

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, September 24, 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 - 631 Northland Avenue Consultant Change Order *(Action)(Enclosure)*

4.2 Northland Corridor Project - Northland Snow Removal Services *(Action)(Enclosure)*

4.3 Ralph Wilson Park Project – Wilson Foundation Grant Agreement #12 and 11th Amendment to
BUDC-COB-Wilson Subgrant Agreement *(Action)(Enclosure)*

4.4 Ralph Wilson Park Project Update *(Information)*

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

4.6 Northland Corridor Project Update *(Information)*

4.7 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– 4th Floor Vista Room
Buffalo, New York 14203**

**August 27, 2024
12:00 p.m.**

Directors Present:

Mayor Byron W. Brown (Chair)
Scott Bylewski
Daniel Castle
Janique S. Curry
Darby Fishkin
Dottie Gallagher
Thomas A. Kucharski
Nathan Marton
Brendan R. Mehaffy
Kimberley A. Minkel
Dennis M. Penman (Vice Chair)
Christopher P. Scanlon
Karen Utz

Directors Absent:

Catherine Amdur
Dennis W. Elsenbeck
Thomas Halligan
Elizabeth A. Holden
Crystal Morgan
David J. Nasca

Officers Present:

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

Guests Present: Cristina Cordero, Gardiner & Theobald (via Zoom); Jonathan Epstein, *The Buffalo News*; 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; JJ Tighe, Ralph C. Wilson, Jr. Foundation (via Zoom); and Kari Bonaro, Ralph Wilson Park Conservancy.

- 1.0 Roll Call** – The meeting was called to order at 12:12 p.m. by Mayor Brown. The Secretary called the roll of directors and a quorum of the Board was determined to be present. Mr. Kucharski and Ms. Curry joined the meeting during the presentation of item 3.1. Mayor Brown welcomed Yolando Mullen, who has been hired as a BUDC project manager.
- 2.0 Approval of Minutes – Meeting of July 30, 2024** – The minutes of the July 30, 2024 meeting of the Board of Directors were presented. Ms. Gallagher made a motion to approve the meeting minutes.

The motion was seconded by Ms. Minkel and unanimously carried (11-0-0).

- 3.0 Monthly Financial Reports** – Ms. Profic presented for information purposes the financial statements for 683 Northland Master Tenant, LLC for the period ending July 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 July 31, 2024.

Mr. Mehaffy then led a detailed presentation and discussion regarding the financial stability and sustainability of BUDC. Mr. Mehaffy shared with the Board a draft spreadsheet containing an analysis of BUDC cash flow projections. Mr. Mehaffy commented on cash flow projections for the remaining months of 2024 and noted that receipt of anticipated funds from BUDC's funding sources is critical in order for the organization to reach targeted cash flow projections in 2025. Mr. Mehaffy stressed the importance of having conversations regarding BUDC sustainability now, as this will aid BUDC in determining what funding and resources the organization can commit moving forward with respect to Northland, Buffalo Lakeside Commerce Park, and the Queen City Hub Revisited initiative. The Board discussed the cash flow projections presented by Mr. Mehaffy. Ms. Minkel agreed that it is important for the Board to be thinking about organizational sustainability and noted the ongoing capital costs associated with the buildings and properties owned by BUDC. Ms. Gallagher expressed that BUDC's role is not to subsidize Northland. Mr. Mehaffy noted that BUDC staff and legal counsel have prepared property summaries identifying grant funding sources and BUDC's grant obligations for the Northland Corridor properties, and noted this will aid in setting sustainable rent rates in the Corridor and decisions related to the potential disposition of properties. Mr. Mehaffy commented that grants alone are not a sustainable strategy and that the Board will revisit this issue in more detail in September. Following this discussion, Mr. Penman made a motion to accept the BUDC consolidated financial statements. The motion was seconded by Curry and unanimously carried (13-0-0).

4.0 New Business

4.1 BLCP – Amendment to Brokerage Services Agreement for 193 Ship Canal Parkway –

Ms. Gandour presented her August 27, 2024 memorandum regarding the retention of a real estate brokerage firm for 193 Ship Canal Parkway and proposed amendment of the brokerage service agreement with CBRE. Ms. Gandour noted that staff did not conduct a separate solicitation for these additional broker services as BUDC completed a solicitation for broker services for 80-200 Ship Canal Parkway that was approved by the BUDC Board at its July 30, 2024 meeting. She also noted that these additional services by CBRE qualify as the single-source exception under the BUDC procurement policy. It was noted that Board member Darby Fishkin is the COO of CBRE Upstate NY and is considered a related party under the BUDC conflict of interest policy. In order for the Board to proceed with the proposed transaction, the Board is required to determine that the transaction is fair, reasonable and in BUDC's best interest and that the Board has considered alternatives to extent available.

Following the presentation, Ms. Gallagher made a motion that the Board: (i) determine that the proposed transaction to retain CBRE as broker 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 amendment to the agreement with CBRE; (ii) authorize BUDC to enter into an amendment to the agreement with CBRE for brokerage services for 193 Ship Canal Parkway on the terms set forth in the Board memorandum; and (iii) 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. The motion was seconded by Mr. Scanlon and (with Ms. Fishkin abstaining) carried with twelve affirmative votes (12-0-1).

- 4.2 Ralph C. Wilson, Jr. Centennial Park – MVVA Amendment #14** – Ms. Gandour presented her August 27, 2024 memorandum regarding the proposed 14th amendment to the BUDC-MVVA agreement for value engineering design services for Phase 2. In response to a question from Ms. Gallagher regarding value engineering, Ms. Gandour and Mr. Mehaffy explained that this amendment

will allow for flexibility to consider alternate design options which are dependent upon funding sources that have not yet been secured. Ms. Minkel then made a motion to: (i) approve an amendment to the MVVA Agreement for a not to exceed amount of \$340,147 for Phase 2 value engineering design services at Ralph Wilson Park; (ii) authorize BUDC to enter into amendments to Wilson Grant Agreement 5 and Wilson Grant Agreement 7 to utilize this funding for value engineering design services to be performed by MVVA; and (iii) authorize the BUDC President or Executive Vice President to execute the amendment to the MVVA Agreement and amendments to Wilson Grant Agreement 5 and Wilson Grant Agreement 7 and take such other actions as are necessary to implement this authorization. The motion was seconded by Mr. Mehaffy and unanimously carried (13-0-0).

4.3 Ralph Wilson Park Project Update – Kelly Maloney began the update regarding the Ralph Wilson Park project. Inlet work is complete and scalloping work along the shoreline is progressing. The bridge has been welded together and a painter is on-site to paint the bridge. Bridge abutment work is nearly complete. It is anticipated that the bridge will be erected October 5th. Ms. Maloney reported that utilization is currently tracking at 19.11% MBE and 26% WBE. JJ Tighe then thanked the City of Buffalo and BUDC for its efforts at Ralph Wilson Park and noted that the Ralph C. Wilson, Jr. Foundation is excited about the continued progress of the Park's construction. Kari Banaro of the Ralph Wilson Park Conservancy shared a video highlighting the journey of the pedestrian bridge to Buffalo. She noted that the Conservancy is currently focusing on community messaging and engagement for the bridge installation.

4.4 Buffalo's Race for Place Project Update – Ms. Merriweather presented an update regarding Buffalo's Race for Place. A request for proposals has been issued to retain a project coordinator to oversee implementation and coordinate infrastructure improvement projects in the City of Buffalo. Responses to the RFP are due Thursday, August 29th. The Downtown Waterfront Improvement Plan is completed and available on BUDC's website. BUDC is working with ESD to make available the ten million dollars committed by New York State to begin implementation of the Waterfront Improvement Plan. Focus group meetings and the data collection stage are wrapping up for the Queen City Revisited Plan. Mr. Mehaffy added that the Office of Strategic Planning anticipates that data will be shared with policymakers beginning in September to determine how to respond to challenges faced in the Central Business District.

4.5 Northland Corridor Project Update – Mr. Rhodes presented an update regarding the Northland Corridor. With respect to Phase 3 redevelopment, EDA mortgage and certification documents for the Phase 3 project will be reviewed by EDA legal counsel within the next month. BUDC staff and legal counsel met with the Public Service Commission to discuss the substation at 644 Northland. PSC has acknowledged that it cannot identify a comparable project, and further discussions with PSC will be needed. With respect to Phase 4 redevelopment, Wendel is working on Part 2 of SHPO requirements regarding historic preservation requirements for the 631 Northland building. BUDC and Colliers Engineering & Design will hold a kickoff meeting today to discuss the Brownfield Opportunity Area Nomination Plan for the Northland Corridor. The Northland Workforce Training Center began construction on its auto-tech space on the campus. Garwood will be leaving the red shed space at the end of August. The final Food Truck Thursday event at Northland will be held August 29th.

4.6 Buffalo Lakeside Commerce Park – Project Update – Ms. Gandour presented an update regarding Buffalo Lakeside Commerce Park. RAS Development decided not to further extend its exclusivity agreement with BUDC for 193 Ship Canal Parkway. The developer owes BUDC approximately \$6,800 in unpaid exclusivity payments and legal expenses. BUDC staff sent a letter to RAS Development with an invoice for these expenses. CBRE has prepared marketing materials and signage for 80, 134, 158, and 200 Ship Canal Parkway. Uniland has still not paid its outstanding assessment invoice of approximately \$15,000. Legal counsel will send a letter reminding Uniland of its obligations to the POA. BUDC is working with the City to address graffiti removal at BLCP.

5.0 Late Files – None.

6.0 Tabled Items – None.

7.0 Executive Session – None.

8.0 Adjournment – There being no further business to come before the Board, upon motion made by Mr. Mehaffy, seconded by Ms. Curry and unanimously carried, the August 27, 2024 meeting of the Board of Directors was adjourned at 1:06 p.m.

Respectfully submitted,

Kevin J. Zanner
Secretary

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

683 NORTHLAND MASTER TENANT, LLC
Balance Sheet

	August 2024	July 2024	December 2023
ASSETS			
Current assets:			
Cash	\$ 480,969	\$ 291,809	\$ 518,270
Tenant receivable	31,408	152,483	26,512
Prepaid expenses	8,923	24,322	117,269
Total current assets	521,300	468,614	662,052
Prepaid rent - sublessee	556,495	554,868	535,596
Prepaid leasing commission	171,188	173,657	190,936
Tenant security deposits	80,363	80,305	79,908
Cash reserves	341,249	341,003	349,306
Equipment, net	30,754	30,754	23,162
Right of use asset - Master Lease Agreement	25,506,296	25,652,146	26,671,582
Total assets	\$ 27,207,646	\$ 27,301,347	\$ 28,512,542
LIABILITIES & MEMBERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 86,987	\$ 99,399	\$ 85,937
Due to related parties	254,935	254,935	254,935
Total current liabilities	341,922	354,334	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	7,146,146	7,177,963	7,399,167
Deferred operating lease liability - sublessee	4,675,974	4,722,064	5,044,691
Distribution payable - priority return	-	-	257,904
Total noncurrent liabilities	12,034,329	12,112,236	12,913,970
MEMBERS' EQUITY	14,831,395	14,834,777	15,257,700
Total liabilities and net position	\$ 27,207,646	\$ 27,301,347	\$ 28,512,542

683 NORTHLAND MASTER TENANT, LLC
Income Statement

Year-to-Date For the Period Ended:

	August 2024	July 2024	December 2023
Revenues:			
Lease revenue	\$ 981,175	\$ 858,064	\$ 1,445,436
Additional lease revenue	395,720	328,714	752,072
Interest and other revenue	5,248	4,655	7,033
Total revenues	<u>1,382,143</u>	<u>1,191,433</u>	<u>2,204,541</u>
Expenses:			
Lease expense	1,264,296	1,106,259	1,913,148
Payroll	78,238	73,833	155,609
Utilities expense	24,777	26,214	28,115
Insurance expense	89,259	78,102	127,632
Professional fees	58,133	53,597	81,054
Property management fee	52,847	47,037	69,719
Real estate taxes	15,079	15,079	25,914
Repairs and maintenance	212,819	201,235	263,437
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	0	0	347
Depreciation expense	3,000	3,000	6,448
Total expenses	<u>1,808,448</u>	<u>1,614,356</u>	<u>2,681,424</u>
Net loss	(426,305)	(422,923)	(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	(426,305)	(422,923)	(476,883)
Members' capital contributions	-	-	-
Distributions	-	-	(257,904)
Members' equity - end of period	<u>\$ 14,831,395</u>	<u>\$ 14,834,777</u>	<u>\$ 15,257,700</u>

683 NORTHLAND MASTER TENANT, LLC
Statement of Cash Flows

Year-to-Date For the Period Ended:

	<u>August 2024</u>	<u>July 2024</u>	<u>December 2023</u>
Cash flows from operating activities:			
Net loss	\$ (426,305)	\$ (422,923)	\$ (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	(4,895)	(125,971)	15,694
Prepaid insurance	108,346	92,947	(1,387)
Accrued rental income	(20,899)	(19,272)	(52,202)
Prepaid leasing commission	19,748	17,280	(2,320)
Right of use asset - Master Lease Agreement	912,265	798,232	1,420,725
Increase (decrease) in liabilities:			
Security deposit liability	-	-	(5,000)
Accounts payable	1,050	13,462	(44,958)
Deferred operating lease liability - sublessee	(368,716)	(322,627)	(592,742)
Net cash provided (used) by operating activities	<u>223,594</u>	<u>34,129</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)	(257,904)	(238,207)
Payments of prepaid rent under Master Lease Agreement	-	-	-
Net cash provided by financing activities	<u>(257,904)</u>	<u>(257,904)</u>	<u>(238,207)</u>
Net increase (decrease) in cash	(44,903)	(234,368)	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><u>\$ 902,581</u></u>	<u><u>\$ 713,116</u></u>	<u><u>\$ 947,484</u></u>

683 NORTHLAND MASTER TENANT, LLC
Budget to Actual Comparison

	<u>YTD August 2024</u>	<u>YTD Budget 2024</u>	<u>Variance</u>
Revenues:			
Lease revenue	\$ 981,175	\$ 981,333	\$ (158)
Additional lease revenue	395,720	520,000	(124,280)
Interest and other revenue	5,248	167	5,081
Total revenues	<u>1,382,143</u>	<u>1,501,500</u>	<u>(119,357)</u>
Expenses:			
Lease expense	1,264,296	1,264,296	-
Payroll	78,238	115,840	(37,602)
Utilities	24,777	33,333	(8,557)
Insurance	89,259	92,000	(2,741)
Professional fees	58,133	50,000	8,133
Property management fee	52,847	49,333	3,514
Real estate taxes	15,079	22,000	(6,921)
Repairs and maintenance	212,819	197,089	15,730
Asset management fee	10,000	10,000	-
Miscellaneous	0	2,124	(2,124)
Depreciation	3,000	3,333	(333)
Total expenses	<u>1,808,448</u>	<u>1,839,349</u>	<u>(30,901)</u>
Net income (loss)	\$ (426,305)	\$ (337,849)	\$ (88,456)

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
August 31, 2024
(Unaudited)

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

	August 2024	July 2024	December 2023
ASSETS			
Current assets:			
Cash	\$ 8,526,709	\$ 7,745,147	\$ 16,542,113
Restricted cash	22,533,558	23,598,237	460,544
Grants receivable	62,905,337	63,970,077	89,350,024
Other current assets	5,290,348	5,342,305	5,749,149
Total current assets	99,255,952	100,655,766	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	99,369,827	99,694,167	100,961,985
Right to use asset	7,457,913	7,459,460	7,470,200
Land and improvement held for sale, net	788,212	788,212	788,212
Total noncurrent assets	117,437,211	117,763,098	119,041,656
Total assets	\$ 216,693,163	\$ 218,418,865	\$ 231,143,486
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 1,393,087	\$ 362,808	\$ 528,067
Lines of credit	537,252	1,721,839	570,000
Loans payable, current	100,188	100,188	469,938
Unearned grant revenue	92,124,552	93,197,687	104,383,474
Total current liabilities	94,155,079	95,382,521	105,951,479
Deferred lease liability	25,829,195	25,943,384	26,742,613
Loans payable, noncurrent	13,629,812	13,629,812	13,629,812
Total noncurrent liabilities	39,459,007	39,573,196	40,372,425
NET POSITION			
Net investment in capital assets	86,428,038	86,752,378	87,650,447
Restricted	44,380	44,256	233,780
Unrestricted	(3,393,341)	(3,333,487)	(3,064,645)
Total net position	83,079,077	83,463,148	84,819,582
Total liabilities and net position	\$ 216,693,163	\$ 218,418,865	\$ 231,143,486

Balance Sheet Notes:

- Cash increased (and grants receivable decreased) due to grant funds received during the month.
- Restricted cash decreased due to release of funds from imprest account during the month.
- Capital assets decrease is due to monthly depreciation expense.
- Accounts payable/accrued expenses increased due to timing of invoice payments, most related to Ralph Wilson Park.
- Lines of credit: balances are BUDC: \$217,252; 683 Northland: \$320,000. Paydowns during August were: BUDC \$1,104,587; 683 Northland: \$80,000.
- Unearned grant revenue decreased due to recognition of grant income during the month.

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

	August 2024	July 2024	December 2023
Operating revenues:			
Grant revenue	\$ 22,826,605	\$ 21,665,720	\$ 31,596,676
Brownfield funds	33,860	33,860	35,823
Loan interest and commitment fees	64,443	56,387	96,664
Rental and other revenue	1,328,651	1,152,393	2,951,472
Total operating revenues	24,253,559	22,908,360	34,680,635
Operating expenses:			
Development costs	22,224,791	20,888,776	30,900,700
Adjustment to net realizable value	257,116	253,836	74,961
Salaries and benefits	332,869	296,273	440,561
General and administrative	388,665	374,423	1,742,514
Management fee	103,500	94,000	142,262
Depreciation	2,674,157	2,346,919	4,138,093
Total operating expenses	25,981,098	24,254,227	37,439,091
Operating income (loss)	(1,727,539)	(1,345,867)	(2,758,456)
Non-operating revenues (expenses):			
Loss on disposal	-	-	8,329
Interest expense	(101,143)	(92,658)	(197,771)
Interest income	88,177	82,090	126,417
Total non-operating revenues (expenses)	(12,966)	(10,568)	(63,024)
Change in net position	(1,740,505)	(1,356,435)	(2,821,480)
Net position - beginning of period	84,819,582	84,819,582	87,598,751
Capital contributions, net of distributions	-	-	42,311
Net position - end of period	\$ 83,079,077	\$ 83,463,148	\$ 84,819,582

BUFFALO URBAN DEVELOPMENT CORPORATION

Consolidating Statement of Net Position

August 31, 2024 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
ASSETS					
Current assets:					
Cash	\$ 8,509,964	\$ 2,681	\$ 14,063	\$ -	\$ 8,526,709
Restricted cash	22,454,716	-	78,842	-	22,533,558
Grants receivable	62,905,337	-	-	-	62,905,337
Other current assets	7,707,885	1,097	132,359	(2,550,992)	5,290,348
Total current assets	101,577,903	3,778	225,264	(2,550,992)	99,255,952
Noncurrent assets:					
Loans receivable	61,853,679	-	-	(52,187,279)	9,666,400
Equity investment	-	67,074,772	-	(66,919,913)	154,859
Capital assets, net	9,744,764	-	89,625,063	-	99,369,827
Right to use asset	58,742	-	7,399,171	-	7,457,913
Land and improvement held for sale, net	788,212	-	-	-	788,212
Total noncurrent assets	72,445,396	67,074,772	97,024,234	(119,107,192)	117,437,211
Total assets	\$ 174,023,300	\$ 67,078,550	\$ 97,249,498	\$ (121,658,184)	\$ 216,693,163
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expense	\$ 1,390,812	\$ 2,550,992	\$ 2,274	(2,550,992)	1,393,087
Line of credit	217,252	-	320,000	-	537,252
Loans payable, current	-	-	100,188	-	100,188
Unearned grant revenue	92,124,552	-	-	-	92,124,552
Total liabilities	93,732,616	2,550,992	422,462	(2,550,992)	94,155,079
Noncurrent liabilities:					
Deferred lease liability	58,742	-	25,770,453	-	25,829,195
Loans payable, noncurrent	-	52,187,279	13,629,812	(52,187,279)	13,629,812
Total noncurrent liabilities	58,742	52,187,279	39,400,265	(52,187,279)	39,459,007
NET POSITION					
Net investment in capital assets	10,532,975	-	75,895,063	-	86,428,038
Restricted	44,380	-	-	-	44,380
Unrestricted	69,654,586	12,340,279	(18,468,293)	(66,919,913)	(3,393,341)
Total net position	80,231,941	12,340,279	57,426,770	(66,919,913)	83,079,077
Total liabilities and net position	\$ 174,023,300	\$ 67,078,550	\$ 97,249,498	\$ (121,658,184)	\$ 216,693,163

(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: August 31, 2024 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
Operating revenues:					
Grant revenue	\$ 22,826,605	\$ -	\$ -	\$ -	\$ 22,826,605
Brownfield funds	33,860	-	-	-	33,860
Loan interest and commitment fees	64,443	-	-	-	64,443
Rental and other revenue	75,490	-	1,253,161	-	1,328,651
Total operating revenue	23,000,397	-	1,253,161	-	24,253,559
Operating expenses:					
Development costs	22,224,791	-	-	-	22,224,791
Adjustment to net realizable value	257,116	-	-	-	257,116
Salaries and benefits	332,869	-	-	-	332,869
General and administrative	282,611	7,215	98,839	-	388,665
Management fee	76,000	-	27,500	-	103,500
Depreciation	56,250	-	2,617,907	-	2,674,157
Total operating expenses	23,229,637	7,215	2,744,246	-	25,981,098
Operating income	(229,239)	(7,215)	(1,491,085)	-	(1,727,539)
Non-operating revenues (expenses):					
Interest expense	(21,020)	-	(80,123)	-	(101,143)
Interest income	87,991	5	181	-	88,177
Other income/expenses	-	-	-	-	-
Total non-operating revenues (expenses)	66,971	5	(79,943)	-	(12,966)
Change in net position	(162,268)	(7,210)	(1,571,028)	-	(1,740,505)
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	\$ 80,231,941	\$ 12,340,279	\$ 57,426,770	\$ (66,919,913)	\$ 83,079,077

(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: August 31, 2024 (Unaudited)

	<u>YTD August 2024</u>	<u>YTD Budget 2024</u>	<u>Variance</u>
Operating revenues:			
Grant revenue	\$ 22,826,605	\$ 13,301,333	\$ 9,525,271
Brownfield funds	33,860	30,667	3,193
Loan interest and commitment fees	64,443	64,443	(0)
Rental and other revenue	1,328,651	1,398,905	(70,254)
Proceeds from land sales, net	-	(47,000)	47,000
Total operating revenues	<u>24,253,559</u>	<u>14,748,348</u>	<u>9,505,211</u>
Operating expenses:			
Development costs	22,224,791	8,396,251	13,828,540
Adjustment to net realizable value	257,116	-	257,116
Salaries and benefits	332,869	339,574	(6,705)
General and administrative	388,665	895,642	(506,977)
Management fee	103,500	76,000	27,500
Depreciation	<u>2,674,157</u>	<u>2,720,667</u>	<u>(46,509)</u>
Total operating expenses	<u>25,981,098</u>	<u>12,428,134</u>	<u>13,552,964</u>
Operating income (loss)	(1,727,539)	2,320,214	(4,047,753)
Non-operating revenues (expenses):			
Interest expense	(101,143)	(140,983)	39,840
Interest income	88,177	16,667	71,510
Other income/expenses	-	-	-
Total non-operating revenues (expenses)	<u>(12,966)</u>	<u>(124,316)</u>	<u>111,350</u>
Change in net position	\$ <u>(1,740,505)</u>	\$ <u>2,195,898</u>	\$ <u>(3,936,403)</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 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 cost control and timing.

Buffalo Urban Development Corporation

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Item 4.1

MEMORANDUM

TO: BUDC Board of Directors
FROM: Angelo Rhodes II, Project Manager
SUBJECT: Northland Corridor – 631 Northland Avenue Consultant Change Order
DATE: September 24, 2024

On October 31, 2023, the BUDC Board of Directors approved a contract with Wendel for A&E, Historic Preservation, Project Inspection, and Grant Administration Services for the redevelopment of 631 Northland Avenue. As part of this redevelopment, Wendel, through its subconsultant Ravi Engineering & Land Surveying, P.C. (Ravi), completed initial subsurface investigations and environmental testing at the project site.

Wendel has determined that additional environmental testing is needed. Ravi proposes to collect up to fifteen (15) soil samples for analysis in order to generate additional data and establish the project site's eligibility for the Brownfield Cleanup Program.

The testing would be completed by Ravi as an additional service, which will be processed as an amendment to BUDC's agreement with Wendel. The total cost of the work will not exceed \$14,670 and will be funded through BUDC's RECAP grant with Empire State Development, which was previously approved by the BUDC Board of Directors at its October 31, 2023 meeting. This item was reviewed with the BUDC Real Estate Committee on September 19, 2024 and recommended for Board approval.

ACTION:

I am requesting that the BUDC Board of Directors: (i) approve an amendment to the Wendel consulting agreement for a not to exceed amount of \$14,670 for additional environmental testing for the 631 Northland Redevelopment project; and (ii) authorize the BUDC President or Executive Vice President to execute an amendment to the Wendel agreement 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: Angelo Rhodes II, Project Manager

SUBJECT: Northland Snow Removal Services

DATE: September 24, 2024

BUDC's property management team, Comvest Real Estate Management, solicited proposals for three (3) seasons of snow removal services for the Northland Campus for the contract period of November 1, 2024 through March 31, 2027. The solicitation was shared with five contractors, three of which are MBE or WBE-owned or affiliated businesses.

Comvest received a total of three (3) responses from the following contractors:

- Landscape Associates of WNY, Inc.
- Buffalo Capital Services LLC
- Roll Hill Landscaping Service

After review and evaluation of the proposals Comvest is recommending entering into a contract with Landscape Associates of WNY, Inc. ("LAWNY"). LAWNY is an affiliated company of Scott Lawn Yard, a WBE firm. Of the three proposals, LAWNY offered the lowest cost and has delivered outstanding service as the current snow removal provider at Northland. LAWNY has proposed a per-season cost of \$126,758.00 for the first two contract seasons, with a three percent (3%) increase in the third and final contract season, at a cost of \$130,561.00. This item was reviewed with BUDC Real Estate Committee on September 19, 2024 and recommended for Board approval.

ACTION:

I am requesting that the Board of Directors authorize a contract between Comvest Real Estate Management and Landscape Associates of WNY for snowplow services for the Northland Corridor for a total amount up to \$384,077 for the three (3) year contract period.

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

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Item 4.3

MEMORANDUM

TO: BUDC Board of Directors

FROM: Yolando Mullen, Project Manager

SUBJECT: Ralph C. Wilson, Jr. Centennial Park– Ralph C. Wilson, Jr. Foundation Grant Agreement #12 and 11th Amendment to BUDC - City of Buffalo Wilson Foundation Subgrant Agreement

DATE: September 24, 2024

On April 30, 2024, BUDC secured an additional grant of \$6,000,000 from the Ralph C. Wilson Jr. Foundation (Wilson Foundation) to finalize a second Guaranteed Maximum Price (GMP) proposal between the City of Buffalo and the construction manager at risk, Gilbane Building Company, to complete Phase 1 construction at Ralph Wilson Park (RWP). The second GMP was executed in May 2024.

Since then, the project team has begun discussions to finalize Phase 2 construction's scope, timing and costs. The Phase 2 GMP is expected to be finalized early 2025. However, BUDC's project manager, Gardiner & Theobald (G&T) has identified components of Phase 2 that have long lead times, including playground equipment, associated indirects and additional shoreline design services, which must be advanced prior to execution of the Phase 2 GMP. BUDC recently submitted a request of \$4,000,000 to the Wilson Foundation to advance these time sensitive components of Phase 2 construction.

On September 16, 2024, BUDC received the proposed grant agreement in the amount of \$4,000,000 from the Wilson Foundation ("Wilson Grant Agreement 12"). BUDC counsel is working with the Wilson Foundation to finalize language in Wilson Grant Agreement 12 to provide for the use of the grant funds for the Phase 2 construction time-sensitive items outlined above. The second payment of grant funds from the Wilson Foundation is contingent upon a fully executed GMP contract for Phase 2 construction that includes the playground scope between the City and Gilbane.

An additional amendment to the Wilson Foundation Subgrant Agreement between BUDC and the City is needed. This amendment will transfer up to \$3,700,000 from Wilson Grant Agreement 12

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to the City of Buffalo for the purchase of Richter Playground Equipment and time-sensitive items. This amount represents the maximum amount of grant funds to be transferred to the City and may be less than this amount as determined by the project team. Approximately \$255,000 of remaining funds from Wilson Grant Agreement 12 is allocated towards the 14th amendment to BUDC's agreement with Michael Van Valkenburgh Associates (MVVA) for Phase 2 value engineering design services at Ralph Wilson Park, which was approved by the BUDC Board of Directors at its August 27, 2024 meeting.

This item is being presented directly to the BUDC Board of Directors as the September 18, 2024 Downtown Committee meeting was canceled.

ACTION:

We are requesting that the BUDC Board of Directors: (i) accept the \$4,000,000 grant award from the Wilson Foundation to advance time sensitive components of Phase 2 construction at Ralph Wilson Park as described in this memorandum; (ii) approve the eleventh amendment to the BUDC-City of Buffalo subgrant agreement allowing BUDC to transfer up to \$3,700,000 from Wilson Grant Agreement 12 to the City of Buffalo to support construction at Ralph Wilson Park; and; (iii) authorize the BUDC President or Executive Vice President to execute the Wilson Grant Agreement 12 and the eleventh amendment to the subgrant agreement, and take such other actions as are necessary or appropriate to implement this authorization.