

## **Buffalo Urban Development Corporation**

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

**Date: Tuesday, April 25, 2023**

**Time: Noon**

***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**

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

#### **4.0 NEW BUSINESS**

- 4.1 Northland Beltline Corridor Update *(Information)*
- 4.2 Waterfront / Ralph C. Wilson, Jr. Centennial Park Project Update *(Information)*
- 4.3 BBRP / Buffalo's Race For Place Project Update *(Information)*
- 4.4 Buffalo Lakeside Commerce Park Project Update *(Information)*

#### **5.0 LATE FILES**

#### **6.0 TABLED ITEMS**

#### **7.0 EXECUTIVE SESSION**

#### **8.0 ADJOURNMENT** *(Action)*

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

***Highmark Building—Heritage Conference Room  
257 W. Genesee Street  
Buffalo, New York 14202  
March 28, 2023  
12:00 p.m.***

Directors Present:

Catherine Amdur  
Scott Bylewski  
Trina Burruss  
Daniel Castle  
Janique S. Curry  
Dennis W. Elsenbeck  
Dottie Gallagher  
Thomas Halligan  
Elizabeth Holden  
Thomas A. Kucharski  
Brendan R. Mehaffy  
Kimberley A. Minkel  
David J. Nasca  
Darius G. Pridgen

Directors Absent:

Mayor Byron W. Brown (Chair)  
Darby Fishkin  
Nathan Marton  
Dennis M. Penman (Vice Chair)(attended  
via Zoom)  
Karen Utz

Officers Present:

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

Guests Present: Barbara Danner, Freed Maxick CPAs P.C.; Alexis M. Florczak, Hurwitz Fine P.C.; Soma Hawramee, ECIDA Compliance Officer; Laurie Hendrix, ECIDA Administrative Coordinator; Brian Krygier, Director of IT, ECIDA; and Kelly Maloney, Gilbane Building Company.

**1.0** Roll Call – The meeting was called to order at 12:06 p.m. by Mr. Kucharski 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. Curry joined the meeting during the presentation of item 2, left the meeting during the presentation of items 3.1.1 and 3.1.2, and re-joined the meeting during the presentation of item 3.1.3. Mr. Pridgen left the meeting during the presentation of item 3.3.1. Ms. Gallagher left the meeting during the presentation of item 3.10.

**2.0** Approval of Minutes – Meeting of February 28, 2023 – The minutes of the February 28, 2023 meeting of the Board of Directors were presented. Mr. Elsenbeck made a motion to approve the meeting minutes. The motion was seconded by Ms. Burruss and (with Mr. Bylewski abstaining), carried

with thirteen affirmative votes (13-0-1).

### **3.0 New Business**

**3.1 Audit & Finance Committee Report** – Ms. Profic presented the Audit & Finance Committee report. Four items to be presented as part of the Audit & Finance Committee report require a Board vote and were recommended for approval by the Audit & Finance Committee.

**3.1.1 2022 683 Northland Master Tenant, LLC Audited Financial Statements** – Ms. Profic introduced Barbara Danner of Freed Maxick CPAs P.C. to present for information purposes the 2022 audited financial statements of 683 Northland Master Tenant, LLC. Ms. Danner reviewed the financial statements with the Board and reported that an unmodified (clean) opinion is being issued with respect to the financial statements of 683 Northland Master Tenant, LLC.

**3.1.2 2022 683 Northland LLC Audited Financial Statements** – Ms. Danner presented for information purposes the 2022 audited financial statements of 683 Northland LLC. Ms. Danner reviewed the financial statements with the Board and reported that an unmodified (clean) opinion is being issued with respect to the financial statements of 683 Northland LLC.

**3.1.3 2022 BUDC Audited Consolidated Financial Statements Approval** – Ms. Danner reviewed the draft 2022 audited consolidated financial statements. She noted that BUDC is being issued an unmodified (clean) opinion that the financial statements present fairly, in all material respects, the financial position of BUDC as of December 31, 2022, and the changes in its financial position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States. No material weaknesses or control deficiencies were found during the audit process. Following Ms. Danner's presentation, the Board discussed BUDC's financial position and the outlook for 683 Northland after the tax credits structure is no longer in place. Mr. Nasca noted that the Audit & Finance Committee is working with Freed Maxick to plan for the winding of the tax credits structure and that the Board will be updated as that process moves forward. At the conclusion of the discussion, Ms. Curry made a motion to accept the 2022 BUDC consolidated audited financial statements. The motion was seconded by Mr. Halligan and unanimously carried (14-0-0).

**3.1.4 2022 Audited Financial Statements – BBRF** – Ms. Profic presented for information purposes the 2022 audited financial statements for the Buffalo Brownfield Redevelopment Fund (BBRF).

**3.1.5 2022 Investment Report and Approval** – Ms. Profic presented the 2022 Investment Report. Mr. Nasca made a motion to approve the 2022 Investment Report. The motion was seconded by Ms. Curry and unanimously carried (14-0-0).

**3.1.6 Investment and Deposit Policy Re-adoption** – Ms. Profic presented the BUDC Investment and Deposit Policy. No changes were made to the policy from the prior year. Ms. Gallagher made a motion to approve the Investment & Deposit Policy as presented. The motion was seconded by Mr. Bylewski and unanimously carried (14-0-0).

**3.1.7 Reimbursement of 2022 Brownfield Expenses from BBRF** – Ms. Profic presented her March 28, 2023 memorandum regarding the reimbursement of third-party expenses from the Buffalo Brownfields Redevelopment Fund (BBRF) relating to the RiverBend property and the Northland Beltline project. Ms. Profic noted that reimbursement for costs relating to 308 Crowley and Buffalo Lakeside Commerce Park are not being requested this year, as those costs were netted against the land sales at 308 Crowley and BLCP. Ms. Minkel made

a motion to approve the reimbursement of BUDC from the BBRF for 2022 third party costs incurred by BUDC for RiverBend and the Northland Beltline project in the amount of \$131,533, as detailed in the March 28, 2023 memorandum to the Board. The motion was seconded by Mr. Nasca and unanimously carried (14-0-0).

**3.2 Monthly Financial Report Approval** – Ms. Profic presented the financial statements for 683 Northland Master Tenant LLC for the period ending February 28, 2023 for information purposes only. Ms. Profic then presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending February 28, 2023. Ms. Minkel made a motion to accept the BUDC consolidated financial statements for the period ending February 28, 2023. The motion was seconded by Mr. Nasca and unanimously carried (14-0-0).

**3.3 Governance Committee Report** – Ms. Merriweather and Mr. Kucharski presented the Governance Committee report. Eight of the items to be presented as part of the Governance Committee report require a Board vote. It was noted that a quorum was not present at the March 14, 2023 Governance Committee meeting in order for the Committee to make formal recommendations on these items, but that the Committee members present at the meeting reviewed each item and the consensus was to advance each item to the Board for review and approval.

**3.3.1 2022 Mission Statement and Performance Measurements w/ Results** – Ms. Merriweather presented a report of BUDC's achievement of the Performance Measurements that were established by the BUDC Board of Directors for the 2022 calendar year.

**3.3.2 2023 Mission Statement and Performance Measurements Approval** – Ms. Merriweather presented the 2023 mission statement and proposed performance measurements for 2023. No changes were proposed for BUDC's 2023 mission statement. The performance measurements for 2023 have been updated to reflect new measurements applicable to BUDC projects and initiatives.

**3.3.3 Procurement Policy Re-adoption** – Ms. Merriweather presented the Procurement Policy, which is being recommended by the Governance Committee members present on March 14, 2023 for re-adoption without changes.

**3.3.4 Property Disposition Guidelines Re-adoption** – Ms. Merriweather presented the Property Disposition Guidelines for re-adoption without changes.

**3.3.5 Whistleblower Policy Re-adoption** – Ms. Merriweather presented the Whistleblower Policy to the Board for re-adoption without changes.

**3.3.6 Grant Administration Policy Re-adoption**– Ms. Merriweather presented the Grant Administration Policy for re-adoption without changes.

**3.3.7 Code of Ethics Policy Re-adoption** – Ms. Merriweather presented the Code of Ethics Policy for re-adoption without changes.

**3.3.8 Travel, Conferences, Meals & Entertainment Policy Re-adoption** – Ms. Merriweather presented the Travel, Conferences, Meals & Entertainment Policy for re-adoption without changes.

**3.3.9 2022 Public Authorities Annual Report** – Ms. Profic presented the 2022 Public Authorities Annual Report for Board approval.

At the conclusion of the presentation of items 3.3.2 through 3.3.9, Mr. Mehaffy made a motion to approve (i) the 2023 Mission Statement and Performance Measurements, (ii) the Procurement Policy, (iii) the Property Disposition Guidelines, and (iv) the Whistleblower Policy, (v) the Grant Administration Policy, (vi) the Code of Ethics Policy, (vii) the Travel, Conferences, Meals & Entertainment Policy, and (viii) the 2022 Public Authorities Annual Report. The motion was seconded by Ms. Curry and unanimously carried (13-0-0).

**3.4 Ralph Wilson Park – MVVA Agreement Amendment #10** – Ms. Gandour presented the March 28, 2023 memorandum regarding the 10<sup>th</sup> amendment to the BUDC-MVVA agreement for phase 1/1A and phase 2 construction administration services. Ms. Gallagher made a motion to: (i) approve an amendment to the MVVA Agreement in the amount of \$4,334,386 for construction administration services for Phases 1 and 2 of construction at Ralph Wilson Park, with the phase 2 construction work to proceed only following the Wilson Foundation’s approval of funding and BUDC’s acceptance of such funding; and (ii) authorize the BUDC President or Executive Vice President to execute the amendment to the MVVA Agreement and take such other actions as are necessary to implement this authorization. The motion was seconded by Ms. Burruss and unanimously carried (13-0-0).

**3.5 Northland Corridor – Build Back Better Regional Challenge** – Ms. Gandour presented her March 28, 2023 memorandum regarding a proposed contract for architecture/engineering, inspection and grant administration services for Phase 3 of the Northland Corridor redevelopment project. Funding for this work is being provided through the EDA Build Back Better grant and matching funds made available through Empire State Development. Mr. Elsenbeck commented on the micro-grid components of the project and offered to engage with staff with respect to that aspect of the project. At the conclusion of the discussion, Mr. Elsenbeck made a motion to: (i) authorize BUDC to enter into a contract with LaBella Associates for architectural & engineering consulting, project inspection services and grant administration services for Northland Corridor Redevelopment Phase 3 for an amount not to exceed \$1,132,000; and (ii) authorize each of the President or Executive Vice President to execute the contract and any related documents and agreements, and to take such other actions as may be necessary or appropriate to implement this authorization. The motion was seconded by Mr. Castle and unanimously carried (13-0-0).

**3.6 Northland Corridor – 2023-2025 Landscaping Services Contract Approval** – Ms. Gandour presented her March 28, 2023 memorandum regarding the 2023-2025 landscaping services contract award for the Northland Corridor. Following this presentation, Ms. Amdur made a motion to approve a contract between Mancuso Management, Inc. and Aaron’s Landscaping for mowing and landscaping services in the Northland Corridor for a total cost of \$47,280 over a three (3) year term. The motion was seconded by Ms. Curry and unanimously carried (13-0-0).

**3.7 Northland Corridor Project Update** – Ms. Gandour presented an update regarding the Northland Corridor. Mancuso Management is actively marketing the 612 Northland property, and several prospects have participated in walk-through tours of the building. SparkCharge’s lease at 683 Northland expires at the end of April; this space is also being marketed. Staff is coordinating with the City’s Office of Strategic Planning regarding the Northland Beltline BOA RFP. On March 30<sup>th</sup>, Ms. Gandour will present at the PSC conference regarding infrastructure improvements along the Northland Corridor. Empire State Development is discussing how to program the \$55 million funding allocation to the Northland Corridor. Staff has presented a preliminary budget to ESD, which proposes to use the funds for ESD’s Build Back Better match and the 741, 777 and 631 Northland properties.

**3.8 Race for Place Project Update** – Ms. Merriweather presented an update regarding Buffalo’s Race for Place. BUDC continues to work with MIG regarding the Inner Harbor and Waterfront Public Realm master plan. BUDC is coordinating with MIG for its next visit to Buffalo in April, when MIG representatives will meet with residents and community stakeholders and take part in a public walking tour of the project area. BUDC and MIG are collaborating with the City and Stantec on its

Smart Streets Design Plan to ensure the cohesiveness of the two plans. BUDC continues its work with the Project for Public Spaces on the placemaking grant received for the Ellicott Node. The Board of the Buffalo and Erie County Public Library approved matching funds for the electrical cost and installation for the library underpass lighting. BUDC staff is working to identify a contractor to perform the electrical work.

**3.9 Ralph Wilson Park Project Update** – Ms. Maloney presented an update regarding the Ralph Wilson Park project. Remaining bid packages are due today. Bid packages that have been received are coming in slightly over the projected estimates, and Gilbane is looking for ways to implement cost-savings. Gilbane and the City of Buffalo hope to have the draft GMP finalized by April 17<sup>th</sup>; once final, the GMP will be presented to the Common Council for approval, which will likely occur in mid-May. Gilbane and the City have met several times regarding the GMP, and a few issues remain unresolved. Once the GMP is signed, Gilbane will enter into contracts with subcontractors, which will include language requiring compliance with grant funding requirements. Phase 1 of construction remains on track and is anticipated to be complete Labor Day 2024. Ms. Gandour added that the City and Conservancy are working to create bike path detours and signage to identify areas of the Park damaged by the December blizzard that are not safe for pedestrians.

**3.10 Buffalo Lakeside Commerce Park – Project Update** – Ms. Gandour presented an update regarding Buffalo Lakeside Commerce Park. Since the last Board meeting, the exclusivity agreement with Krog has lapsed. BUDC issued a letter to Krog informing the company that the property was placed back on the market. Savarino elected to extend its exclusivity agreement and is current on its payments under the agreement. Zephyr paid its 2022 assessment and BUDC is awaiting Uniland's payment for its 2022 invoice. Ms. Merriweather reported that as part of the M/WBE provisions in the BUDC/Zephyr land sale agreement, Zephyr is required to pay for a third-party monitor chosen by BUDC. BUDC issued a request for qualifications (RFQ) and received seven responses, which are currently under review.

**4.0 Late Files** – None.

**5.0 Tabled Items** – None.

**6.0 Executive Session** – None.

**7.0 Adjournment** – There being no further business to come before the Board, on motion made by Ms. Amdur, seconded by Ms. Curry and unanimously carried (12-0-0), the March 28, 2023 meeting of the Board of Directors was adjourned at 1:27 p.m.

Respectfully submitted,

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Kevin J. Zanner, Secretary

**683 Northland Master Tenant, LLC**  
**Financial Statements**  
March 31, 2023  
(Unaudited)

**683 NORTHLAND MASTER TENANT, LLC**  
**Balance Sheet**

<b>ASSETS</b>	<b>March 2023</b>	<b>February 2023</b>	<b>December 2022</b>
<b>Current assets:</b>			
Cash	\$ 386,130	\$ 421,571	\$ 486,590
Tenant receivable	174,474	92,125	42,206
Prepaid expenses	<u>75,437</u>	<u>97,340</u>	<u>115,882</u>
Total current assets	<b>636,041</b>	611,036	644,678
Prepaid rent - sublessee	498,054	493,168	483,394
Prepaid leasing commission	181,936	184,163	188,616
Tenant security deposits	85,037	84,986	84,894
Cash reserves	347,160	346,953	356,575
Equipment, net	19,869	19,869	19,869
Right of use asset - Master Lease Agreement	<u>27,978,610</u>	<u>28,140,299</u>	<u>28,430,126</u>
Total assets	<b>\$ 29,746,707</b>	<b>\$ 29,880,474</b>	<b>\$ 30,208,152</b>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 50,106	\$ 81,323	\$ 130,895
Due to related parties	<u>254,935</u>	<u>254,935</u>	<u>254,935</u>
Total current liabilities	<b>305,041</b>	336,258	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	7,653,179	7,681,163	7,736,986
Deferred operating lease liability - sublessee	5,459,496	5,505,586	5,637,433
Distribution payable - priority return	<u>238,207</u>	<u>238,207</u>	<u>238,207</u>
Total noncurrent liabilities	<b>13,568,091</b>	13,642,165	13,829,835
<b>MEMBERS' EQUITY</b>	<b>15,873,575</b>	15,902,051	15,992,487
Total liabilities and net position	<b>\$ 29,746,707</b>	<b>\$ 29,880,474</b>	<b>\$ 30,208,152</b>



**683 NORTHLAND MASTER TENANT, LLC**  
**Income Statement**

**Year-to-Date For the Period Ended:**

	<u>March 2023</u>	<u>February 2023</u>	<u>December 2022</u>
<b>Revenues:</b>			
Lease revenue	\$ 367,134	\$ 244,756	\$ 1,466,335
Additional lease revenue	197,489	131,659	753,037
Interest and other revenue	1,417	915	1,372
Total revenues	<u>566,040</u>	<u>377,330</u>	<u>2,220,744</u>
<b>Expenses:</b>			
Lease expense	490,815	316,074	1,879,742
Payroll	37,757	26,403	143,808
Utilities expense	(9,910)	(2,395)	85,089
Insurance expense	31,126	20,751	122,769
Professional fees	31,013	25,566	77,936
Property management fee	17,638	11,759	70,520
Real estate taxes	4,701	4,701	20,398
Repairs and maintenance	71,812	52,317	286,011
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	-	2,590	318
Depreciation expense	-	-	5,056
Total expenses	<u>684,952</u>	<u>467,766</u>	<u>2,701,647</u>
Net loss	(118,912)	(90,436)	(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	(118,912)	(90,436)	(480,903)
Members' capital contributions	-	-	2,091,098
Distributions	-	-	(196,158)
Members' equity - end of period	<u>\$ 15,873,575</u>	<u>\$ 15,902,051</u>	<u>\$ 15,992,487</u>

**683 NORTHLAND MASTER TENANT, LLC**  
**Statement of Cash Flows**

**Year-to-Date For the Period Ended:**

	<u>March 2023</u>	<u>February 2023</u>	<u>December 2022</u>
<b>Cash flows from operating activities:</b>			
Net loss	\$ (118,912)	\$ (90,436)	\$ (480,903)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	-	-	5,056
Decrease (increase) in assets:			
Tenant receivables	(132,268)	(49,919)	32,479
Prepaid insurance	40,445	18,542	(9,220)
Accrued rental income	(14,660)	(9,774)	(57,085)
Prepaid leasing commission	6,680	4,453	29,322
Right of use asset - Master Lease Agreement	367,709	(55,823)	1,395,256
Increase (decrease) in liabilities:			
Security deposit liability	-	-	(4)
Accounts payable	(80,789)	(49,572)	(13,655)
Deferred operating lease liability - sublessee	(177,937)	(131,847)	(513,406)
<b>Net cash provided (used) by operating activities</b>	<u>(109,732)</u>	<u>(364,376)</u>	<u>387,840</u>
<b>Cash flows from investing activities:</b>			
Equipment purchases	-	-	(18,390)
<b>Net cash used by investing activities</b>	<u>-</u>	<u>-</u>	<u>(18,390)</u>
<b>Cash flows from financing activities:</b>			
Members' contributions	-	-	2,091,098
Distributions	-	-	(221,892)
Payments of prepaid rent under Master Lease Agreement	-	-	(1,869,206)
<b>Net cash provided by financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash</b>	<b>(109,732)</b>	<b>(364,376)</b>	369,450
<b>Cash and restricted cash - beginning of period</b>	<u>928,059</u>	<u>928,059</u>	<u>558,609</u>
<b>Cash and restricted cash - end of period</b>	<u>\$ 818,327</u>	<u>\$ 853,510</u>	<u>\$ 928,059</u>

**683 NORTHLAND MASTER TENANT, LLC**  
**Budget to Actual Comparison**

	<u>YTD March 2023</u>	<u>YTD Budget 2023</u>	<u>Variance</u>
<b>Revenues:</b>			
Lease revenue	\$ 367,134	\$ 364,000	\$ 3,134
Additional lease revenue	197,489	185,500	11,989
Interest and other revenue	1,417	63	1,355
Total revenues	<u>566,040</u>	<u>549,563</u>	<u>16,478</u>
<b>Expenses:</b>			
Lease expense	490,815	469,936	20,880
Payroll	37,757	41,525	(3,768)
Utilities	(9,910)	25,500	(35,410)
Insurance	31,126	31,750	(624)
Professional fees	31,013	16,925	14,088
Property management fee	17,638	18,250	(612)
Real estate taxes	4,701	6,500	(1,799)
Repairs and maintenance	71,812	65,250	6,562
Asset management fee	10,000	10,000	-
Miscellaneous	-	1,250	(1,250)
Depreciation	-	-	-
Total expenses	<u>684,952</u>	<u>686,886</u>	<u>(1,934)</u>
Net income (loss)	\$ (118,912)	\$ (137,323)	\$ 18,411

**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 fees).
- Repairs and maintenance includes building automation system costs, snow removal and landscaping.

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

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

	<b>March 2023</b>	<b>February 2023</b>	<b>December 2022</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash	\$ 20,525,975	\$ 19,921,691	\$ 20,354,669
Restricted cash	4,000,047	4,044,208	4,014,036
Grants receivable	42,022,989	33,092,989	32,183,206
Other current assets	6,133,799	6,199,478	6,230,118
Total current assets	<u>72,682,810</u>	<u>63,258,366</u>	<u>62,782,029</u>
<b>Noncurrent assets:</b>			
Loans receivable	9,666,400	9,666,400	9,666,400
Equity investment	178,051	178,051	178,051
Capital assets, net	103,728,638	104,143,214	104,743,214
Land and improvement held for sale, net	788,212	788,212	788,212
Total noncurrent assets	<u>114,361,300</u>	<u>114,775,877</u>	<u>115,375,877</u>
Total assets	<u>\$ 187,044,110</u>	<u>\$ 178,034,243</u>	<u>\$ 178,157,906</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 184,362	\$ 204,585	\$ 244,121
Lines of credit	677,158	677,158	677,158
Loans payable, current	-	21,167	1,001,167
Unearned grant revenue	64,183,905	54,571,803	53,843,821
Total current liabilities	<u>65,045,425</u>	<u>55,474,714</u>	<u>55,766,267</u>
Deferred rent liability	20,321,254	20,445,216	20,693,140
Loans payable, noncurrent	14,099,750	14,099,750	14,099,750
Total noncurrent liabilities	<u>34,421,004</u>	<u>34,544,966</u>	<u>34,792,890</u>
<b>NET POSITION</b>			
Net investment in capital assets	90,417,099	90,810,509	90,430,509
Restricted	3,442,743	3,441,918	3,510,166
Unrestricted	(6,282,161)	(6,237,864)	(6,341,926)
Total net position	<u>87,577,681</u>	<u>88,014,563</u>	<u>87,598,749</u>
Total liabilities and net position	<u>\$ 187,044,110</u>	<u>\$ 178,034,243</u>	<u>\$ 178,157,906</u>

**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 March 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)**

	<u>March 2023</u>	<u>February 2023</u>	<u>December 2022</u>
<b>Operating revenues:</b>			
Grant revenue	\$ 409,699	\$ 221,801	\$ 8,056,897
Brownfield funds	31,181	31,181	36,183
Loan interest and commitment fees	24,166	16,111	618,537
Rental and other revenue	1,426,832	1,242,222	9,024,458
Proceeds from sale of land, net	-	-	(440,604)
Total operating revenues	<u>1,891,878</u>	<u>1,511,315</u>	<u>17,295,471</u>
<b>Operating expenses:</b>			
Development costs	412,875	255,774	8,152,353
Adjustment to net realizable value	6,568	4,328	121,587
Salaries and benefits	100,799	67,457	384,460
General and administrative	384,337	200,150	1,678,689
Management fee	23,100	15,400	83,967
Depreciation	1,014,577	600,000	4,152,122
Total operating expenses	<u>1,942,256</u>	<u>1,143,110</u>	<u>14,573,179</u>
Operating income (loss)	(50,377)	368,205	2,722,292
<b>Non-operating revenues (expenses):</b>			
Loss on disposal	-	-	18,051
Interest expense	(52,259)	(20,912)	(782,784)
Interest income	36,857	23,809	18,966
Other income	-	-	(44,366)
Total non-operating revenues (expenses)	<u>(15,402)</u>	<u>2,898</u>	<u>(790,133)</u>
Change in net position	(65,779)	371,103	1,932,159
Net position - beginning of period	<u>87,598,749</u>	<u>87,598,749</u>	<u>85,318,266</u>
Add: Capital contribution	44,711	44,711	348,325
Net position - end of period	<u>\$ 87,577,681</u>	<u>\$ 88,014,563</u>	<u>\$ 87,598,749</u>

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

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash	\$ 20,479,029	\$ 36,543	\$ 10,403	\$ -	\$ 20,525,975
Restricted cash	3,800,093	-	199,954	-	4,000,047
Grants receivable	42,022,989	-	-	-	42,022,989
Other current assets	7,982,734	56,530	132,359	(2,037,824)	6,133,799
Total current assets	74,284,845	93,073	342,715	(2,037,824)	72,682,810
<b>Noncurrent assets:</b>					
Loans receivable	61,853,679	-	-	(52,187,279)	9,666,400
Equity investment	-	67,143,764	-	(66,965,713)	178,051
Capital assets, net	8,402,866	-	96,325,772	-	103,728,638
Land and improvement held for sale, net	788,212	-	-	-	788,212
Total noncurrent assets	71,044,756	67,143,764	96,325,772	(119,152,992)	114,361,300
Total assets	\$ 145,329,602	\$ 67,236,837	\$ 95,668,487	\$ (121,190,816)	\$ 187,044,110
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expense	\$ 180,241	\$ 2,037,824	\$ 4,121	(2,037,824)	\$ 184,362
Line of credit	-	-	677,158	-	677,158
Loans payable, current	-	-	-	-	-
Unearned grant revenue	64,183,905	-	-	-	64,183,905
Total liabilities	64,364,146	2,037,824	681,279	(2,037,824)	65,045,425
<b>Noncurrent liabilities:</b>					
Deferred rent liability	-	-	20,321,254	-	20,321,254
Loans payable, noncurrent	369,750	52,187,279	13,730,000	(52,187,279)	14,099,750
Total noncurrent liabilities	369,750	52,187,279	34,051,254	(52,187,279)	34,421,004
<b>NET POSITION</b>					
Net investment in capital assets	8,821,327	-	81,595,772	-	90,417,099
Restricted	3,442,743	-	-	-	3,442,743
Unrestricted	68,331,636	13,011,734	(20,659,818)	(66,965,713)	(6,282,161)
Total net position	80,595,706	13,011,734	60,935,954	(66,965,713)	87,577,681
Total liabilities and net position	\$ 145,329,602	\$ 67,236,837	\$ 95,668,487	\$ (121,190,816)	\$ 187,044,110

(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: March 31, 2023 (Unaudited)**

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
<b>Operating revenues:</b>					
Grant revenue	\$ 409,699	\$ -	\$ -	\$ -	\$ 409,699
Brownfield funds	31,181	-	-	-	31,181
Loan interest and commitment fees	24,166	-	-	-	24,166
Rental and other revenue	34,840	897,001	494,992	-	1,426,832
Proceeds from land sales, net	-	-	-	-	-
Total operating revenue	499,886	897,001	494,992	-	1,891,878
<b>Operating expenses:</b>					
Development costs	412,875	-	-	-	412,875
Adjustment to net realizable value	6,568	-	-	-	6,568
Salaries and benefits	100,799	-	-	-	100,799
General and administrative	312,643	8,953	62,741	-	384,337
Management fee	23,100	-	-	-	23,100
Depreciation	-	-	1,014,577	-	1,014,577
Total operating expenses	855,985	8,953	1,077,318	-	1,942,256
Operating income	(356,099)	888,048	(582,327)	-	(50,377)
<b>Non-operating revenues (expenses):</b>					
Interest expense	(4,185)	-	(48,074)	-	(52,259)
Interest income	36,411	308	137	-	36,857
Other income/expenses	-	-	-	-	-
Total non-operating revenues (expenses)	32,227	308	(47,937)	-	(15,402)
Change in net position	(323,872)	888,356	(630,264)	-	(65,779)
Net position - beginning of year	80,919,578	12,123,377	60,669,506	(66,113,712) (1)	87,598,749
Add: capital contributions	-	-	896,712	(852,001) (1)	44,711
Net position - end of period	\$ 80,595,706	\$ 13,011,734	\$ 60,935,954	\$ (66,965,713)	\$ 87,577,681

(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 March 31, 2023 (Unaudited)**

	<u>YTD March 2023</u>	<u>YTD Budget 2023</u>	<u>Variance</u>
<b>Operating revenues:</b>			
Grant revenue	\$ 409,699	\$ 9,413,750	\$ (9,004,051)
Brownfield funds	31,181	10,000	21,181
Loan interest and commitment fees	24,166	24,166	-
Rental and other revenue	1,426,832	495,091	931,742
Proceeds from land sales, net	-	49,425	(49,425)
Total operating revenues	<u>1,891,878</u>	<u>9,992,432</u>	<u>(8,100,553)</u>
<b>Operating expenses:</b>			
Development costs	412,875	7,976,790	(7,563,915)
Adjustment to net realizable value	6,568	-	6,568
Salaries and benefits	100,799	129,774	(28,974)
General and administrative	384,337	331,294	53,043
Management fee	23,100	21,750	1,350
Depreciation	1,014,577	1,020,250	(5,673)
Total operating expenses	<u>1,942,256</u>	<u>9,479,858</u>	<u>(7,537,602)</u>
Operating income (loss)	(50,377)	512,574	(562,951)
<b>Non-operating revenues (expenses):</b>			
Interest expense	(52,259)	(61,419)	9,159
Interest income	36,857	125	36,732
Other income	-	-	-
Total non-operating revenues (expenses)	<u>(15,402)</u>	<u>(61,294)</u>	<u>45,892</u>
Change in net position	<u>\$ (65,779)</u>	<u>\$ 451,281</u>	<u>\$ (517,060)</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 construction of 683 Northland and the related line of credit.