

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation

Board of Directors Meeting

Date: Tuesday, July 30, 2024

Time: 12:00 noon

**BUDC Offices, 95 Perry Street – 4th Floor
Vista Room**

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 Corridor Project – Northland Corridor BOA Plan Consultant *(Action)(Enclosure)*

4.2 Northland Central – Lease to Rookery Labs *(Action)(Enclosure)*

4.3 Ralph C. Wilson, Jr. Centennial Park – GLC Grant Agreement #5 *(Action)(Enclosure)*

4.4 BLCP - Brokerage Services for 80, 134, 158 & 200 Ship Canal Pkwy *(Action)(Enclosure)*

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

4.6 Ralph Wilson Park Project Update *(Information)*

4.7 Northland Corridor Project Update *(Information)*

4.8 Buffalo Lakeside Commerce Park Project Update *(Information)*

5.0 LATE FILES

6.0 TABLED ITEMS

7.0 EXECUTIVE SESSION

8.0 ADJOURNMENT *(Action)*

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

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

**95 Perry Street– 4th Floor Vista Room
Buffalo, New York 14203**

**June 25, 2024
12:00 p.m.**

Directors Present:

Catherine Amdur
Mayor Byron W. Brown (Chair)
Scott Bylewski
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
Christopher P. Scanlon
Karen Utz

Directors Absent:

Trina Burruss
Darby Fishkin
Nathan Marton
Dennis M. Penman (Vice Chair)

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; and Angelo Rhodes II, Northland Project Manager.

- 1.0 Roll Call** – The meeting was called to order at 12:18 p.m. by Mayor Brown. 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 3.2.
- 2.0 Approval of Minutes – Meeting of May 28, 2024** – The minutes of the May 28, 2024 meeting of the Board of Directors were presented. Mr. Halligan made a motion to approve the meeting minutes. The motion was seconded by Mr. Scanlon and unanimously carried (14-0-0).
- 3.0 Monthly Financial Reports** – Ms. Profic presented for information purposes the financial

statements for 683 Northland Master Tenant, LLC for the period ending May 31, 2024. She then presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending May 31, 2024. The Board discussed the financial statements. Ms. Gallagher made a motion to accept the consolidated financial statements. The motion was seconded by Mr. Nasca and unanimously carried (15-0-0).

4.0 New Business

4.1 2024-2025 Election of Officers – Mr. Kucharski and Ms. Merriweather presented the following proposed slate of officers of BUDC as set forth in the June 25, 2024 memorandum to the Board of Directors:

Chair:	Hon. Byron W. Brown
Vice Chair:	Dennis M. Penman
President:	Brandye Merriweather
Executive Vice President:	Rebecca Gandour
Treasurer:	Mollie M. Profic
Assistant Treasurer:	Atiqa Abidi
Secretary:	Kevin J. Zanner

Upon motion made by Mr. Kucharski, seconded by Ms. Curry and unanimously carried (15-0-0), the foregoing slate of officers was approved, with each officer to serve a term of one (1) year and until his or her successor has been elected or appointed.

4.2 Appointment of Citizen Board Members – Ms. Merriweather and Mayor Brown presented Mayor Brown's June 25, 2024 memorandum to the Board regarding his re-appointment of Janique Curry and Thomas Halligan as citizen members and directors of BUDC, and the appointment of Crystal Morgan as a citizen member and director of BUDC. Ms. Merriweather noted that Trina Burruss decided to cycle off the Board due to United Way work commitments. Mayor Brown thanked Ms. Burruss for her contributions to the BUDC Board.

4.3 2024-2025 Board Committee Appointments – Ms. Merriweather presented the proposed slate of Committee appointments for 2024-2025. Mr. Kucharski made a motion to approve the proposed slate of Committee appointments. The motion was seconded by Mr. Nasca and unanimously carried (15-0-0). The Committee appointments approved by the Board are as follows:

Downtown Committee: Catherine Amdur; Daniel Castle; Darby Fishkin, Dottie Gallagher; Nathan Marton; Brendan R. Mehaffy (*Committee Chair*); Kimberley A. Minkel; Crystal Morgan; Christopher P. Scanlon; and Karen Utz.

Governance Committee: Hon. Byron W. Brown; Dennis W. Elsenbeck; Thomas Halligan; Thomas A. Kucharski (*Committee Chair*); Brendan R. Mehaffy; Dennis M. Penman; and Karen Utz.

Audit & Finance Committee: Catherine Amdur; Janique Curry; Crystal Morgan; David J. Nasca; and Dennis M. Penman (*Committee Chair*).

Real Estate Committee: Scott Bylewski; Janique S. Curry; Elizabeth Holden; Thomas A. Kucharski; Brendan R. Mehaffy; Kimberley A. Minkel (*Committee Chair*); and Dennis M. Penman.

Loan Committee: Dottie Gallagher; and Brendan R. Mehaffy (*Committee Chair*).

4.4 Ralph Wilson Park– RCWJF Grant Agreement #11 and 10th Amendment to BUDC-COB Wilson Foundation Subgrant Agreement – Ms. Merriweather presented her June 25, 2024

memorandum regarding the Ralph C. Wilson, Jr. Foundation Grant Agreement #11 and the 10th amendment to the BUDC-City of Buffalo Wilson Foundation subgrant agreement. Ms. Merriweather informed the Board that revisions were made to the 11th grant agreement with the Wilson Foundation to reflect that BUDC does not control the application or approval process related to the award of Buffalo and Erie County Greenway Funds and that Wilson Foundation funding is not contingent upon Greenway funds being allocated to the project. Mr. Castle expressed appreciation for these clarifications to the grant agreement. Ms. Gallagher made a motion to: (i) accept the \$6,000,000.00 award from the Wilson Foundation for Phases 1B/2 construction at Ralph Wilson Park; (ii) approve the tenth amendment to the BDC-City of Buffalo subgrant agreement allowing BUDC to transfer up to \$6,000,000.00 from Wilson Grant Agreement 11 to the City of Buffalo to support Phases 1B/2 construction at Ralph Wilson Park; and (iii) authorize the BUDC President or Executive Vice President to execute Wilson Grant Agreement 11 and the tenth amendment to the subgrant agreement, and take such other actions as are necessary or appropriate to implement this authorization. The motion was seconded by Mr. Castle and unanimously carried (15-0-0).

4.5 Ralph Wilson Park Project Update – Kelly Maloney presented an update regarding the Ralph Wilson Park project. Break wall and inlet work continue along the shoreline. Excavated soil in this area will be used for the sledding hill near the pedestrian bridge. Bridge abutment work continues. Ms. Maloney reported that the pedestrian bridge is currently in Albany and will be transported to Buffalo via the Erie Canal. It is anticipated that the bridge will arrive in Buffalo on July 16th. The construction team is preparing for bridge delivery and assembly. Final plans for bridge erection are anticipated to be approved soon. Ms. Maloney reported that utilization is currently tracking at 19.11% MBE and 26% WBE.

4.6 Buffalo Lakeside Commerce Park – Project Update – Ms. Merriweather presented an update regarding Buffalo Lakeside Commerce Park. She reported that Rob Savarino of RAS Development Company presented to the Real Estate Committee his plan to develop 193 Ship Canal Parkway for a frozen food logistics building. Ms. Merriweather also informed the Board that BUDC staff is considering whether to retain a broker to market the properties at 80-200 Ship Canal Parkway.

4.7 Buffalo's Race for Place Project Update – Ms. Merriweather presented an update regarding Buffalo's Race for Place. BUDC is working with the Office of Strategic Planning and Department of Public Works to develop an implementation strategy for infrastructure planning in the City of Buffalo. A request for proposals has been released to retain a project coordinator to oversee implementation and coordinate the infrastructure improvement projects, with responses due August 1st. The Buffalo Place Rangers, Buffalo Police Department and NFTA are coordinating efforts regarding safety and quality of life enhancements. Invest Buffalo Niagara, Buffalo Place and the Office of Strategic Planning are preparing updated metrics regarding the work patterns of individuals who commute downtown to work. These metrics will be used to help develop further strategies relating to downtown.

4.8 Northland Corridor Project Update – Mr. Rhodes presented an update regarding the Northland Corridor. Garwood Medical issued a 90-day notice to vacate the red shed space at 665 Northland Avenue. BUDC received four responses to the Northland BOA RFP. The selection committee met June 24th to determine which firms will advance to the interview stage of the process. At last week's Real Estate Committee meeting, BUDC staff led a discussion regarding EDA grant obligations and project obligations in the Northland Corridor. Additional discussions will take place with National Grid regarding BUDC's plans to expand substation capacity. With respect to Phase 3 redevelopment, BUDC is awaiting EDA approval of the construction bid documents. With respect to Phase 4 redevelopment, Wendel presented to the Real Estate Committee the proposed schematic design for 631 Northland Avenue. Mr. Mehaffy added that the Real Estate Committee is engaging in important discussions regarding these projects as they relate to BUDC sustainability and voiced support for a working session with the full BUDC Board.

5.0 Late Files – None.

6.0 **Tabled Items**

- 4.1 **COB-ARP Funding Memorandum of Understanding** – Mr. Mehaffy made a motion to remove this item from the table for the Board's consideration. The motion was seconded by Mr. Kucharski and unanimously carried (15-0-0). Ms. Merriweather then presented her June 25, 2024 memorandum regarding the BUDC-City of Buffalo American Rescue Plan funding Memorandum of Understanding. Mayor Brown thanked Council President Scanlon for his leadership in the Common Council regarding the MOU, and Ms. Gallagher for her work with the business community via the Buffalo Niagara Partnership. Mr. Scanlon then made a motion to: (i) approve the Memorandum of Understanding; and (ii) authorize the BUDC President or Executive Vice President to execute the Memorandum of Understanding on behalf of BUDC and take such other actions as are necessary or appropriate to implement this authorization. The motion was seconded by Mr. Mehaffy and unanimously carried (15-0-0).

7.0 **Executive Session** – None.

- 8.0 **Adjournment** – There being no further business to come before the Board, the June 25, 2024 meeting of the Board of Directors was adjourned at 1:05 p.m.

Respectfully submitted,

Kevin J. Zanner, Secretary

683 Northland Master Tenant, LLC

Financial Statements

June 30, 2024

(Unaudited)

683 NORTHLAND MASTER TENANT, LLC
Balance Sheet

	June 2024	May 2024	December 2023
ASSETS			
Current assets:			
Cash	\$ 365,723	\$ 593,764	\$ 518,270
Tenant receivable	63,371	27,684	26,512
Prepaid expenses	39,782	55,885	117,269
Total current assets	468,876	677,334	662,052
Prepaid rent - sublessee	553,241	550,535	535,596
Prepaid leasing commission	176,125	178,594	190,936
Tenant security deposits	80,247	80,191	79,908
Cash reserves	340,756	340,518	349,306
Equipment, net	30,754	33,754	23,162
Right of use asset - Master Lease Agreement	25,797,942	25,943,684	26,671,582
Total assets	\$ 27,447,943	\$ 27,804,611	\$ 28,512,542
LIABILITIES & MEMBERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 104,140	\$ 100,350	\$ 85,937
Due to related parties	254,935	254,935	254,935
Total current liabilities	359,076	355,286	340,872
Operating deficit loan	132,359	132,359	132,359
Tenant security deposits	79,850	79,850	79,850
Deferred operating lease liability - Master Lease Agreement	7,209,726	7,241,435	7,399,167
Deferred operating lease liability - sublessee	4,768,153	4,814,243	5,044,691
Distribution payable - priority return	-	257,904	257,904
Total noncurrent liabilities	12,190,088	12,525,790	12,913,970
MEMBERS' EQUITY	14,898,780	14,923,535	15,257,700
Total liabilities and net position	\$ 27,447,943	\$ 27,804,611	\$ 28,512,542

683 NORTHLAND MASTER TENANT, LLC
Income Statement

Year-to-Date For the Period Ended:

	<u>June 2024</u>	<u>May 2024</u>	<u>December 2023</u>
Revenues:			
Lease revenue	\$ 734,953	\$ 615,556	\$ 1,445,436
Additional lease revenue	261,708	194,702	752,072
Interest and other revenue	4,080	3,535	7,033
Total revenues	<u>1,000,741</u>	<u>813,793</u>	<u>2,204,541</u>
Expenses:			
Lease expense	948,222	790,185	1,913,148
Payroll	65,895	54,046	155,609
Utilities expense	21,561	18,715	28,115
Insurance expense	66,945	55,787	127,632
Professional fees	49,796	44,893	81,054
Property management fee	41,229	35,121	69,719
Real estate taxes	4,583	4,583	25,914
Repairs and maintenance	148,431	134,629	263,437
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	0	0	347
Depreciation expense	3,000	-	6,448
Total expenses	<u>1,359,662</u>	<u>1,147,958</u>	<u>2,681,424</u>
Net loss	(358,921)	(334,165)	(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	(358,921)	(334,165)	(476,883)
Members' capital contributions	-	-	-
Distributions	-	-	(257,904)
Members' equity - end of period	<u>\$ 14,898,780</u>	<u>\$ 14,923,535</u>	<u>\$ 15,257,700</u>

683 NORTHLAND MASTER TENANT, LLC
Statement of Cash Flows

Year-to-Date For the Period Ended:

	<u>June 2024</u>	<u>May 2024</u>	<u>December 2023</u>
Cash flows from operating activities:			
Net loss	\$ (358,921)	\$ (334,165)	\$ (476,883)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	3,000	-	6,448
Decrease (increase) in assets:			
Tenant receivables	(36,858)	(1,172)	15,694
Prepaid insurance	77,487	61,384	(1,387)
Accrued rental income	(17,645)	(14,939)	(52,202)
Prepaid leasing commission	14,811	12,342	(2,320)
Right of use asset - Master Lease Agreement	684,199	570,166	1,420,725
Increase (decrease) in liabilities:			
Security deposit liability	-	-	(5,000)
Accounts payable	18,204	14,414	(44,958)
Deferred operating lease liability - sublessee	(276,537)	(230,448)	(592,742)
Net cash provided (used) by operating activities	<u>107,739</u>	<u>77,582</u>	<u>267,373</u>
Cash flows from investing activities:			
Equipment purchases	(10,593)	(10,593)	(9,741)
Net cash used by investing activities	<u>(10,593)</u>	<u>(10,593)</u>	<u>(9,741)</u>
Cash flows from financing activities:			
Members' contributions	-	-	-
Distributions	(257,904)	-	(238,207)
Payments of prepaid rent under Master Lease Agreement	-	-	-
Net cash provided by financing activities	<u>(257,904)</u>	<u>-</u>	<u>(238,207)</u>
Net increase (decrease) in cash	(160,757)	66,989	19,425
Cash and restricted cash - beginning of period	<u>947,484</u>	<u>947,484</u>	<u>928,059</u>
Cash and restricted cash - end of period	<u>\$ 786,727</u>	<u>\$ 1,014,473</u>	<u>\$ 947,484</u>

683 NORTHLAND MASTER TENANT, LLC
Budget to Actual Comparison

	YTD June 2024	YTD Budget 2024	Variance
Revenues:			
Lease revenue	\$ 734,953	\$ 736,000	\$ (1,047)
Additional lease revenue	261,708	390,000	(128,292)
Interest and other revenue	4,080	125	3,955
Total revenues	1,000,741	1,126,125	(125,384)
Expenses:			
Lease expense	948,222	948,222	-
Payroll	65,895	86,880	(20,985)
Utilities	21,561	25,000	(3,439)
Insurance	66,945	69,000	(2,055)
Professional fees	49,796	37,500	12,296
Property management fee	41,229	37,000	4,229
Real estate taxes	4,583	16,500	(11,917)
Repairs and maintenance	148,431	147,817	614
Asset management fee	10,000	10,000	-
Miscellaneous	0	1,593	(1,593)
Depreciation	3,000	-	3,000
Total expenses	1,359,662	1,379,512	(19,850)
Net income (loss)	\$ (358,921)	\$ (253,387)	\$ (105,534)

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.
- Professional fees are above budget year-to-date because of timing (e.g. audit and tax prep fees).
- Real estate taxes are below budget year-to-date due to timing of PILOT payments.

Buffalo Urban Development Corporation
Consolidated Financial Statements
June 30, 2024
(Unaudited)

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

ASSETS	June 2024	May 2024	December 2023
Current assets:			
Cash	\$ 16,119,860	\$ 16,750,200	\$ 16,542,113
Restricted cash	23,676,894	23,654,182	460,544
Grants receivable	66,220,077	62,563,946	89,350,024
Other current assets	5,438,741	5,459,383	5,749,149
Total current assets	111,455,573	108,427,712	112,101,830
Noncurrent assets:			
Loans receivable	9,666,400	9,666,400	9,666,400
Equity investment	154,859	154,859	154,859
Capital assets, net	100,040,155	99,281,557	100,961,985
Right to use asset	7,461,002	7,462,538	7,470,200
Land and improvement held for sale, net	788,212	788,212	788,212
Total noncurrent assets	118,110,628	117,353,566	119,041,656
Total assets	\$ 229,566,201	\$ 225,781,278	\$ 231,143,486
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 1,374,050	\$ 387,329	\$ 528,067
Lines of credit	617,252	617,252	570,000
Loans payable, current	100,188	100,188	469,938
Unearned grant revenue	104,006,764	101,888,308	104,383,474
Total current liabilities	106,098,254	102,993,076	105,951,479
Deferred lease liability	26,057,567	26,171,744	26,742,613
Loans payable, noncurrent	13,629,812	13,629,812	13,629,812
Total noncurrent liabilities	39,687,379	39,801,556	40,372,425
NET POSITION			
Net investment in capital assets	87,098,367	86,339,768	87,650,447
Restricted	41,935	41,823	233,780
Unrestricted	(3,359,733)	(3,394,945)	(3,064,645)
Total net position	83,780,569	82,986,646	84,819,582
Total liabilities and net position	\$ 229,566,201	\$ 225,781,278	\$ 231,143,486

Balance Sheet Notes:

- Cash decreased mainly due to payments to vendors during the month.
- Grants receivable increased due to recording of new grant funds.
- Accounts payable/accrued expenses increased due to timing of payments of various project invoices.
- Lines of credit: balances are BUDC: \$217,251.58 ; 683 Northland: \$400,000.
- Unearned grant revenue increased due to recording of new grants during the month.

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

	<u>June</u> <u>2024</u>	<u>May</u> <u>2024</u>	<u>December</u> <u>2023</u>
Operating revenues:			
Grant revenue	\$ 8,856,643	\$ 6,975,100	\$ 31,596,676
Brownfield funds	31,655	31,655	35,823
Loan interest and commitment fees	48,332	40,277	96,664
Rental and other revenue	988,134	823,876	2,951,472
Total operating revenues	<u>9,924,765</u>	<u>7,870,908</u>	<u>34,680,635</u>
Operating expenses:			
Development costs	8,021,592	7,213,812	30,900,700
Adjustment to net realizable value	248,236	248,236	74,961
Salaries and benefits	256,150	214,756	440,561
General and administrative	349,219	325,848	1,742,514
Management fee	84,500	61,250	142,262
Depreciation	2,000,931	1,654,942	4,138,093
Total operating expenses	<u>10,960,627</u>	<u>9,718,844</u>	<u>37,439,091</u>
Operating income (loss)	(1,035,863)	(1,847,936)	(2,758,456)
Non-operating revenues (expenses):			
Loss on disposal	-	-	8,329
Interest expense	(80,036)	(50,199)	(197,771)
Interest income	76,885	65,198	126,417
Total non-operating revenues (expenses)	<u>(3,151)</u>	<u>15,000</u>	<u>(63,024)</u>
Change in net position	(1,039,014)	(1,832,936)	(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>\$ 83,780,569</u>	<u>\$ 82,986,646</u>	<u>\$ 84,819,582</u>

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Net Position
June 30, 2024 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
ASSETS					
Current assets:					
Cash	\$ 16,102,697	\$ 61	\$ 17,103	\$ -	\$ 16,119,860
Restricted cash	23,597,621	-	79,273	-	23,676,894
Grants receivable	66,220,077	-	-	-	66,220,077
Other current assets	7,848,062	28,833	132,359	(2,570,512) (1)	5,438,741
Total current assets	113,768,457	28,894	228,734	(2,570,512)	111,455,573
Noncurrent assets:					
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	9,760,615	-	90,279,540	-	100,040,155
Right to use asset	61,831	-	7,399,171	-	7,461,002
Land and improvement held for sale, net	788,212	-	-	-	788,212
Total noncurrent assets	72,464,336	67,074,772	97,678,711	(119,107,192)	118,110,628
Total assets	\$ 186,232,794	\$ 67,103,666	\$ 97,907,445	\$ (121,677,704)	\$ 229,566,201
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expense	\$ 1,395,507	\$ 2,570,512	\$ 8,543	(2,570,512) (1)	\$ 1,374,050
Line of credit	217,252	-	400,000	-	617,252
Loans payable, current	-	-	100,188	-	100,188
Unearned grant revenue	104,006,764	-	-	-	104,006,764
Total liabilities	105,589,523	2,570,512	508,731	(2,570,512)	106,098,254
Noncurrent liabilities:					
Deferred lease liability	61,831	-	25,995,736	-	26,057,567
Loans payable, noncurrent	-	52,187,279	13,629,812	(52,187,279) (1)	13,629,812
Total noncurrent liabilities	61,831	52,187,279	39,625,548	(52,187,279)	39,687,379
NET POSITION					
Net investment in capital assets	10,548,827	-	76,549,540	-	87,098,367
Restricted	41,935	-	-	-	41,935
Unrestricted	69,990,678	12,345,875	(18,776,373)	(66,919,913) (1)	(3,359,733)
Total net position	80,581,440	12,345,875	57,773,167	(66,919,913)	83,780,569
Total liabilities and net position	\$ 186,232,794	\$ 67,103,666	\$ 97,907,445	\$ (121,677,704)	\$ 229,566,201

(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: June 30, 2024 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
Operating revenues:					
Grant revenue	\$ 8,856,643	\$ -	\$ -	\$ -	\$ 8,856,643
Brownfield funds	31,655	-	-	-	31,655
Loan interest and commitment fees	48,332	-	-	-	48,332
Rental and other revenue	48,263	-	939,871	-	988,134
Total operating revenue	8,984,894	-	939,871	-	9,924,765
Operating expenses:					
Development costs	8,021,592	-	-	-	8,021,592
Adjustment to net realizable value	248,236	-	-	-	248,236
Salaries and benefits	256,150	-	-	-	256,150
General and administrative	248,940	1,615	98,664	-	349,219
Management fee	57,000	-	27,500	-	84,500
Depreciation	37,500	-	1,963,431	-	2,000,931
Total operating expenses	8,869,418	1,615	2,089,594	-	10,960,627
Operating income	115,476	(1,615)	(1,149,723)	-	(1,035,863)
Non-operating revenues (expenses):					
Interest expense	(4,987)	-	(75,050)	-	(80,036)
Interest income	76,742	1	142	-	76,885
Other income/expenses	-	-	-	-	-
Total non-operating revenues (expenses)	71,755	1	(74,907)	-	(3,151)
Change in net position	187,231	(1,614)	(1,224,631)	-	(1,039,014)
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	\$ 80,581,440	\$ 12,345,875	\$ 57,773,167	\$ (66,919,913)	\$ 83,780,569

(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: June 30, 2024 (Unaudited)

	<u>YTD June 2024</u>	<u>YTD Budget 2024</u>	<u>Variance</u>
Operating revenues:			
Grant revenue	\$ 8,856,643	\$ 9,976,000	\$ (1,119,357)
Brownfield funds	31,655	23,000	8,655
Loan interest and commitment fees	48,332	48,332	-
Rental and other revenue	988,134	1,049,179	(61,045)
Proceeds from land sales, net	-	(35,250)	35,250
Total operating revenues	<u>9,924,765</u>	<u>11,061,261</u>	<u>(1,136,496)</u>
Operating expenses:			
Development costs	8,021,592	6,297,189	1,724,404
Adjustment to net realizable value	248,236	-	248,236
Salaries and benefits	256,150	254,681	1,469
General and administrative	349,219	671,732	(322,512)
Management fee	84,500	57,000	27,500
Depreciation	2,000,931	2,040,500	(39,569)
Total operating expenses	<u>10,960,627</u>	<u>9,321,101</u>	<u>1,639,527</u>
Operating income (loss)	<u>(1,035,863)</u>	<u>1,740,161</u>	<u>(2,776,023)</u>
Non-operating revenues (expenses):			
Interest expense	(80,036)	(105,737)	25,701
Interest income	76,885	12,500	64,385
Other income/expenses	-	-	-
Total non-operating revenues (expenses)	<u>(3,151)</u>	<u>(93,237)</u>	<u>90,086</u>
Change in net position	\$ <u>(1,039,014)</u>	\$ <u>1,646,924</u>	\$ <u>(2,685,937)</u>

Budget variances:

- Grant revenue relates mainly to Ralph Wilson Park and Northland Projects. The variance is due to lower grant revenue recognition than anticipated as a result of project 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 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, 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. Difference is mainly due to timing.

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Item 4.1

MEMORANDUM

TO: BUDC Board of Directors

FROM: Angelo Rhodes II, Project Manager

SUBJECT: City of Buffalo Northland Corridor Brownfield Opportunity Area Plan Consultant

DATE: July 30, 2024

In August 2023, BUDC accepted grant funding from the New York State Department of State (NYSDOS) in order 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.

On April 19, 2024, BUDC issued a Request for Proposals (RFP) for consultant firms to provide nomination document preparation, assist with the designation of the proposed BOA, and provide project administration consultant services for the Northland Beltline BOA within the City of Buffalo. BUDC advertised the RFP in the New York State Contract Reporter and posted the RFP on its webpage. Thirty percent (30%) M/WBE participation goals were included as part of the solicitation. Questions regarding the RFP were accepted until May 27, 2024.

On June 3, 2024, BUDC received proposals from four (4) consultant firms. The proposals were reviewed and evaluated by the selection committee comprised of the following representatives from BUDC and the City of Buffalo:

- Rebecca Gandour, Executive Vice President, BUDC
- Angelo Rhodes II, Project Manager, BUDC
- Peter Cammarata, Cammarata Consulting, LLC, BUDC Consultant
- Michael Godfrey, Deputy Director of Planning & Zoning, City of Buffalo

The proposals were evaluated based upon a set of criteria including but not limited to the following:

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- Prior experience with the Department of State's Brownfield Area nomination process
- Quality and completeness of the submission
- Project understanding and Approach
- Cost-effectiveness
- Qualifications and relevant experience concerning the tasks to be performed
- Reputation among previous clients
- Demonstrated ability to complete all project tasks within allotted time and budget
- Fee proposal

As a result of the review and evaluation of the proposals received, the following two (2) teams were selected for interviews, which were held on July 8th and July 15th by the selection committee:

1. Fisher Associates, Prospect Hill, and Hallmark Planning & Development
2. Colliers Engineering & Design, Lu Engineers, and Sustainable Planning Design

After much discussion, the selection committee is recommending entering into a contract with Colliers Engineering & Design. The selection committee felt the Colliers team best demonstrated their expertise with Brownfield Opportunity Areas, and provided a comprehensive approach and framework to complete the Brownfield Opportunity Area (BOA) Nomination Plan and actionable implementation strategy.

The Colliers Engineering & Design breakdown of M/WBE businesses on the contract are:

- Minority-owned Business Enterprise (MBE): 9%
- Women-owned Business Enterprise (WBE): 21%

The contract amount will not exceed \$97,500 and would be eligible for reimbursement from grant funds provided by the NYSDOS. BUDC will receive 25% of the grant award as an advance payment from NYSDOS, with the remaining funding reimbursed to BUDC on a quarterly basis based on costs incurred. Under the terms of its grant agreement with NYSDOS, BUDC is required to provide a ten percent (10%) match of funds in the amount of \$9,750. The required match will be funded by Buffalo Brownfields Redevelopment Fund, as previously authorized by the BUDC Board of Directors. BUDC staff and legal counsel are in the process of preparing the terms of the contract, which will pass on NYSDOS grant obligations to Colliers E&D as required by BUDC's grant agreement with NYSDOS. This item was reviewed with the Real Estate Committee at its July 23, 2024 meeting and was recommended for Board approval.

ACTION:

I am requesting that the BUDC Board of Directors: (i) authorize BUDC to enter into an agreement with Colliers Engineering & Design, to provide nomination document preparation, assist with the designation of the proposed BOA, and project administration consultant services for the Northland Beltline Brownfield Opportunity Area (BOA) within the City of Buffalo for an amount not to exceed \$97,500; and (ii) authorize the BUDC President or Executive Vice President to execute the agreement with Colliers Engineering & Design and take such other actions as may be necessary or appropriate to implement this authorization.

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Item 4.2

MEMORANDUM

TO: BUDC Board of Directors
FROM: Rebecca Gandour, Executive Vice President
SUBJECT: Northland Central – Lease to Rookery Labs
DATE: July 30, 2024

BUDC executive staff and CBRE Upstate NY have been working with the principals of Egret Healthcare Ventures on the terms of a proposed lease for its start-up company, Rookery Labs to operate out of the “Red Shed” building at 683 Northland. Egret Healthcare Ventures is a med-tech company co-founded by William Maggio, the former CEO of the Jacobs Institute.

The current tenant, Garwood Medical Devices, is vacating the space as of August 31, 2024.

The parties have negotiated a non-binding letter of intent for a triple-net lease, the principal terms of which are as follows:

- 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. Term; Option to Renew: 63 months, commencing as of September 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%).

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- F. Rent: Monthly Base Rent of \$4,888.33 commencing as of December 1, 2024, with an annual three percent (3%) increase. The Tenant will be responsible for the payment of Additional Rent commencing as of September 1, 2024.
- G. Security Deposit: The Tenant will provide a security deposit in the amount of \$4,888.33.
- 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. Lease Guarantee: Egret Healthcare Ventures will guarantee the Tenant’s obligations under the lease.
- L. Right to Expand: After the 39th 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.

This item was reviewed with the Real Estate Committee at its July 23rd meeting and was recommended for Board approval.

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.

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Item 4.3

MEMORANDUM

TO: BUDC Board of Directors

FROM: Rebecca Gandour, Executive Vice President

SUBJECT: Ralph C. Wilson, Jr. Centennial Park – GLC Grant Agreement #5

DATE: July 30, 2024

BUDC has been the recipient of the following grant awards from the Great Lakes Commission (“GLC”) for the design and construction of shoreline and inlet elements at Ralph C. Wilson, Jr. Centennial Park (“Ralph Wilson Park”):

- Grant Agreement dated September 17, 2020 in the amount of \$1,000,000.00
- Grant Agreement dated August 24, 2021 in the amount of \$238,000.00
- Grant Agreement dated July 22, 2022, as modified on February 21, 2024 in the amount of \$1,694,716.00
- Grant Agreement dated March 1, 2023 in the amount of \$9,800,000.00

GLC has recently authorized a fifth grant award in the amount of approximately \$1.63 million for additional construction funding in support of the Ralph Wilson Park project. On July 23, 2024, GLC provided BUDC with a copy of the fifth grant agreement (the “GLC Grant Agreement”) which is under review by legal counsel. The GLC Grant Agreement for these funds contains terms that are substantially similar to those from the prior grant agreements entered into by BUDC and GLC. This includes requirements relating to insurance, climate change resiliency, and Build American, Buy American requirements. While BUDC and counsel have not received all attachments to the GLC Grant Agreement, it is anticipated that these attachments do not substantially differ from those included in prior grant agreements with GLC.

The GLC Grant Agreement contains provisions stating that the grant funding is subject to federal grant requirements of the United States Department of Commerce, which will apply to BUDC in its administration of the grant as well as to each subcontractor or other entity that is paid with the

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funds. BUDC will pass on these federal grant obligations and funding to the City of Buffalo through an amendment to the BUDC-City of Buffalo subgrant agreement relating to GLC funding.

ACTION:

We are requesting that the BUDC Board of Directors: (i) approve the acceptance by BUDC of an approximately \$1.63 million grant from the Great Lakes Commission for additional construction funding in support of the Ralph Wilson Park project; (ii) authorize BUDC to enter into the second amendment to the subgrant agreement with the City of Buffalo to allow BUDC to move funds for additional construction funding to the City, and to pass through the federal grant obligations in the GLC Grant Agreement; and (iii) authorize the BUDC President or Executive Vice President to execute the GLC Grant Agreement and second amendment to the BUDC-City of Buffalo subgrant agreement and take such other actions as are necessary or appropriate to implement this authorization.

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Item 4.4

MEMORANDUM

TO: BUDC Board of Directors

FROM: Rebecca Gandour, Executive Vice President

SUBJECT: Buffalo Lakeside Commerce Park: Brokerage Services for 80, 134, 158 and 200 Ship Canal Parkway

DATE: July 30, 2024

80, 134, 158 and 200 Ship Canal Parkway are contiguous parcels at Buffalo Lakeside Commerce Park consisting of approximately 12 acres and together they represent the last remaining parcels owned by the Buffalo Urban Development Corporation (BUDC) at Buffalo Lakeside Commerce Park that are available for purchase but not currently under contract.

In an effort to further promote the marketing of these development sites, BUDC staff recently solicited proposals from four firms requesting proposals for brokerage services for 80, 134, 158, and 200 Ship Canal Parkway. Of the four firms contacted, three firms submitted responses with the following commission proposals: CBRE Upstate NY (CBRE) (6% commission); Pyramid Brokerage Company (10% commission); and WindsorTurner, LLC (5% commission).

After review and evaluation of the proposals, BUDC staff is recommending that CBRE be selected for brokerage services. While CBRE did not propose the lowest commission percentage, BUDC staff is recommending that CBRE be retained due to their regional and national reach and synergy as the current Northland Corridor broker. The proposed six percent commission structure is the same commission percentage BUDC and CBRE agreed to for the lease of Northland Corridor properties. It is proposed that the term of the agreement be for three years, commencing as of August 1, 2024.

In accordance with the BUDC conflict of interest policy, it is recognized that BUDC Board Member Darby Fishkin is the Chief Operating Officer of CBRE Upstate NY. Ms. Fishkin previously disclosed her interest in CBRE during the selection of a property manager and broker for the Northland Corridor. This interest was evaluated by the BUDC Governance Committee and

Board of Directors and at its January 30, 2024 meeting, the BUDC Board of Directors, in accordance with the BUDC conflict of interest policy determined that the transaction was fair, reasonable and in BUDC's best interests and that other property management and leasing firms were considered.

Under the BUDC conflict of interest policy, Darby Fishkin is considered a related party for this proposed transaction due to her roles with BUDC and CBRE. In order to proceed with a Related Party Transaction, the BUDC Board of Directors is required to determine that the transaction is fair, reasonable and in BUDC's best interest, and that the Board has considered alternatives to the extent available.

Staff's recommendation to retain CBRE was reviewed with the Real Estate Committee at its July 23rd meeting and was recommended for Board approval.

ACTION:

I am requesting that the BUDC Board of Directors:

1. Determine that the proposed transaction described in this memorandum is a Related Party Transaction and is fair, reasonable, and in BUDC's best interest, and that the BUDC Board has considered alternatives to the extent available and after considering such alternatives, it is in BUDC's best interest to proceed with entering into an agreement with CBRE.
2. Authorize BUDC to enter into an agreement with CBRE for brokerage services for 80, 134, 158 and 200 Ship Canal Parkway on the terms set forth in this memorandum.
3. Authorize the BUDC President or Executive Vice President to execute the agreement with CBRE and take such other actions as may be necessary or appropriate to implement this authorization.