	-	25,670
Salaries and benefits	167,496	-	-	-	167,496
General and administrative	656,285	120,950	74,791	-	852,026
Management fee	38,500	-	-	-	38,500
Depreciation	-	-	1,690,961	-	1,690,961
Total operating expenses	1,432,173	120,950	1,765,752	-	3,318,875
Operating income	(779,443)	776,051	(951,902)	-	(955,295)
Non-operating revenues (expenses):					
Interest expense	(11,289)	-	(56,582)	-	(67,872)
Interest income	63,375	325	174	-	63,874
Other income/expenses	-	-	-	-	-
Total non-operating revenues (expenses)	52,086	325	(56,408)	-	(3,997)
Change in net position	(727,358)	776,376	(1,008,311)	-	(959,292)
Net position - beginning of year	80,919,578	12,123,377	60,669,506	(66,113,712)	87,598,749
Capital contributions, net of distributions	-	-	848,512	(806,201)	42,311
Net position - end of period	\$ 80,192,220	\$ 12,899,753	\$ 60,509,707	\$ (66,919,913)	\$ 86,681,768

(1) This represents activity between the entities to be eliminated for the consolidated financial statements.

BUFFALO URBAN DEVELOPMENT CORPORATION
Budget to Actual Comparison
Year to Date: May 31, 2023 (Unaudited)

	YTD May 2023	YTD Budget 2023	Variance
Operating revenues:			
Grant revenue	\$ 524,005	\$ 15,689,583	\$ (15,165,578)
Brownfield funds	31,181	16,667	14,515
Loan interest and commitment fees	40,277	40,277	(0)
Rental and other revenue	1,768,117	825,151	942,967
Proceeds from land sales, net	-	82,375	(82,375)
Total operating revenues	<u>2,363,580</u>	<u>16,654,053</u>	<u>(14,290,472)</u>
Operating expenses:			
Development costs	544,222	13,294,650	(12,750,428)
Adjustment to net realizable value	25,670	-	25,670
Salaries and benefits	167,496	216,289	(48,793)
General and administrative	852,026	552,157	299,869
Management fee	38,500	36,250	2,250
Depreciation	1,690,961	1,700,417	(9,455)
Total operating expenses	<u>3,318,875</u>	<u>15,799,763</u>	<u>(12,480,887)</u>
Operating income (loss)	(955,295)	854,290	(1,809,585)
Non-operating revenues (expenses):			
Interest expense	(67,872)	(102,364)	34,492
Interest income	63,874	208	63,666
Other income	-	-	-
Total non-operating revenues (expenses)	<u>(3,997)</u>	<u>(102,156)</u>	<u>98,158</u>
Change in net position	\$ <u>(959,292)</u>	\$ <u>752,134</u>	\$ <u>(1,711,426)</u>

Budget variances:

- Grant revenue relates mainly to Ralph C. Wilson, Jr. Centennial Park and Northland Solar Projects. The variance is due to lower grant revenue recognition than anticipated as a result of project timing.
- Rental and other revenue consists of recognition of prepaid rent income (straight-line basis) by 683 Northland LLC from 683 Northland Master Tenant, LLC, and rent income at properties other than 683 Northland Avenue. Also included is 2020 brownfield tax credit refund to 683 WTC, LLC of \$897,000, received in January.
- Development costs consist of property/project-related costs (e.g. consultants, operations and maintenance, legal and utility costs). Some costs may be capitalized upon project completion. Variance due mainly to timing of project costs.
- General and administrative costs consist of insurance, rents, audit/tax, marketing and other G&A costs. Rents include BUDC offices, Buffalo Manufacturing Works base rent (per ESD grant agreement) and recognition of prepaid rent for Workforce Training Center.
- Depreciation relates mainly to capitalized assets at 683 Northland Avenue.
- Interest expense represents cost of borrowing related to 714 Northland and 683 Northland line of credit.

Buffalo Urban Development Corporation

95 Perry Street
Suite 404
Buffalo, New York 14203
phone: 716-856-6525
fax: 716-856-6754
web: buffalourbandevelopment.com



Item 4.1

MEMORANDUM

TO: BUDC Board of Directors

FROM: Thomas Kucharski, Governance Committee Chair

RE: 2023 - 2024 Election of Officers

DATE: June 27, 2023

At a meeting of the Governance Committee on June 20, 2023 the Committee reviewed the BUDC Slate of Officers. Although there was no quorum, the Governance committee members present expressed the desire to advance the appointment of the BUDC Slate of Officers to the BUDC Board for approval.

Chairman:	Hon. Byron W. Brown
Vice Chairman:	Dennis M. Penman
President:	Brandy Merriweather
Executive Vice President	Rebecca Gandour
Secretary:	Kevin J. Zanner, Esq.
Treasurer:	Mollie Profic
Assistant Treasurer	Atiq Abidi

ACTION:

I am requesting that the BUDC Board of Directors approve the Officers listed above for a term of one (1) year through June 2024, and until their successors have been elected or appointed.

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Item 4.2

MEMORANDUM

TO: BUDC Board of Directors

FROM: Mayor Byron W. Brown, Chairman

RE: Re-Appointment of Citizen Members

DATE: June 27, 2023

I am advising the BUDC Board of Directors of my decision to re-appoint Darby Fishkin and Dennis Elsenbeck as Citizen Members and Directors of BUDC. Their new terms will begin effective as of the June 27, 2023 Board meeting and continue until the Annual Meeting in June of 2025, and until their successors are duly appointed. I am appreciative of the wisdom and commitment that both of these members have given to the Board over their respective years of service.

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Buffalo, New York 14203
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web: buffalourbandevelopment.com



Item 4.3

Slate of 2023-2024 BUDC Board Committee Members

Audit & Finance (5)

Amdur
Burruss
Curry
Nasca
Penman (Chair)

Governance (7)

Brown
Elsenbeck
Halligan
Kucharski (Chair)
Mehaffy
Penman
Utz

Real Estate (7)

Bylewski
Curry
Holden
Kucharski
Mehaffy
Minkel (Chair)
Penman

Downtown (9)

Amdur
Castle
Fishkin
Gallagher
Marton
Mehaffy (Chair)
Minkel
Pridgen
Utz

Loan (2)

Gallagher
Mehaffy (Chair)

TBD (Evans Bank)*Mike Anthony (M&T Bank)* Joseph Burden (HSBC)* TBD (KeyBank)* TBD

** These Loan Committee Members are appointed by their respective organizations.*

Hon. Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Brandye Merriweather, President
Rebecca Gandour, Executive Vice President • Mollie Profic, Treasurer • Atiqah Abidi, Assistant Treasurer • Kevin J. Zanner, Secretary

BUDC BOARD & COMMITTEE MASTER SHEET - 2023

	Board of Directors Name		Term Expires	Committee Governance
1	Hon. Byron W. Brown		<i>ex-officio</i>	Governance
2	Hon. Darius Pridgen		<i>ex-officio</i>	Downtown
3	Catherine Amdur		<i>ex-officio</i>	Audit & Finance Downtown
4	Trina Burruss		Citizen Member 6/30/24	Audit & Finance
5	Scott Bylewski		<i>ex-officio</i>	Real Estate
6	Daniel Castle		<i>ex-officio</i>	Downtown
7	Janique S. Curry		Citizen Member 6/30/24 BBRC	Audit & Finance Real Estate
8	Dennis W. Elsenbeck		Citizen Member 6/30/24	Governance
9	Darby Fishkin		Citizen Member 6/30/23	Downtown
10	Dottie Gallagher		<i>ex-officio</i>	Downtown Loan Committee
11	Thomas Halligan		Citizen Member 6/30/24	Governance
12	Elizabeth A. Holden, Esq.		Board Appointed Citizen Member 6/28/2025 BBRC	Real Estate
13	Thomas Kucharski		<i>ex-officio</i> BBRC	Governance - Chair Real Estate
14	Nathan Marton		<i>ex-officio</i>	Downtown
15	Brendan Mehaffy		<i>ex-officio</i>	Downtown - Chair Governance Loan Committee - Chair Real Estate
16	Kimberley A. Minkel		<i>ex-officio</i> BBRC	Downtown Real Estate - Chair
17	David Nasca		Board Appointed Citizen Member 6/28/25	Audit & Finance
18	Dennis Penman		Citizen Member 6/28/25 BBRC	Audit & Finance - Chair Governance Real Estate
19	Karen Utz		<i>ex-officio</i>	Downtown Governance

*Need 10 for a quorum

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Item 4.4

MEMORANDUM

TO: BUDC Board of Directors

FROM: Antonio Parker, Project Manager

SUBJECT: Ralph C. Wilson, Jr. Centennial Park – Fifth Amendment to BUDC- City of Buffalo Wilson Foundation Subgrant Agreement

DATE: June 27, 2023

At its March 28, 2023 meeting, the BUDC Board of Directors approved an amendment to the subgrant agreement between BUDC and the City of Buffalo. This was for \$9.8 million in funding from the Great Lakes Commission (GLC) for the construction of the shoreline and inlet at Ralph Wilson Park. Since then, BUDC has requested an additional capacity grant from the Ralph C. Wilson, Jr. Foundation (Wilson Foundation) for City of Buffalo grant management.

On May 19, 2023, BUDC was awarded and accepted the capacity grant for \$252,000 from the Wilson Foundation. This grant was intended to increase the City of Buffalo's capacity to manage Ralph Wilson Park-related grants as well as other City of Buffalo grants. The grant will fund a position for four years (\$63,000 a year). The City of Buffalo has posted and hired a qualified candidate for the position. A fifth amendment is needed to transfer the additional funding received by BUDC to the City of Buffalo.

This item was reviewed with the BUDC Downtown Committee on June 21, 2023. Although there was no quorum, the Downtown Committee members present recommended that this item be advanced to the BUDC Board of Directors for approval.

ACTION:

I am requesting that the Board of Directors: (i) approve the Fifth Amendment to the BUDC-City of Buffalo subgrant agreement allowing BUDC to transfer the \$252,000 Ralph Wilson Foundation Grant to the City of Buffalo to fund the Grant Manager position.; (ii) authorize the BUDC President or Executive Vice President to execute the Fifth Amendment to the Subgrant Agreement and take such other actions as are necessary to implement this authorization.

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Item 4.5

MEMORANDUM

TO: BUDC Board of Directors

FROM: Brandye Merriweather, President

SUBJECT: Downtown Waterfront Improvement Plan Contract Extension

DATE: June 27, 2023

At the December 27, 2022 meeting, the BUDC Board of Directors approved a contract with the consultant firm MIG for a BUDC and City of Buffalo collaborative effort to create a the Downtown Waterfront Improvement Plan (DWIP). The main goal of the DWIP is to better connect residents and visitors to the Downtown waterfront area through accessibility and placemaking enhancements, including improving roadways, trails, parks, signage, and lighting.

The original contract had an end date of May 31, 2023, but there is a need for additional time and scope to complete a comprehensive final document. Through this extension, the MIG team will conduct additional stakeholder interviews, additional conceptual renderings and synthesis of information as well as the coordination of additional public presentations of the plan. This extension would extend the completion date to September 30, 2023. It has been agreed by BUDC and the City of Buffalo that the cost of this contract extension will be shared, with BUDC funding \$9,515 and the City of Buffalo covering the remaining \$9,515.

This item was reviewed with the BUDC Downtown Committee on June 21, 2023. Although there was no quorum, the Downtown Committee members present recommended that this item be advanced to the BUDC Board of Directors for approval.

ACTION:

I am requesting that the BUDC Board of Directors: (i) approve the BUDC-MIG contract extension of \$19,030, with BUDC providing an additional \$9,515; (ii) authorize the BUDC President or Executive Vice President to execute the extension and take such other actions as are necessary to implement this authorization.

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Item 4.6

MEMORANDUM

TO: BUDC Board of Directors

FROM: Antonio Parker, Project Manager

SUBJECT: Buffalo's Race for Place-Project for Public Spaces Electrical Contractor Agreement

DATE: June 27, 2023

At its May 31, 2022 meeting, the BUDC Board of Directors accepted a \$40,000 grant award from the Project for Public Spaces, Inc. for placemaking improvements to the underpass lighting near the Buffalo and Erie County Public Library (the "Library") at Ellicott Street and Broadway-William Street (the "Project"). Pursuant to BUDC's Grant Administration Policy, BUDC and the Library subsequently entered into a Memorandum of Understanding for the Library to provide up to \$23,000 in matching grant funds to support the Project.

BUDC solicited proposals for this work in accordance with its Procurement Policy. One response was received from CIR Electrical Construction Corporation for a total cost of \$12,900.00.

This item was reviewed with the BUDC Downtown Committee on June 21, 2023. Although there was no quorum, the Downtown Committee members present recommended that this item be advanced to the BUDC Board of Directors for approval.

ACTION:

We are requesting that the BUDC Board of Directors: (i) approve a contract between BUDC and CIR Electrical Construction Corporation for the Project's installation work for a total cost of \$12,900.00; and (ii) authorize the BUDC President or Executive Vice President to execute the contract and take such other actions as are necessary and appropriate to implement this authorization.

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Buffalo, New York 14203
716-856-6525

fax: 716-856-6754

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Item 4.7

MEMORANDUM

TO: BUDC Board of Directors

FROM: Brandye Merriweather, President

SUBJECT: Buffalo Building Reuse Loan Program – BBRP Loan Program Termination Agreement

DATE: June 27, 2023

Over the past several meetings, BUDC staff and the Loan Committee have discussed opportunities to modify the BBRP Loan Program. Throughout that time, BUDC has gathered input from multiple stakeholders, including lenders, developers and others regarding the program and its future direction.

As the Board is aware, the BBRP Loan Program has been in place since 2015 and was created as a financing tool to help address development challenges encountered in adaptive reuse projects located primarily in the downtown core. The program was intended as short-term bridge financing, with a maximum loan amount of \$750,000. The program was utilized successfully for several projects, including the Phoenix Brewery and Alexandre Apartments projects, and served as placeholder capital for several other projects that ultimately did not utilize BBRP financing.

Under the current BBRP loan program agreements, the program is scheduled to sunset in 2025. The program agreements do not permit loans to be made which extend beyond the sunset date. There are currently no outstanding loans in the portfolio. Given the changes in the market, and BUDC's strategic direction toward Race for Place initiatives, the BUDC Loan Committee is recommending the winding down the operations of the BBRP loan program. BUDC will continue to engage in discussions on re-deploying BUDC capital to other strategic real estate initiatives that align with BUDC's mission and have the potential to leverage further economic investment in downtown Buffalo. BUDC appreciates the partnership of all banking and private sector partners who made this initiative possible.

This item was reviewed with the BUDC Loan Committee and recommended for approval by the full BUDC Board.

Action: I am requesting authorization to enter into a termination agreement with the respective banking partners to terminate the BBRP Loan Program and (ii) authorize the BUDC President or Executive Vice President to execute the termination agreement and take such other actions as are necessary or appropriate to implement this authorization.

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Item 4.8

MEMORANDUM

TO: BUDC Board of Directors

FROM: Rebecca Gandour, Executive Vice President

SUBJECT: Buffalo Lakeside Commerce Park – Exclusivity Agreement with Savarino Companies Relating to 193 Ship Canal Parkway

DATE: June 27, 2023

On August 20, 2022, the BUDC Board of Directors approved a six-month exclusivity agreement with Savarino Companies (Savarino) for the properties located at 80, 134, 158 and 200 Ship Canal Parkway (“80-200 Ship Canal Parkway”) to conduct due diligence, advance discussions with the proposed tenant and begin discussions with build-to-suit opportunities on the remaining acreage. The exclusivity period allowed for an additional three months at Savarino’s option which was exercised. Monthly exclusivity payments in the amount of \$16,000 were collected by BUDC from Savarino in accordance with the agreement.

During that period, the site located at 193 Ship Canal Parkway became available and Savarino expressed interest pursuing its project on that site instead. On May 31, 2023, BUDC received a request from Savarino to enter into a new exclusivity agreement for 193 Ship Canal Parkway with terms similar to those that were included in the prior exclusivity agreement.

- BUDC will grant Savarino a six-month exclusivity period for Savarino to conduct due diligence, advance discussions with the proposed tenant and begin discussions with build-to-suit opportunities on the remaining acreage. The exclusivity period may be extended an additional three months at Savarino’s option.
- Savarino will have limited access to the property to conduct non-invasive testing and due diligence.
- Savarino will indemnify and hold BUDC harmless from all liabilities arising out of any due diligence activities conducted on the property.
- BUDC will receive a monthly exclusivity fee in the amount of \$2,000.00. The exclusivity fee payments are non-refundable but will be applied against the purchase price for the property at closing if Savarino closes on the acquisition of the property. Past exclusivity fees of

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approximately \$16,000 received by BUDC in connection with the 80-200 Ship Canal Parkway would also be credited to the purchase price.

- BUDC's costs (search and survey) and reasonable attorney's fees in connection with the transaction will be paid by Savarino.
- The terms of a Land Sale Agreement will be negotiated by the parties during the exclusivity period.

The BUDC Real Estate Committee reviewed the above terms at their June 15, 2023 meeting and is recommending approval.

ACTION:

I am requesting that the Board of Directors: (i) approve BUDC entering into an exclusivity agreement with Savarino Companies regarding 193 Ship Canal Parkway, consistent with the terms set forth in this memorandum; and (ii) authorize the President or Executive Vice President to execute the exclusivity agreement and take such other actions as may be necessary or appropriate to implement this action.