

Buffalo Urban Development Corporation

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

Date: Tuesday, August 29, 2023

Time: 12:00 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 *(Enclosure)*

3.1 683 Northland Master Tenant, LLC Financial Statements *(Information)*

3.2 BUDC Consolidated Financial Statements *(Action)*

4.0 NEW BUSINESS

4.1 Northland Central – Proposed Lease to Northland Workforce Training Center *(Action)(Enclosure)*

4.2 Northland Corridor – NYSDOS Grant for BOA Designation *(Action)(Enclosure)*

4.3 Ralph Wilson Park – MVVA Contract Amendment #11 *(Action)(Enclosure)*

4.4 Ralph Wilson Park – Atlantic Testing Laboratories Contract for Environmental Sampling and Consulting Services *(Action)(Enclosure)*

4.5 Ralph Wilson Park – Project Update *(Information)*

4.6 Buffalo's Race For Place Update *(Information)*

4.7 Northland Corridor Project Update *(Information)*

4.8 Buffalo Lakeside Commerce Park Update *(Information)*

5.0 LATE FILES

6.0 TABLED ITEMS

7.0 EXECUTIVE SESSION

8.0 ADJOURNMENT *(Action)*

**Minutes of the Annual 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**

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

Directors Present:

Catherine Amdur
Scott Bylewski
Daniel Castle
Dennis W. Elsenbeck
Thomas Halligan
Elizabeth Holden
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Dennis M. Penman (Vice Chair)

Directors Absent:

Mayor Byron W. Brown (Chair)
Trina Burruss (via Zoom)
Janique S. Curry
Darby Fishkin
Dottie Gallagher
Nathan Marton (via Zoom)
Darius G. Pridgen
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: Alexis M. Florczak, Hurwitz Fine P.C.; Laurie Hendrix, ECIDA Administrative Coordinator; Brian Krygier, Director of IT, ECIDA; Kelly Maloney, Gilbane Building Company; Antonio Parker, BUDC Project Manager; and Angelo Rhodes, Northland Project Manager.

- 1.0** Roll Call – The meeting was called to order at 12:08 p.m. by Vice Chair Penman. A quorum was not present at this time. Agenda item 4.2 was presented first for informational purposes only. Mr. Kucharski joined the meeting during the presentation of item 4.2. At 12:22 p.m., the Secretary called the roll of directors and a quorum of the Board was determined to be present. Ms. Holden joined the meeting during the presentation of item 3.2. Mr. Mehaffy left the meeting during the presentation of item 4.1.
- 2.0** Approval of Minutes – June 27, 2023 – The minutes of the June 27, 2023 meeting of the Board of Directors were presented. Mr. Nasca made a motion to approve the meeting minutes. The motion was seconded by Mr. Mehaffy 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 June 30, 2023. She then

presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending June 30, 2023. Ms. Minkel made a motion to accept the BUDC consolidated financial statements. The motion was seconded by Ms. Holden and unanimously carried (11-0-0).

4.0 New Business

4.1 Northland Central – Proposed Lease to Northland Workforce Training Center – Ms. Gandour presented her July 25, 2023 memorandum regarding the proposed lease of the former SparkCharge space at 683 Northland by the Northland Workforce Training Center. Mr. Elsenbeck disclosed that he is Chairman of the Northland Workforce Training Center Board of Directors and would abstain from voting on this item. Mr. Kucharski also disclosed that he serves on the advisory committee of the Power Proceeds Allocation Board and would also abstain from voting. Mr. Zanner advised the Board that if a vote were taken, there were insufficient votes to approve this item due to the abstentions. The Board did not vote on the item. Ms. Gandour indicated that this item would be presented at a future meeting of the Board.

4.2 Northland Corridor Project Update – Mr. Rhodes presented an update regarding the Northland Corridor. LaBella held its second stakeholder meeting on July 20th. A project update was presented and renderings were shared with community members. The community members present were engaged and provided good feedback, and questions were received regarding the community solar aspect of the project and its benefits to residents. The Board discussed the logistics of community solar and estimated savings to community members. Mr. Rhodes reported that the request for proposals for A&E, inspection and grant administration services for 631 Northland closed yesterday, July 24th. Six proposals were received. A contract with Mustard Seed Consulting for community outreach and marketing services was approved at the July 20th Real Estate Committee meeting. The Northland Beltline Taxpayers Association’s National Night Out will take place August 1st to promote community engagement in the area. Food truck Thursdays at Northland will take place at the Workforce Training Center during the month of August.

4.3 Ralph Wilson Park – Project Update Presentation – Ms. Maloney presented an update regarding the Ralph Wilson Park project. Installation of fencing to close the Park off to construction is to be completed by the end of the week. The dog park has been relocated to the Fourth Street park. The Park will be closed to the public as of July 28th in order for construction to begin. Ms. Maloney then presented an overview of the GMP submissions and bid packages for Phase 1A. The project’s MWBE goals are currently at 22%. Demolition of existing park structures and completion of shoreline inlet work will commence soon. Ms. Gandour added that funding is in place for GMP Phase 1A. The City of Buffalo and BUDC are working to transfer funds over for this phase to ensure all funding is in place. Mr. Marton added that DPW will facilitate coordination of bike detour signage near the Park.

4.4 Buffalo’s Race for Place Project Update – Ms. Merriweather presented an update regarding Buffalo’s Race for Place. Progress on the library underpass lighting project continues, with installation to begin next week. The installation work is expected to take two weeks to complete. BUDC is engaging stakeholders and private sector partners for upcoming phases regarding safety and quality of life considerations. The Downtown Waterfront Improvement Plan’s second community workshop will be held on August 9th at Seneca One Tower. The consulting team will provide an overview of the plan and present draft renderings. The BUDC Board of Directors will participate in a retreat in late August at The Barrel Factory.

4.5 Buffalo Lakeside Commerce Park Project Update – Ms. Gandour presented an update regarding Buffalo Lakeside Commerce Park. BUDC and Savarino have executed the exclusivity agreement for 193 Ship Canal Parkway. Savarino has reached out to the NYSDEC regarding potential brownfield work at the site. NYSDEC has released a draft policy regarding TENORM.

BUDC, along with NFTA and City of Buffalo representatives will meet with NYSDEC representatives at NFTA headquarters to discuss the draft policy. Ms. Gandour reported that the Board of Directors of the Property Owners Association met July 20th to review the POA's finances and receive a property management update. Uniland was asked to provide a written proposal to provide for an alternate assessment valuation for its solar facility. Ms. Merriweather added that a kickoff meeting was attended by BUDC, Zephyr and Landon & Rian for the M/WBE compliance monitoring services. Landon & Rian will be establishing a baseline for the project to identify the metrics achieved to date and will provide monthly updates going forward.

- 5.0 Late File** – Mr. Halligan made a motion to accept a late file item relating to the BUDC-MIG contract. The motion was seconded by Ms. Amdur and unanimously carried (10-0-0). Ms. Merriweather then presented her July 25, 2023 memorandum regarding revisions to the downtown waterfront improvement plan contract extension with MIG. Following this presentation, Mr. Halligan made a motion to: (i) approve the additional cost to the BUDC-MIG contract extension in the amount of \$4,760, to be paid by BUDC; and (ii) authorize the BUDC President or Executive Vice President to execute the extension as modified and take such other actions as are necessary to implement this authorization. The motion was seconded by Mr. Nasca and unanimously carried (10-0-0).
- 6.0 Tabled Items** – None.
- 7.0 Executive Session** – None.
- 8.0 Adjournment** – There being no further business to come before the Board, upon motion made by Ms. Minkel and seconded by Mr. Kucharski, the July 25, 2023 meeting of the Board of Directors was adjourned at 12:51 p.m.

Respectfully submitted,

Kevin J. Zanner, Secretary

683 Northland Master Tenant, LLC

Financial Statements

July 31, 2023

(Unaudited)

683 NORTHLAND MASTER TENANT, LLC
Balance Sheet

ASSETS	July 2023	June 2023	December 2022
Current assets:			
Cash	\$ 372,671	\$ 406,598	\$ 486,590
Tenant receivable	112,397	77,811	42,206
Prepaid expenses	24,574	29,937	115,882
Total current assets	<u>509,642</u>	<u>514,346</u>	<u>644,678</u>
Prepaid rent - sublessee	516,555	512,715	483,394
Prepaid leasing commission	173,030	175,257	188,616
Tenant security deposits	80,253	80,198	84,894
Cash reserves	348,064	347,825	356,575
Equipment, net	19,869	19,869	19,869
Right of use asset - Master Lease Agreement	27,398,333	27,543,510	28,430,126
Total assets	<u>\$ 29,045,746</u>	<u>\$ 29,193,720</u>	<u>\$ 30,208,152</u>
LIABILITIES & MEMBERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 43,876	\$ 71,483	\$ 130,895
Due to related parties	254,935	254,935	254,935
Total current liabilities	<u>298,811</u>	<u>326,418</u>	<u>385,830</u>
Operating deficit loan	132,359	132,359	132,359
Tenant security deposits	79,850	79,850	84,850
Deferred operating lease liability - Master Lease Agreement	7,540,909	7,569,085	7,736,986
Deferred operating lease liability - sublessee	5,275,138	5,321,228	5,637,433
Distribution payable - priority return	-	-	238,207
Total noncurrent liabilities	<u>13,028,256</u>	<u>13,102,522</u>	<u>13,829,835</u>
MEMBERS' EQUITY	15,718,679	15,764,780	15,992,487
Total liabilities and net position	<u>\$ 29,045,746</u>	<u>\$ 29,193,720</u>	<u>\$ 30,208,152</u>

683 NORTHLAND MASTER TENANT, LLC
Income Statement

Year-to-Date For the Period Ended:

	<u>July 2023</u>	<u>June 2023</u>	<u>December 2022</u>
Revenues:			
Lease revenue	\$ 850,046	\$ 730,968	\$ 1,466,335
Additional lease revenue	432,570	368,670	753,037
Interest and other revenue	3,662	3,090	1,372
Total revenues	<u>1,286,278</u>	<u>1,102,728</u>	<u>2,220,744</u>
Expenses:			
Lease expense	1,122,963	964,926	1,879,742
Payroll	89,629	76,797	143,808
Utilities expense	10,517	(53)	85,089
Insurance expense	72,627	62,252	122,769
Professional fees	58,566	55,056	77,936
Property management fee	40,878	35,111	70,520
Real estate taxes	13,169	4,701	20,398
Repairs and maintenance	141,737	121,645	286,011
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	-	-	318
Depreciation expense	-	-	5,056
Total expenses	<u>1,560,086</u>	<u>1,330,435</u>	<u>2,701,647</u>
Net loss	<u>(273,808)</u>	<u>(227,707)</u>	<u>(480,903)</u>
Members' equity - beginning of period	<u>15,992,487</u>	<u>15,992,487</u>	<u>14,578,450</u>
Change in members' equity	<u>(273,808)</u>	<u>(227,707)</u>	<u>(480,903)</u>
Members' capital contributions	-	-	2,091,098
Distributions	-	-	(196,158)
Members' equity - end of period	<u>\$ 15,718,679</u>	<u>\$ 15,764,780</u>	<u>\$ 15,992,487</u>

683 NORTHLAND MASTER TENANT, LLC
Statement of Cash Flows

Year-to-Date For the Period Ended:

	<u>July</u> <u>2023</u>	<u>June</u> <u>2023</u>	<u>December</u> <u>2022</u>
Cash flows from operating activities:			
Net loss	\$ (273,808)	\$ (227,707)	\$ (480,903)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	-	-	5,056
Decrease (increase) in assets:			
Tenant receivables	(70,191)	(35,605)	32,479
Prepaid insurance	91,308	85,945	(9,220)
Accrued rental income	(33,161)	(29,321)	(57,085)
Prepaid leasing commission	15,586	13,359	29,322
Right of use asset - Master Lease Agreement	835,716	718,715	1,395,256
Increase (decrease) in liabilities:			
Security deposit liability	(5,000)	(5,000)	(4)
Accounts payable	(87,019)	(59,412)	(13,655)
Deferred operating lease liability - sublessee	(362,295)	(316,205)	(513,406)
Net cash provided (used) by operating activities	<u>111,136</u>	<u>144,769</u>	<u>387,840</u>
Cash flows from investing activities:			
Equipment purchases	-	-	(18,390)
Net cash used by investing activities	<u>-</u>	<u>-</u>	<u>(18,390)</u>
Cash flows from financing activities:			
Members' contributions	-	-	2,091,098
Distributions	(238,207)	(238,207)	(221,892)
Payments of prepaid rent under Master Lease Agreement	-	-	(1,869,206)
Net cash provided by financing activities	<u>(238,207)</u>	<u>(238,207)</u>	<u>-</u>
Net increase (decrease) in cash	(127,071)	(93,438)	369,450
Cash and restricted cash - beginning of period	<u>928,059</u>	<u>928,059</u>	<u>558,609</u>
Cash and restricted cash - end of period	<u>\$ 800,988</u>	<u>\$ 834,621</u>	<u>\$ 928,059</u>

683 NORTHLAND MASTER TENANT, LLC
Budget to Actual Comparison

	<u>YTD July 2023</u>	<u>YTD Budget 2023</u>	<u>Variance</u>
Revenues:			
Lease revenue	\$ 850,046	\$ 849,333	\$ 713
Additional lease revenue	432,570	432,833	(263)
Interest and other revenue	3,662	146	3,516
Total revenues	<u>1,286,278</u>	<u>1,282,313</u>	<u>3,966</u>
Expenses:			
Lease expense	1,122,963	1,096,516	26,447
Payroll	89,629	96,892	(7,263)
Utilities	10,517	59,500	(48,983)
Insurance	72,627	74,083	(1,456)
Professional fees	58,566	39,492	19,075
Property management fee	40,878	42,583	(1,705)
Real estate taxes	13,169	15,167	(1,998)
Repairs and maintenance	141,737	152,250	(10,513)
Asset management fee	10,000	10,000	-
Miscellaneous	-	2,917	(2,917)
Depreciation	-	-	-
Total expenses	<u>1,560,086</u>	<u>1,589,400</u>	<u>(29,313)</u>
Net income (loss)	\$ (273,808)	\$ (307,087)	\$ 33,279

Budget variances:

- Additional lease revenue is amounts charged to tenants for common area maintenance (CAM) charges, insurance, etc.
- Lease expense represents the base lease cost of the Master Lease with 683 Northland LLC
- 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
July 31, 2023
(Unaudited)

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

ASSETS	July 2023	June 2023	December 2022
Current assets:			
Cash	\$ 18,314,059	\$ 20,410,515	\$ 20,354,669
Restricted cash	3,849,898	3,849,454	4,014,036
Grants receivable	30,640,574	42,196,624	32,183,206
Other current assets	5,862,927	5,914,588	6,230,118
Total current assets	<u>58,667,459</u>	<u>72,371,181</u>	<u>62,782,029</u>
Noncurrent assets:			
Loans receivable	9,666,400	9,666,400	9,666,400
Equity investment	178,051	178,051	178,051
Capital assets, net	102,368,169	102,706,361	104,743,214
Land and improvement held for sale, net	788,212	788,212	788,212
Total noncurrent assets	<u>113,000,831</u>	<u>113,339,023</u>	<u>115,375,877</u>
Total assets	<u>\$ 171,668,290</u>	<u>\$ 185,710,204</u>	<u>\$ 178,157,906</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 124,965	\$ 117,055	\$ 244,121
Lines of credit	647,158	647,158	677,158
Loans payable, current	369,750	369,750	1,001,167
Unearned grant revenue	50,917,909	64,517,511	53,843,821
Total current liabilities	<u>52,059,782</u>	<u>65,651,474</u>	<u>55,766,267</u>
Deferred rent liability	19,847,679	19,966,073	20,693,140
Loans payable, noncurrent	13,730,000	13,730,000	14,099,750
Total noncurrent liabilities	<u>33,577,679</u>	<u>33,696,073</u>	<u>34,792,890</u>
NET POSITION			
Net investment in capital assets	89,056,630	89,394,822	90,430,509
Restricted	3,311,036	3,311,036	3,510,166
Unrestricted	(6,336,836)	(6,343,201)	(6,341,926)
Total net position	<u>86,030,830</u>	<u>86,362,657</u>	<u>87,598,749</u>
Total liabilities and net position	<u>\$ 171,668,290</u>	<u>\$ 185,710,204</u>	<u>\$ 178,157,906</u>

Balance Sheet Notes:

- Cash decreased mainly due to payments made with grant receipts during the month.
- Grants receivable decreased due to the receipt of \$11.5 million of grant funds.
- Loans receivable decreased \$375,000 due to payoff of a BBRP loan
- Capital assets decrease is due to monthly depreciation expense.
- Lines of credit: balances at end of April are BUDC: \$0 ; 683 Northland: \$647,158. 683 Northland took no advances during the month and BUDC's line is currently paid down.
- Unearned grant revenue decreased due to recognition of grant revenue.

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

	<u>July</u> <u>2023</u>	<u>June</u> <u>2023</u>	<u>December</u> <u>2022</u>
Operating revenues:			
Grant revenue	\$ 14,277,695	\$ 678,092	\$ 8,056,897
Brownfield funds	31,181	31,181	36,183
Loan interest and commitment fees	56,387	48,332	618,537
Rental and other revenue	2,106,042	1,939,000	9,024,458
Proceeds from sale of land, net	-	-	(440,604)
Total operating revenues	<u>16,471,305</u>	<u>2,696,606</u>	<u>17,295,471</u>
Operating expenses:			
Development costs	14,283,290	658,294	8,152,353
Adjustment to net realizable value	52,174	44,314	121,587
Salaries and benefits	239,480	201,330	384,460
General and administrative	1,063,546	966,231	1,678,689
Management fee	49,816	46,200	83,967
Depreciation	2,367,346	2,029,154	4,152,122
Total operating expenses	<u>18,055,653</u>	<u>3,945,523</u>	<u>14,573,179</u>
Operating income (loss)	(1,584,347)	(1,248,917)	2,722,292
Non-operating revenues (expenses):			
Loss on disposal	-	-	18,051
Interest expense	(108,357)	(101,789)	(782,784)
Interest income	88,194	78,024	18,966
Other income	(5,720)	(5,720)	(44,366)
Total non-operating revenues (expenses)	<u>(25,883)</u>	<u>(29,485)</u>	<u>(790,133)</u>
Change in net position	(1,610,230)	(1,278,403)	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>\$ 86,030,830</u>	<u>\$ 86,362,658</u>	<u>\$ 87,598,749</u>

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

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
ASSETS					
Current assets:					
Cash	\$ 18,269,093	\$ 60	\$ 44,906	\$ -	\$ 18,314,059
Restricted cash	3,668,903	-	180,996	-	3,849,898
Grants receivable	30,640,574	-	-	-	30,640,574
Other current assets	7,746,610	26,833	132,359	(2,042,874)	5,862,927
Total current assets	<u>60,325,180</u>	<u>26,893</u>	<u>358,261</u>	<u>(2,042,874)</u>	<u>58,667,459</u>
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	-	93,965,303	-	102,368,169
Land and improvement held for sale, net	788,212	-	-	-	788,212
Total noncurrent assets	<u>71,044,756</u>	<u>67,097,964</u>	<u>93,965,303</u>	<u>(119,107,192)</u>	<u>113,000,831</u>
Total assets	<u>\$ 131,369,937</u>	<u>\$ 67,124,856</u>	<u>\$ 94,323,563</u>	<u>\$ (121,150,066)</u>	<u>\$ 171,668,290</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expense	\$ 120,749	\$ 2,042,874	\$ 4,216	(2,042,874)	(1)\$ 124,965
Line of credit	-	-	647,158	-	647,158
Loans payable, current	369,750	-	-	-	369,750
Unearned grant revenue	50,917,909	-	-	-	50,917,909
Total liabilities	<u>51,408,408</u>	<u>2,042,874</u>	<u>651,374</u>	<u>(2,042,874)</u>	<u>52,059,782</u>
Noncurrent liabilities:					
Deferred rent liability	-	-	19,847,679	-	19,847,679
Loans payable, noncurrent	-	52,187,279	13,730,000	(52,187,279)	13,730,000
Total noncurrent liabilities	<u>-</u>	<u>52,187,279</u>	<u>33,577,679</u>	<u>(52,187,279)</u>	<u>33,577,679</u>
NET POSITION					
Net investment in capital assets	8,821,327	-	80,235,303	-	89,056,630
Restricted	3,311,036	-	-	-	3,311,036
Unrestricted	67,829,165	12,894,703	(20,140,792)	(66,919,913)	(6,336,836)
Total net position	<u>79,961,528</u>	<u>12,894,703</u>	<u>60,094,511</u>	<u>(66,919,913)</u>	<u>86,030,830</u>
Total liabilities and net position	<u>\$ 131,369,937</u>	<u>\$ 67,124,856</u>	<u>\$ 94,323,563</u>	<u>\$ (121,150,066)</u>	<u>\$ 171,668,290</u>

(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: July 31, 2023 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
Operating revenues:					
Grant revenue	\$ 14,277,695	\$ -	\$ -	\$ -	\$ 14,277,695
Brownfield funds	31,181	-	-	-	31,181
Loan interest and commitment fees	56,387	-	-	-	56,387
Rental and other revenue	76,333	897,001	1,132,708	-	2,106,042
Proceeds from land sales, net	-	-	-	-	-
Total operating revenue	<u>14,441,596</u>	<u>897,001</u>	<u>1,132,708</u>	<u>-</u>	<u>16,471,305</u>
Operating expenses:					
Development costs	14,283,290	-	-	-	14,283,290
Adjustment to net realizable value	52,174	-	-	-	52,174
Salaries and benefits	239,480	-	-	-	239,480
General and administrative	846,318	126,000	91,228	-	1,063,546
Management fee	49,816	-	-	-	49,816
Depreciation	-	-	2,367,346	-	2,367,346
Total operating expenses	<u>15,471,079</u>	<u>126,000</u>	<u>2,458,574</u>	<u>-</u>	<u>18,055,653</u>
Operating income	(1,029,483)	771,001	(1,325,865)	-	(1,584,347)
Non-operating revenues (expenses):					
Interest expense	(16,218)	-	(92,139)	-	(108,357)
Interest income	87,652	325	218	-	88,194
Other income/expenses	-	-	(5,720)	-	(5,720)
Total non-operating revenues (expenses)	<u>71,433</u>	<u>325</u>	<u>(97,642)</u>	<u>-</u>	<u>(25,883)</u>
Change in net position	(958,049)	771,326	(1,423,507)	-	(1,610,230)
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	<u>\$ 79,961,528</u>	<u>\$ 12,894,703</u>	<u>\$ 60,094,511</u>	<u>\$ (66,919,913)</u>	<u>\$ 86,030,830</u>

(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: July 31, 2023 (Unaudited)

	<u>YTD July 2023</u>	<u>YTD Budget 2023</u>	<u>Variance</u>
Operating revenues:			
Grant revenue	\$ 14,277,695	\$ 21,965,417	\$ (7,687,722)
Brownfield funds	31,181	23,333	7,848
Loan interest and commitment fees	56,387	56,387	(0)
Rental and other revenue	2,106,042	1,155,211	950,831
Proceeds from land sales, net	-	115,325	(115,325)
Total operating revenues	<u>16,471,305</u>	<u>23,315,674</u>	<u>(6,844,368)</u>
Operating expenses:			
Development costs	14,283,290	18,612,510	(4,329,220)
Adjustment to net realizable value	52,174	-	52,174
Salaries and benefits	239,480	302,805	(63,325)
General and administrative	1,063,546	773,019	290,527
Management fee	49,816	50,750	(934)
Depreciation	2,367,346	2,380,583	(13,238)
Total operating expenses	<u>18,055,653</u>	<u>22,119,668</u>	<u>(4,064,015)</u>
Operating income (loss)	<u>(1,584,347)</u>	1,196,006	(2,780,353)
Non-operating revenues (expenses):			
Interest expense	(108,357)	(143,310)	34,952
Interest income	88,194	292	87,903
Other income/expenses	(5,720)	-	(5,720)
Total non-operating revenues (expenses)	<u>(25,883)</u>	<u>(143,018)</u>	<u>117,135</u>
Change in net position	<u>\$ (1,610,230)</u>	<u>\$ 1,052,988</u>	<u>\$ (2,663,218)</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.
- Salaries and benefits are under budget because the 2023 budget included 4 employees for the entire year, Northland Project Manager was hired in June 2023.
- 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.

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Item 4.1

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors
FROM: Rebecca Gandour, Executive Vice President
SUBJECT: Northland Central – Proposed Lease to Northland Workforce Training Center
DATE: August 29, 2023

BUDC staff, in collaboration with Mancuso Management, Inc., has entered into lease negotiations with The Economic Development Group, Inc., d/b/a Northland Workforce Training Center (“NWTC”) for approximately 6,159+/- square feet of industrial space in Area 2 (Unit 683-1-03) at Northland Central (683 Northland). NWTC plans to utilize the space to provide automotive technician training at Northland Central and has provided BUDC with a term sheet outlining its proposed lease of the space.

The principal terms of the proposed lease with NWTC are as follows:

- A. Landlord: 683 Northland Master Tenant, LLC (an affiliate of BUDC).
- B. Tenant: The Economic Development Group, Inc., d/b/a Northland Workforce Training Center.
- C. Leased Premises: A 6,159+/- square foot portion of Area 2 in the building located at 683 Northland Avenue.
- D. Uses: NWTC will use the Premises to provide automotive technology service and repair training, and any other appropriate and related ancillary services.
- E. Term: Ten (10) years commencing October 1, 2023.
- F. Base Rent: NWTC will pay base rent in the initial amount of \$3,600.00 per month. The Lease will be subject to a 2.5% annual increase in Base Rent.
- G. Security Deposit: \$0.00.

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- H. Triple Net Lease: The Lease will be structured on a triple net basis. NWTC will pay its pro-rata and/or metered share of all costs associated with the 683 Northland property including all real estate taxes and assessments, general liability and property insurance, maintenance, pest control, utilities, carrying costs and other obligations and liabilities of ownership during the Lease term.
- I. Leasehold Improvements: The Leased Premises is being leased in “as is” condition.
- J. Contingency: NWTC’s lease is contingent upon NWTC securing requested grant funding from the Power Proceeds Allocation Board by September 30, 2023. The requested grant funding is anticipated to cover all rent and expenses for the entire Term of the lease.
- K. Broker Fee: Landlord’s Broker shall receive a commission from Landlord per the terms of a separate agreement.

This item was reviewed with the Real Estate Committee at its July 20th meeting and was recommended for Board approval.

ACTION

We are requesting that the Board of Directors: (i) authorize 683 Northland Master Tenant, LLC to enter into a lease with The Economic Development Group, Inc. upon the terms set forth in this memorandum; and (ii) authorize the President or Executive Vice President to execute a lease agreement with The Economic Development Group, Inc. and take such other actions as are necessary and appropriate to implement this authorization.

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Item 4.2

MEMORANDUM

TO: BUDC Board of Directors
FROM: Angelo Rhodes II, Project Manager
SUBJECT: Northland Corridor – NYSDOS Grant for BOA Designation
DATE: August 29, 2023

In 2022, and in furtherance of development in the Northland Corridor, BUDC submitted a grant application to the New York State Department of State (NYSDOS) for funding to hire a professional consultant to update, complete and submit the Brownfield Opportunity Area (BOA) Nomination Plan for the Northland Corridor that was previously drafted by BUDC staff. A BOA designation for the Northland Corridor will expand economic and environmental opportunities within the area and would be the first BOA to benefit East Buffalo.

The NYSDOS approved BUDC’s grant application for an award in the amount of \$87,750. BUDC will receive 25% of the grant award as an advance payment from the NYSDOS, with the remaining funding reimbursed to BUDC on a quarterly basis based on costs incurred. The NYSDOS has circulated a grant agreement and agency and program specific terms and conditions (the “Grant Agreement”). Under the terms of the Grant Agreement, BUDC is required to provide a ten percent (10%) match of funds in the amount of \$9,750. This match will be provided through the Buffalo Brownfields Redevelopment Fund and will be included in the proposed 2024 BUDC budget, contingent on approval from the BUDC Board of Directors. The terms of the Grant Agreement also specify that BUDC achieve MWBE utilization and participation goals set by NYSDOS and submit semi-annual project status reports and MWBE utilization reports throughout the life of the project. The stated MWBE goals are fifteen percent (15%) minority and fifteen percent (15%) women. The term of the grant will run from November 1, 2023 through October 31, 2028.

This item was reviewed by the BUDC Real Estate Committee during its August 22, 2023 meeting and was recommended for approval.

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ACTION:

I am requesting that the BUDC Board of Directors: (i) approve the New York State Department of State grant award in the amount of \$87,750; (ii) approve BUDC's 10% match of funds in the amount of \$9,750, to be provided through the Buffalo Brownfields Redevelopment Fund and reflected in the proposed 2024 BUDC budget; and (iii) authorize each of the BUDC President or Executive Vice President to execute the Grant Agreement and any related grant documents and agreements, and to take such other actions as may be necessary or appropriate to implement this authorization.

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Buffalo Urban Development Corporation

Item 4.3

MEMORANDUM

TO: BUDC Board of Directors

FROM: Antonio Parker, Project Manager

SUBJECT: Ralph C. Wilson, Jr. Centennial Park – MVVA Contract Amendment # 11

DATE: August 29, 2023

On March 28, 2023, the BUDC Board of Directors approved the 10th amendment to the Master Service Agreement (the “MVVA Agreement”) with Michael Van Valkenburgh Associates (“MVVA”) for construction administration services for Phases 1 and 2 of construction at Ralph C. Wilson, Jr. Centennial Park (“Ralph Wilson Park”).

An additional amendment to the MVVA Agreement is now required to include early value engineering services to be performed by MVVA and its subconsultants. Preliminary work has commenced, and the scope of services includes reviewing stone specifications with the quarries, changing the ductile iron pipe water line to PVC, reviewing planting mix soils with the proposed soil supplier, and undertaking studies to find the placement of additional soil to avoid it being trucked off-site. BUDC’s project manager Gardiner & Theobald is recommending these services for approval in the amount of \$37,750. The cost of this work will be funded through Wilson Grant 6, which was accepted by the BUDC Board of Directors at its March 30, 2021, meeting. There are no restrictions to this funding as all Wilson Grant 6 contingencies have been met.

This item was reviewed by the BUDC Downtown Committee and was recommended for Board approval on August 16, 2023.

ACTION

I am requesting that the BUDC Board of Directors (i) approve an amendment to the MVVA Agreement in the amount of \$37,750 for early value engineering work to support the Ralph Wilson Park project; 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.

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Item 4.4

MEMORANDUM

TO: BUDC Board of Directors

FROM: Antonio Parker, Project Manager

SUBJECT: Ralph Wilson Park – Atlantic Testing Laboratories Contract for Environmental Sampling and Consulting Services

DATE: August 29, 2023

At its February 22, 2022 meeting, the BUDC Board of Directors approved an amendment to an existing agreement between BUDC and SJB Services, Inc. (“SJB”) for additional environmental services at Ralph Wilson Park (the “Services”). The Services were to be performed by SJB for a not to exceed amount of \$40,000. These Services did not need to be performed at the time and no funds have been expended to date.

Recently, SJB was acquired by Atlantic Testing Laboratories (“ATL”), a WBE certified business. BUDC’s Project Manager, Gardiner & Theobald (“G&T”), is recommending that ATL perform the scope of work described below as needed for the Project for the original not to exceed amount of \$40,000. The cost of these services will be paid through Wilson Grant 3, which was previously approved by the BUDC Board of Directors at its April 28, 2020, meeting. ATL is not assuming existing contracts held by SJB and if approved, BUDC would be entering into a new contract with ATL for this work.

The scope of work includes:

- Providing an Asbestos Project Monitor, Lead Project Monitor and Polychlorinated Biphenyls (PCB) Project Monitor to track applicable provisions of the contract.
- Providing necessary equipment to collect air and/or wipe samples on an as-needed basis.
- Collecting and submitting air samples to a New York State Department of Health Environmental Laboratory Approval Program for testing.
- Submitting wipe samples to the New York Department of Health ELAP laboratory for analysis.

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- Providing environmental consulting and processing permits or applications pertaining to petroleum and chemical bulk storage programs, waste management, and investigation work plans and remedial action plans.
- Assisting with abatement design and site-specific variances.
- Reviewing existing facility data and documents.
- Corresponding with regulatory agencies.
- Developing investigation work plans, sampling plans, remedial action plans, and/or site management plans.
- Providing waste management guidance.

This item is being presented for recommendation as a “single source” procurement according to BUDC’s procurement policy. The single source exception to seeking competitive proposals applies to “a situation where, even though two or more vendors are available to supply the required goods or services, BUDC determines that: (i) one particular vendor has unique knowledge or expertise concerning the required goods, services or project, rendering the use of the competitive procedures impractical; and (ii) considering the benefits, the cost to BUDC is reasonable. ATL possesses unique knowledge and expertise regarding the Ralph Wilson Park project through its acquisition of SJB and retention of nearly all SJB staff that were involved in providing due diligence services since July 2020 for the Ralph Wilson Park project. The benefit to BUDC is that ATL can seamlessly continue providing its services and complete the necessary environmental scope of work without significant onboarding or start-up costs.

This item was reviewed by the BUDC Downtown Committee and was recommended for Board approval on August 16, 2023.

ACTION:

I am requesting that the BUDC Board of Directors (i) approve the Atlantic Testing Laboratories contract in the not to exceed amount of \$40,000.00 for the environmental scope of work described above for the Ralph Wilson Park project; and (ii) authorize the BUDC President or Executive Vice President to execute the contract and take such other actions as are necessary to implement this authorization.