

## **Buffalo Urban Development Corporation**

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### **Buffalo Urban Development Corporation**

#### **Board of Directors Meeting**

**Date: Tuesday, November 19, 2024**

**Time: 12:00 noon**

**BUDC Offices – 95 Perry Street, Buffalo, NY 14203**

**Vista Room**

#### **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 – Updated Lease to Rookery Labs *(Action)(Enclosure)*

4.2 Northland Corridor Project Update *(Information)*

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

4.4 Buffalo's Race For Place Project Update *(Information)*

4.5 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**

**95 Perry Street– 4<sup>th</sup> Floor Vista Room  
Buffalo, New York 14203**

**October 29, 2024  
12:00 p.m.**

**Directors Present:**

Catherine Amdur  
Scott Bylewski  
Janique S. Curry  
Darby Fishkin  
Thomas Halligan  
Elizabeth A. Holden  
Thomas A. Kucharski  
Brendan R. Mehaffy  
Kimberley A. Minkel  
Crystal Morgan  
David J. Nasca  
Dennis M. Penman (Vice Chair)  
Mayor Christopher P. Scanlon (Chair)

**Directors Absent:**

Bryan J. Bollman  
Daniel Castle  
Dennis W. Elsenbeck  
Dottie Gallagher  
Nathan Marton  
Karen Utz

**Officers Present:**

Brandye Merriweather, President  
Mollie Profic, Treasurer  
Kevin J. Zanner, Secretary  
Atiqa Abidi, Assistant Treasurer

**Guests Present:** Jonathan Epstein, *The Buffalo News*; Zaque Evans, Senior Economic Development Specialist, Erie County Executive's Office; Alexis M. Florczak, Hurwitz Fine P.C.; Soma Hawramee, ECIDA Compliance Manager; Brian Krygier, Director of IT, ECIDA; Kelly Maloney, Gilbane Building Company; Michelle Moore, ECIDA Compliance Associate; Yolando Mullen; BUDC Project Manager; Angelo Rhodes II, Northland Project Manager; and Andrea Schillaci, Hurwitz Fine P.C.

- 1.0 Roll Call** – The meeting was called to order at 12:02 p.m. by Vice Chair Penman. Secretary called the roll of directors and a quorum of the Board was determined to be present.

Mr. Penman made a motion to nominate Mayor Scanlon to serve as Chair of the BUDC Board of Directors. The motion was seconded by Mr. Mehaffy and unanimously carried (12-0-0). Mayor Scanlon then served as Chair of the meeting.

Ms. Amdur joined the meeting during the presentation of item 4.2.

- 2.0 Approval of Minutes – Meeting of September 24, 2024** – The minutes of the September

24, 2024 meeting of the Board of Directors were presented. Mr. Mehaffy made a motion to approve the meeting minutes. The motion was seconded by Mr. Kucharski and unanimously carried (12-0-0).

- 3.0 Monthly Financial Reports** – Ms. Profic presented for information purposes the financial statements for 683 Northland Master Tenant, LLC for the period ending September 30, 2024. She then presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending September 30, 2024. Ms. Profic also presented a cash flow forecast for BUDC, noting that a positive net cash flow was anticipated. Mr. Bylewski made a motion to accept the BUDC consolidated financial statements. The motion was seconded by Ms. Fishkin and unanimously carried (12-0-0).

#### **4.0 New Business**

- 4.1 2025 683 Northland Master Tenant Budget** – Ms. Profic presented the proposed 2025 budget for 683 Northland Master Tenant, LLC for information purposes only.

- 4.2 2025 BUDC Draft Budget & Three Year Forecast** – Ms. Profic presented the proposed 2025 budget and 2026-2028 forecast. The Audit & Finance Committee met in September and October to review the proposed budget and is recommending the proposed budget for approval. Ms. Profic reviewed the budget narrative and budgeted sources of revenue to be received by BUDC. In addition to corporate operations, BUDC funds are expected to be used on the following four project areas: Buffalo Lakeside Commerce Park, Downtown/Race for Place, Ralph Wilson Park, and the Northland Corridor. Ms. Profic then reviewed the specific sources of funds and uses for each of the four project areas and corporate operations and the separate budget detail for the 683 Northland project. Following her presentation, the Board discussed the proposed budget and three-year forecast. Ms. Minkel then made a motion to approve the 2025 budget and 2026-2028 forecast. The motion was seconded by Mr. Nasca and unanimously carried (13-0-0).

- 4.3 Ralph Wilson Park Project – Amendment to ATL Contract for Environmental Sampling and Consulting Services** – Mr. Mullen presented his October 29, 2024 memorandum regarding the proposed amendment to the BUDC-ATL contract for environmental sampling and consulting services. Following this presentation, Ms. Curry made a motion to: (i) approve an amendment to BUDC's agreement with Atlantic Testing Laboratories for a not to exceed amount of \$19,665.00 for the environmental scope of work described in Mr. Mullen's memorandum for the Ralph Wilson Park project; and (ii) authorize the BUDC President or Executive Vice President to execute the amendment to BUDC's agreement with ATL and take such other actions as are necessary to implement this authorization. The motion was seconded by Ms. Fishkin and unanimously carried (13-0-0).

- 4.4 Ralph Wilson Park Project – Modifications to MVVA Amendment # 14** – Mr. Mullen presented his October 29, 2024 memorandum regarding modifications to the 14<sup>th</sup> amendment to the BUDC-MVVA agreement. Following this presentation, Mr. Nasca made a motion to: (i) amend its August 27, 2024 authorization to provide an additional \$55,787 for Phase 2 value engineering design and permitting services for Ralph Wilson Park, for a total not-to-exceed amount of \$395,934; (ii) modify the not-to-exceed amount under the 12th amendment to the MVVA agreement from \$468,088 to \$451,910; and (iii) authorize the BUDC President or Executive Vice President to execute the 14th amendment to the MVVA Agreement, as modified as described in this memorandum, and take such other actions as are necessary to implement this authorization. The motion was seconded by Mr. Halligan and unanimously carried (13-0-0).

- 4.5 Northland Central – Phase 1 Construction Additional HVAC Work Claim Discussion** – see item 7.0.

- 4.6 Northland Corridor Project Update** – Mr. Rhodes presented an update regarding the Northland Corridor. With respect to Phase 3 redevelopment, bid documents have been released. A pre-bid

walkthrough took place on October 8<sup>th</sup>, and responses are due November 8<sup>th</sup>. With respect to the substation, Mr. Zanner reported that BUDC counsel and co-counsel are close to finalizing the petition for submission to the Public Service Commission. With respect to the Phase 4 redevelopment, Mr. Rhodes reported that Wendel continues to work on Part 2 of SHPO requirements for the 631 Northland building. BUDC and Colliers Engineering & Design recently held its first stakeholder meeting regarding the BOA nomination plan. Manna's lease at Northland is set to expire October 31<sup>st</sup>. Manna has requested a 30-day extension to finalize the lease extension. The Northland Workforce Training Center will complete its construction on its auto-tech space within the next month.

**4.7 Ralph Wilson Park Project Update** – Kelly Maloney presented an update regarding the Ralph Wilson Park project. Land sub-grading and soil and landscaping work continues. Painting and the application of anti-graffiti coating is nearly complete. The new pedestrian bridge was successfully erected, and the concrete deck of the bridge is being poured before handrails, mesh and lighting are installed in the upcoming months. In response to a question from Mr. Penman, Ms. Maloney indicated that the City is working to determine whether the Park will be reopened in phases to the public. A GMP amendment for the playground equipment has been approved with the City, which is part of Phase 2A of the construction.

**4.8 Buffalo's Race for Place Project Update** – Ms. Merriweather presented an update regarding Buffalo's Race for Place. BUDC received four responses to its RFP for project and cost management services to oversee implementation and coordinate infrastructure improvement projects in the City of Buffalo. Interviews with the four teams were completed, and the selection committee is obtaining additional information from all teams before a recommendation for a project manager is made. The latest quarterly waterfront coordination meeting was held recently to discuss infrastructure and development along the waterfront. The City of Buffalo Department of Public Works is undertaking a tactical urbanism project to create crosswalk improvements to improve walkability. It is anticipated the first improvements will take place near the Explore and More and Children's Museum. Work on the Queen City Hub Revisited initiative continues, with data collected from stakeholders being compiled. Ms. Merriweather recently participated in the Buffalo Niagara Association of Realtors to discuss development in Downtown Buffalo and the Northland Corridor.

**4.9 Buffalo Lakeside Commerce Park – Project Update** – Ms. Merriweather presented an update regarding Buffalo Lakeside Commerce Park. RAS Development has paid its outstanding exclusivity fees and associated legal costs. Uniland has also paid its outstanding invoice for POA expenses. CBRE continues to market the available properties at BLCF.

**5.0 Late Files** – None.

**6.0 Tabled Items** – None.

**7.0 Executive Session** – Mr. Kucharski made a motion to enter executive session in order to discuss pending litigation regarding the HVAC Work claim. The motion was seconded by Ms. Minkel and unanimously carried (13-0-0). Advice of counsel was sought during executive session. A motion was made in executive session by Mr. Nasca relating to the HVAC litigation. The motion was seconded by Ms. Curry and unanimously carried (13-0-0). The details of the motion are protected from disclosure pursuant to applicable law. Mr. Kucharski then made a motion to exit executive session. The motion was seconded by Mr. Penman and unanimously carried (13-0-0).

**8.0 Adjournment** – There being no further business to come before the Board, the October 29, 2024 meeting of the Board of Directors was adjourned at 1:21 p.m.

Respectfully submitted,

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Kevin J. Zanner  
Secretary

**683 Northland Master Tenant, LLC**  
**Financial Statements**  
October 31, 2024  
(Unaudited)

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

	October 2024	September 2024	December 2023
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash	\$ 414,983	\$ 519,305	\$ 518,270
Tenant receivable	24,926	32,210	26,512
Prepaid expenses	142,048	133,823	117,269
Total current assets	581,958	685,339	662,052
Prepaid rent - sublessee	559,749	558,122	535,596
Prepaid leasing commission	166,251	168,720	190,936
Tenant security deposits	75,663	75,614	79,908
Cash reserves	341,694	341,476	349,306
Equipment, net	30,754	30,754	23,162
Right of use asset - Master Lease Agreement	25,214,433	25,360,392	26,671,582
Total assets	\$ 26,970,502	\$ 27,220,417	\$ 28,512,542
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 83,826	\$ 233,985	\$ 85,937
Due to related parties	254,935	254,935	254,935
Total current liabilities	338,761	488,920	340,872
Operating deficit loan	132,359	132,359	132,359
Tenant security deposits	75,050	75,050	79,850
Deferred operating lease liability - Master Lease Agreement	7,082,350	7,114,276	7,399,167
Deferred operating lease liability - sublessee	4,583,795	4,629,885	5,044,691
Distribution payable - priority return	-	-	257,904
Total noncurrent liabilities	11,873,554	11,951,569	12,913,970
<b>MEMBERS' EQUITY</b>	14,758,187	14,779,928	15,257,700
Total liabilities and net position	\$ 26,970,502	\$ 27,220,417	\$ 28,512,542

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

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

	<b>October 2024</b>	<b>September 2024</b>	<b>December 2023</b>
<b>Revenues:</b>			
Lease revenue	\$ 1,220,798	\$ 1,100,987	\$ 1,445,436
Additional lease revenue	526,169	460,944	752,072
Interest and other revenue	6,431	5,865	7,033
Total revenues	<u>1,753,397</u>	<u>1,567,795</u>	<u>2,204,541</u>
<b>Expenses:</b>			
Lease expense	1,580,370	1,422,333	1,913,148
Payroll	95,495	87,925	155,609
Utilities expense	31,098	24,611	28,115
Insurance expense	112,740	101,000	127,632
Professional fees	71,724	67,922	81,054
Property management fee	64,469	58,658	69,719
Real estate taxes	18,369	18,369	25,914
Repairs and maintenance	263,895	250,798	263,437
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	1,750	950	347
Depreciation expense	3,000	3,000	6,448
Total expenses	<u>2,252,910</u>	<u>2,045,567</u>	<u>2,681,424</u>
Net Income/(Loss)	(499,513)	(477,772)	(476,883)
Members' equity - beginning of period	<u>15,257,700</u>	<u>15,257,700</u>	<u>15,992,487</u>
Change in members' equity	(499,513)	(477,772)	(476,883)
Members' capital contributions	-	-	-
Distributions	-	-	(257,904)
Members' equity - end of period	<u>\$ 14,758,187</u>	<u>\$ 14,779,928</u>	<u>\$ 15,257,700</u>



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

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

	<b>October 2024</b>	<b>September 2024</b>	<b>December 2023</b>
<b>Cash flows from operating activities:</b>			
Net loss	\$ (499,513)	\$ (477,772)	\$ (476,883)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	3,000	3,000	6,448
Decrease (increase) in assets:			
Tenant receivables	1,586	(5,698)	15,694
Prepaid insurance	(24,779)	(16,554)	(1,387)
Accrued rental income	(24,153)	(22,526)	(52,202)
Prepaid leasing commission	24,685	22,217	(2,320)
Right of use asset - Master Lease Agreement	1,140,332	1,026,299	1,420,725
Increase (decrease) in liabilities:			
Security deposit liability	(4,800)	(4,800)	(5,000)
Accounts payable	(2,111)	148,048	(44,958)
Deferred operating lease liability - sublessee	(460,895)	(414,806)	(592,742)
<b>Net cash provided (used) by operating activities</b>	<b>153,352</b>	<b>257,408</b>	<b>267,373</b>
<b>Cash flows from investing activities:</b>			
Equipment purchases	(10,593)	(10,593)	(9,741)
<b>Net cash used by investing activities</b>	<b>(10,593)</b>	<b>(10,593)</b>	<b>(9,741)</b>
<b>Cash flows from financing activities:</b>			
Members' contributions	-	-	-
Distributions	(257,904)	(257,904)	(238,207)
Payments of prepaid rent under Master Lease Agreement	-	-	-
<b>Net cash provided by financing activities</b>	<b>(257,904)</b>	<b>(257,904)</b>	<b>(238,207)</b>
<b>Net increase (decrease) in cash</b>	<b>(115,145)</b>	<b>(11,089)</b>	<b>19,425</b>
<b>Cash and restricted cash - beginning of period</b>	<b>947,484</b>	<b>947,484</b>	<b>928,059</b>
<b>Cash and restricted cash - end of period</b>	<b>\$ 832,339</b>	<b>\$ 936,396</b>	<b>\$ 947,484</b>

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

	<u>YTD October 2024</u>	<u>YTD Budget 2024</u>	<u>Variance</u>
<b>Revenues:</b>			
Lease revenue	\$ 1,220,798	\$ 1,226,667	\$ (5,869)
Additional lease revenue	526,169	650,000	(123,831)
Interest and other revenue	<u>6,431</u>	<u>208</u>	<u>6,222</u>
Total revenues	<u>1,753,397</u>	<u>1,876,875</u>	<u>(123,478)</u>
<b>Expenses:</b>			
Lease expense	1,580,370	1,580,370	-
Payroll	95,495	144,800	(49,305)
Utilities	31,098	41,667	(10,569)
Insurance	112,740	115,000	(2,260)
Professional fees	71,724	62,500	9,224
Property management fee	64,469	61,667	2,802
Real estate taxes	18,369	27,500	(9,131)
Repairs and maintenance	263,895	246,362	17,533
Asset management fee	10,000	10,000	-
Miscellaneous	1,750	2,655	(905)
Depreciation	<u>3,000</u>	<u>4,167</u>	<u>(1,167)</u>
Total expenses	<u>2,252,910</u>	<u>2,296,687</u>	<u>(43,776)</u>
Net income (loss)	\$ (499,513)	\$ (419,812)	\$ (79,701)

**Budget variances:**

- Additional lease revenue is amounts charged to tenants for common area maintenance (CAM) charges, insurance, etc. Negative variance is due to 2023 CAM refunds applied in 2024 and a lower than anticipated rate for 2024.
- Payroll is under budget due to cost differences with new property management firm.
- Repairs and maintenance includes snow removal and landscaping. General maintenance costs have been higher than anticipated as building systems age.

**Buffalo Urban Development Corporation**  
**Consolidated Financial Statements**  
October 31, 2024  
(Unaudited)

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

	October 2024	September 2024	December 2023
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash	\$ 5,963,271	\$ 7,811,470	\$ 16,542,113
Restricted cash	21,443,163	22,077,544	460,544
Grants receivable	66,444,003	64,535,953	89,350,024
Other current assets	5,225,378	5,315,203	5,749,149
Total current assets	99,075,815	99,740,169	112,101,830
<b>Noncurrent assets:</b>			
Loans receivable	9,666,400	9,666,400	9,666,400
Equity investment	154,859	154,859	154,859
Capital assets, net	98,722,857	99,050,096	100,961,985
Right to use asset	7,454,802	7,456,361	7,470,200
Land and improvement held for sale, net	788,212	788,212	788,212
Total noncurrent assets	116,787,131	117,115,928	119,041,656
Total assets	\$ 215,862,946	\$ 216,856,097	\$ 231,143,486
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 227,512	\$ 505,999	\$ 528,067
Lines of credit	260,000	300,000	570,000
Loans payable, current	100,188	100,188	469,938
Unearned grant revenue	93,461,288	93,831,754	104,383,474
Total current liabilities	94,048,988	94,737,942	105,951,479
Deferred lease liability	25,600,802	25,715,002	26,742,613
Loans payable, noncurrent	13,629,812	13,629,812	13,629,812
Total noncurrent liabilities	39,230,614	39,344,814	40,372,425
<b>NET POSITION</b>			
Net investment in capital assets	85,781,069	86,108,307	87,650,447
Restricted	44,596	44,492	233,780
Unrestricted	(3,242,321)	(3,379,458)	(3,064,645)
Total net position	82,583,344	82,773,341	84,819,582
Total liabilities and net position	\$ 215,862,946	\$ 216,856,097	\$ 231,143,486

**Balance Sheet Notes:**

- Cash decreased due to pass through of funds to City of Buffalo during the month.
- Restricted cash decreased due to release of funds from imprest account during the month.
- Grants receivable increased due to new grants approved and recorded during the month.
- Capital assets decrease is due to monthly depreciation expense.
- Accounts payable/accrued expenses decreased due to timing of invoice payments, most related to Ralph Wilson Park.
- Lines of credit: balances are BUDC: \$0; 683 Northland: \$260,000. Paydowns during October were: 683 Northland \$40,000.
- 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)**

	<b>October 2024</b>	<b>September 2024</b>	<b>December 2023</b>
<b>Operating revenues:</b>			
Grant revenue	\$ 28,679,936	\$ 23,109,470	\$ 31,596,676
Brownfield funds	33,860	33,860	35,823
Loan interest and commitment fees	80,553	72,498	96,664
Rental and other revenue	1,664,426	1,492,910	2,951,472
Total operating revenues	<u>30,458,775</u>	<u>24,708,738</u>	<u>34,680,635</u>
<b>Operating expenses:</b>			
Development costs	27,862,875	22,566,394	30,900,700
Adjustment to net realizable value	469,779	261,396	74,961
Salaries and benefits	414,963	340,816	440,561
General and administrative	448,009	419,952	1,742,514
Management fee	136,250	126,750	142,262
Depreciation	3,328,634	3,001,396	4,138,093
Total operating expenses	<u>32,660,509</u>	<u>26,716,703</u>	<u>37,439,091</u>
Operating income (loss)	(2,201,734)	(2,007,965)	(2,758,456)
<b>Non-operating revenues (expenses):</b>			
Loss on disposal	-	-	8,329
Interest expense	(133,900)	(132,124)	(197,771)
Interest income	99,396	93,848	126,417
Total non-operating revenues (expenses)	<u>(34,504)</u>	<u>(38,276)</u>	<u>(63,024)</u>
Change in net position	(2,236,238)	(2,046,241)	(2,821,480)
Net position - beginning of period	<u>84,819,582</u>	<u>84,819,582</u>	<u>87,598,751</u>
Capital contributions, net of distributions	-	-	42,311
Net position - end of period	<u>\$ 82,583,344</u>	<u>\$ 82,773,341</u>	<u>\$ 84,819,582</u>

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Consolidating Statement of Net Position**  
**October 31, 2024 (Unaudited)**

	<b>Buffalo Urban Development Corporation</b>	<b>683 WTC, LLC</b>	<b>683 Northland LLC</b>	<b>Eliminations (1)</b>	<b>Total</b>
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash	\$ 5,950,587	\$ 2,685	\$ 9,999	\$ -	\$ 5,963,271
Restricted cash	21,383,744	-	59,419	-	21,443,163
Grants receivable	66,444,003	-	-	-	66,444,003
Other current assets	7,642,915	1,097	132,359	(2,550,992) (1)	5,225,378
Total current assets	101,421,249	3,782	201,777	(2,550,992)	99,075,815
<b>Noncurrent assets:</b>					
Loans receivable	61,853,679	-	-	(52,187,279) (1)	9,666,400
Equity investment	-	67,074,772	-	(66,919,913) (1)	154,859
Capital assets, net	9,752,271	-	88,970,586	-	98,722,857
Right to use asset	55,631	-	7,399,171	-	7,454,802
Land and improvement held for sale, net	788,212	-	-	-	788,212
Total noncurrent assets	72,449,793	67,074,772	96,369,757	(119,107,192)	116,787,131
Total assets	\$ 173,871,042	\$ 67,078,553	\$ 96,571,534	\$ (121,658,184)	\$ 215,862,946
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	\$ 224,735	\$ 2,550,992	\$ 2,777	\$ (2,550,992) (1)	\$ 227,512
Line of credit	-	-	260,000	-	260,000
Loans payable, current	-	-	100,188	-	100,188
Unearned grant revenue	93,461,288	-	-	-	93,461,288
Total liabilities	93,686,023	2,550,992	362,965	(2,550,992)	94,048,988
<b>Noncurrent liabilities:</b>					
Deferred lease liability	55,631	-	25,545,171	-	25,600,802
Loans payable, noncurrent	-	52,187,279	13,629,812	(52,187,279) (1)	13,629,812
Total noncurrent liabilities	55,631	52,187,279	39,174,983	(52,187,279)	39,230,614
<b>NET POSITION</b>					
Net investment in capital assets	10,540,482	-	75,240,586	-	85,781,069
Restricted	44,596	-	-	-	44,596
Unrestricted	69,544,309	12,340,282	(18,206,999)	(66,919,913) (1)	(3,242,321)
Total net position	80,129,388	12,340,282	57,033,587	(66,919,913)	82,583,344
Total liabilities and net position	\$ 173,871,042	\$ 67,078,553	\$ 96,571,534	\$ (121,658,184)	\$ 215,862,946

(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: October 31, 2024 (Unaudited)**

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
<b>Operating revenues:</b>					
Grant revenue	\$ 28,679,936	\$ -	\$ -	\$ -	\$ 28,679,936
Brownfield funds	33,860	-	-	-	33,860
Loan interest and commitment fees	80,553	-	-	-	80,553
Rental and other revenue	97,974	-	1,566,452	-	1,664,426
Total operating revenue	<u>28,892,323</u>	<u>-</u>	<u>1,566,452</u>	<u>-</u>	<u>30,458,775</u>
<b>Operating expenses:</b>					
Development costs	27,862,875	-	-	-	27,862,875
Adjustment to net realizable value	469,779	-	-	-	469,779
Salaries and benefits	414,963	-	-	-	414,963
General and administrative	335,779	7,215	105,014	-	448,009
Management fee	95,000	-	41,250	-	136,250
Depreciation	56,250	-	3,272,384	-	3,328,634
Total operating expenses	<u>29,234,645</u>	<u>7,215</u>	<u>3,418,648</u>	<u>-</u>	<u>32,660,509</u>
Operating income	(342,322)	(7,215)	(1,852,197)	-	(2,201,734)
<b>Non-operating revenues (expenses):</b>					
Interest expense	(21,688)	-	(112,212)	-	(133,900)
Interest income	99,189	9	199	-	99,396
Other income/expenses	-	-	-	-	-
Total non-operating revenues (expenses)	<u>77,501</u>	<u>9</u>	<u>(112,014)</u>	<u>-</u>	<u>(34,504)</u>
Change in net position	(264,821)	(7,206)	(1,964,210)	-	(2,236,238)
Net position - beginning of year	80,394,209	12,347,489	58,997,797	(66,919,913) (1)	84,819,582
Capital contributions, net of distributions	-	-	-	- (1)	-
Net position - end of period	<u>\$ 80,129,388</u>	<u>\$ 12,340,282</u>	<u>\$ 57,033,587</u>	<u>\$ (66,919,913)</u>	<u>\$ 82,583,344</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: October 31, 2024 (Unaudited)**

	<u>YTD October 2024</u>	<u>YTD Budget 2024</u>	<u>Variance</u>
<b>Operating revenues:</b>			
Grant revenue	\$ 28,679,936	\$ 16,626,667	\$ 12,053,269
Brownfield funds	33,860	38,333	(4,473)
Loan interest and commitment fees	80,553	80,553	(0)
Rental and other revenue	1,664,426	1,748,632	(84,206)
Proceeds from land sales, net	-	(58,750)	58,750
Total operating revenues	<u>30,458,775</u>	<u>18,435,435</u>	<u>12,023,340</u>
<b>Operating expenses:</b>			
Development costs	27,862,875	11,286,929	16,575,945
Adjustment to net realizable value	469,779	-	469,779
Salaries and benefits	414,963	424,468	(9,505)
General and administrative	448,009	327,938	120,071
Management fee	136,250	95,000	41,250
Depreciation	3,328,634	3,400,833	(72,199)
Total operating expenses	<u>32,660,509</u>	<u>15,535,168</u>	<u>17,125,341</u>
Operating income (loss)	(2,201,734)	2,900,268	(5,102,001)
<b>Non-operating revenues (expenses):</b>			
Interest expense	(133,900)	(176,228)	42,328
Interest income	99,396	20,833	78,563
Other income/expenses	-	-	-
Total non-operating revenues (expenses)	<u>(34,504)</u>	<u>(155,395)</u>	<u>120,891</u>
Change in net position	\$ <u>(2,236,238)</u>	\$ <u>2,744,873</u>	\$ <u>(4,981,110)</u>

**Budget variances:**

- Grant revenue relates mainly to Ralph Wilson Park and Northland Projects. The variance is due to higher grant revenue recognition than anticipated as a result of project cost timing.
- Rental and other revenue consists mostly of recognition of prepaid rent income (straight-line basis) by 683 Northland LLC from 683 Northland Master Tenant, LLC, and rental income at properties other than 683 Northland Avenue. The variance is due to the prolonged vacancy at 612 Northland.
- 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 is due to timing of project costs.
- General and administrative costs consist of insurance, rent, audit/tax, marketing and other G&A costs.



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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 – Updated Lease to Rookery Labs  
**DATE:** November 19, 2024

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On July 30, 2024, the BUDC Board of Directors approved a lease with Rookery Labs for the “Red Shed” building at 683 Northland. A non-binding letter of intent (“LOI”) was executed by Rookery Labs and 683 Northland Master Tenant, LLC based on the terms presented to the BUDC Board of Directors at its July 30<sup>th</sup> meeting.

Since that time, BUDC executive staff and counsel have been negotiating the terms of a lease. During the negotiations, Rookery Labs requested the removal of the corporate guarantee previously agreed to under the executed LOI. The parties have re-negotiated a non-binding letter of intent for a triple-net lease, the principal terms of which are as follows and the revised terms of which are noted below:

- A. Landlord: 683 Northland Master Tenant, LLC (an affiliate of BUDC).
- B. Tenant: Rookery Labs, a subsidiary or affiliate of Egret Healthcare Ventures.
- C. Leased Premises: Area 1—the “Red Shed” building at 683 Northland (5,866+/- square feet).
- D. Use: The Tenant will use the Premises for medical device manufacturing, warehousing and distribution.
- E. [Revised] Term; Option to Renew: 63 months, commencing as of December 1, 2024. The Tenant will have an option to renew the lease for an additional five years, with annual Base Rent increases of three percent (3%).

Hon. Christopher P. Scanlon, Chairman of the Board • Dennis Penman, Vice Chairman • Brandye Merriweather, President  
Rebecca Gandour, Executive Vice President • Mollie Profic, Treasurer • Atiqa Abidi, Assistant Treasurer • Kevin J. Zanner, Secretary

- F. **[Revised]Rent:** Monthly Base Rent of \$4,888.33 commencing as of March 1, 2025, with an annual three percent (3%) increase. The Tenant will be responsible for the payment of Additional Rent commencing as of December 1, 2024.
- G. **[Revised] Security Deposit:** The Tenant will provide a security deposit in the amount of \$34,216. So long as the Tenant is not in default of the lease, at the end of the 39<sup>th</sup> month of the lease term Landlord shall return \$29,328 to the Tenant as a form of rent credit or certified check within seven (7) days.
- H. **Utilities; Taxes:** The Tenant 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. **Repairs and Maintenance:** The Landlord is responsible for maintaining the exterior and interior structural elements of the building, including the roof. The Tenant is responsible for all maintenance and non-structural repairs.
- J. **Leasehold Improvements:** The building is being leased in “as is” condition, subject to the mechanicals being in good working order. The Tenant is responsible for any additional improvements to the space.
- K. **[Revised]Lease Guarantee:** No corporate guarantee.
- L. **Right to Expand:** After the 39<sup>th</sup> month of the lease, the Tenant will have the right to expand into other space at Northland, subject to availability. In the event other space is not available, the Tenant may terminate the lease upon 90 days’ notice.

**ACTION:**

We are requesting that the Board of Directors approve a lease with Rookery Labs consistent with the terms outlined in this memorandum and to authorize the President or Executive Vice President of BUDC to execute the lease on behalf of 683 Northland Master Tenant, LLC.