

Buffalo Urban Development Corporation

95 Perry Street
Suite 404
Buffalo, New York 14203
phone: 716-856-6525
fax: 716-856-6754
web: buffalourbandevelopment.com



**Buffalo Urban Development Corporation
Joint Meeting of Audit & Finance and Real Estate Committees**

**Thursday September 19, 2024 at 12:00 p.m.
95 Perry Street, 4th Floor**

Agenda

Audit and Finance Committee Items

- 1) Audit & Finance Committee Minutes of December 14, 2023 Meeting (*Approval*) (*Enclosure*)
- 2) ESD RECAP Grant Operational Impacts (*Information*)
- 3) 2025 683 Northland Master Tenant Budget (*Enclosure*)
- 4) 2025 BUDC Draft Budget (*Enclosure*)
- 5) 683 Northland Tax Credits Discussion (*Information*)

Real Estate Committee Items

- 6) Real Estate Committee Minutes August 20, 2024 Meeting (*Approval*) (*Enclosure*)
- 7) Northland Corridor – Snow Removal Services (*Recommendation*) (*Enclosure*)
- 8) Northland Corridor – 631 Northland Avenue Consultant Change Order (*Recommendation*) (*Enclosure*)
- 9) Northland Beltline Corridor - (*All Are Information Items*)
 - a) Northland Corridor – Phase 3 Redevelopment Update
 - b) Northland Corridor – Phase 4 Redevelopment Update
 - c) Northland Corridor – 741 Northland and 777 Northland Building Condition Update
 - d) Northland Corridor – Brownfield Opportunity Area (BOA)
 - e) Northland Corridor – Tenant & Property Management Updates
 - f) Northland Central – Phase 1 Construction Additional HVAC Work Claim Update
 - g) Discussion of Northland Corridor Properties Grants & Other Obligations

10) Buffalo Lakeside Commerce Park - *(All Are Information Items)*

- a) 193 Ship Canal Update and 80, 134, 158 and 200 Ship Canal Parkway Broker Update
- b) Buffalo Lakeside Commerce Park Property Owners Association

11) Executive Session

12) Adjournment *(Approval)*

**Minutes of the Meeting
of the
Audit & Finance Committee
of
Buffalo Urban Development Corporation**

**95 Perry Street
Buffalo, New York
December 14, 2023
12:00 p.m.**

Call to Order:

Committee Members Present:

Catherine Amdur
Janique S. Curry
David J. Nasca

Committee Members Absent:

Trina Burruss
Dennis M. Penman (Committee Chair)

Officers Present:

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

Others Present: Barbara Danner, Freed Maxick CPAs (via Zoom); Alexis M. Florczak, Hurwitz Fine P.C.; and Caroline Mazzone, Freed Maxick CPAs.

Roll Call – The meeting was called to order at 12:08 p.m. by Mr. Nasca. A quorum of the Committee was not present. Agenda items 2, 9 and 3 were presented first as informational items. Ms. Amdur joined the meeting during the presentation of item 9, and Ms. Curry joined the meeting during the presentation of item 3, at which time a quorum was present.

- 1.0 Approval of Minutes of the October 12, 2023 Meeting** – The minutes of the October 12, 2023 meeting of the Audit & Finance Committee were presented. Ms. Amdur made a motion to approve the meeting minutes. The motion was seconded by Ms. Curry and unanimously carried (3-0-0).
- 2.0 2023 Audit Engagement Letters** – Ms. Profic reported that staff had received audit engagement letters from Freed Maxick, and she referred the Committee to the Freed Maxick required communications letters dated November 8, 2023, copies of which were included in the Committee meeting packet.
- 3.0 2023 Audit Plan Discussion** – Ms. Profic introduced Barbara Danner and Caroline Mazzone from Freed Maxick to present the 2023 Audit Plan. Ms. Danner and Ms. Mazzone provided an overview of the audit scope, deliverables and timeline for completion of the audit process. They reviewed the respective expectations and responsibilities of the Freed Maxick audit team and BUDC. Also reviewed were 2024 developments potentially impacting BUDC operations and

financial reporting. The Committee discussed several aspects of the audit process with Ms. Danner and Ms. Mazzone, including potential audit risk areas and the audit strategy for identified risks.

- 4.0 683 Northland Avenue – Extension of the KeyBank Line of Credit** – Ms. Gandour presented her December 14, 2023 memorandum regarding a proposed extension of the 683 Northland LLC line of credit with KeyBank. In response to questions from the Committee, Ms. Gandour noted that KeyBank offered to extend the line of credit at an administrative level for a maximum of ninety days. A further extension may be needed depending on the timing of ESD's disbursement to BUDC of the RECAP grant award, a portion of which will be utilized to repay the outstanding \$600,000 balance on the line of credit. At the conclusion of the discussion, Mr. Nasca made a motion to recommend that the BUDC Board of Directors: (i) approve a ninety (90) day extension of the term for the KeyBank line of credit; and (ii) authorize the President or Executive Vice President to execute and deliver such agreements and documents and to take such actions on behalf of 683 Northland LLC, BUDC and 683 WTC, LLC as may be reasonably necessary or appropriate to implement this action. The motion was seconded by Ms. Amdur and unanimously carried (3-0-0).
- 5.0 683 Northland Project – Inter-Company Transactions** – Ms. Profic presented her December 14, 2023 memorandum regarding proposed modifications to the inter-company transactions for Phase II of the 683 Northland project. Ms. Profic explained that these modifications are necessary in order to facilitate the repayment of the 683 Northland LLC line of credit with the RECAP grant funding being made available to BUDC. Following a discussion regarding the proposed modifications, Ms. Amdur made a motion to recommend that the BUDC Board of Directors: (i) approve an amendment to the Phase II Subrecipient Agreement between BUDC and BBRC to increase the grant to BBRC by an amount not-to-exceed \$30,000.00; (ii) approve an amendment to the Phase II Promissory Note to increase the principal balance of the note by the not-to-exceed amount of \$570,000.00; and (iii) authorize the President or Executive Vice President of BUDC to execute the amendments and such other documents on behalf of BUDC and 683 WTC, LLC, and to take such other actions as are necessary and appropriate to implement this authorization. The motion was seconded by Ms. Curry and unanimously carried (3-0-0).
- 6.0 Loan from BBRC to BBRC Land Company I, LLC** – Ms. Profic reported that the BBRC Board of Directors approved an amendment to the Phase II subrecipient agreement between BUDC and BBRC to increase the grant to BBRC by an amount not to exceed \$30,000.00 and to amend its promissory note by the same not to exceed amount.
- 7.0 2024 Cammarata Consulting, LLC Agreement** – Ms. Gandour presented her December 14, 2023 memorandum regarding a proposed consulting agreement with Cammarata Consulting, LLC. Mr. Nasca made a motion to approve BUDC entering into a consulting agreement with Cammarata Consulting, LLC at an hourly rate of \$100.00 per hour, with total payments not to exceed \$15,000 and to authorize the President or Executive Vice President to execute the consulting agreement and take such actions as may be necessary to implement this action. The motion was seconded by Ms. Curry and unanimously carried (3-0-0).
- 8.0 2024 Bisonwing Planning and Development, LLC Agreement** – Ms. Gandour presented December 14, 2023 memorandum regarding a proposed consulting agreement with Bisonwing Planning and Development, LLC. Mr. Nasca made a motion to approve BUDC entering into a consulting agreement with Bisonwing Planning and Development, LLC at an hourly rate of \$100.00 per hour, with total payments not to exceed \$15,000 and to authorize the President or Executive Vice President to execute the consulting agreement and take such actions as may be necessary to implement this action. The motion was seconded by Ms. Curry and unanimously carried (3-0-0).
- 9.0 Miscellaneous Funding Source Update** – Ms. Merriweather presented an update regarding miscellaneous funding sources. BUDC staff recently met with the City staff regarding the \$1.2

million in American Rescue Plan funding. The City is prepared to move forward with providing funding to BUDC. BUDC anticipates submitting an invoice to the City this week for the full \$1.2 million tranche of funding. In response to a question from Mr. Nasca, Ms. Merriweather noted that approximately \$300,000 of the funding will be used for Covid-19 cost recovery. The remaining funding will be allocated to Race for Place programming and administrative expenses incurred by BUDC for program delivery. Ms. Gandour also reported that BUDC staff has established the Imprest account for the ESD RECAP grant funding.

- 10.0 Adjournment** – There being no further business to come before the Committee, the December 14, 2023 meeting of the Audit & Finance Committee was adjourned at 1:10 p.m.

Respectfully submitted,

Kevin J. Zanner
Secretary

DRAFT - For Discussion Purposes Only

683 Northland Master Tenant, LLC Proposed 2025 Budget

	2025 Budget	2024 Projected	2023 Actual
Revenues:			
Lease revenue	\$ 1,481,000	\$ 1,439,960	\$ 1,445,435
Additional lease revenue	806,000	656,013	752,071
Other income	1,000	8,160	7,033
Total	<u>2,288,000</u>	<u>2,104,133</u>	<u>2,204,539</u>
Expenses:			
Lease expense	1,896,444	1,896,444	1,913,150
Payroll	158,000	131,791	155,609
Utilities	55,000	43,123	28,115
Insurance	146,000	136,000	127,632
Professional fees	80,000	77,398	81,054
Property management fee	70,800	76,077	69,719
Real estate taxes	33,000	28,866	25,914
Repairs and maintenance	303,560	296,862	263,437
Asset management fee	10,000	10,000	10,000
Depreciation	5,970	5,970	6,448
Miscellaneous	3,000	2,000	347
Total	<u>2,761,774</u>	<u>2,704,530</u>	<u>2,681,425</u>
Net Income / (Loss)	<u>(473,774)</u>	<u>(600,396)</u>	<u>(476,886)</u>
Members' Equity			
Members' equity - beginning of period	\$ 14,399,510	\$ 15,257,697	\$ 15,992,374
Investor member put	(1,000,000)	-	-
Distributions	(386,743)	(257,791)	(257,791)
Members' equity - end of period	<u>\$ 12,538,993</u>	<u>\$ 14,399,510</u>	<u>\$ 15,257,697</u>
Cash Flow Adjustments			
Net Income / (Loss)	\$ (473,774)	\$ (600,396)	\$ (476,886)
Right of use asset - Master Lease Agreement	1,757,446	1,749,230	1,420,727
Deferred operating lease liability - sublessee	(553,074)	(553,074)	(553,075)
Prepaid leasing commission	30,345	15,839	(2,320)
Use of reserves	-	-	10,000
Equipment purchases	-	-	(9,741)
Depreciation	5,970	5,970	6,448
Changes in assets/liabilities (net)	-	-	(137,521)
Cash Increase/(Decrease) before Equity Items	<u>766,913</u>	<u>617,569</u>	<u>257,632</u>
Members' capital contributions	(1,000,000)	-	-
Distributions	(386,743)	(257,791)	(238,207)
Net Cash Increase	<u>\$ (619,830)</u>	<u>\$ 359,778</u>	<u>\$ 19,425</u>

683 Northland Master Tenant, LLC's 1% owner and Managing Member is 683 WTC, LLC.
An investor-owned fund owns 99% of the entity.

683 Northland Master Tenant, LLC
Proposed 2025 Budget + 3 Year Projection

	2025 Budget	2026 Projected	2027 Projected	2028 Projected
Revenues:				
Rental revenue	\$ 1,481,000	\$ 1,430,000	\$ 1,401,000	\$ 1,346,000
Additional rental revenue	806,000	772,200	756,500	726,800
Interest and other revenue	1,000	1,000	1,000	1,000
Total	<u>2,288,000</u>	<u>2,203,200</u>	<u>2,158,500</u>	<u>2,073,800</u>
Expenses:				
Rent expense	1,896,444	1,896,444	1,896,444	1,896,444
Payroll	158,000	162,740	167,622	172,651
Utilities	55,000	56,650	58,350	60,100
Insurance	146,000	150,380	154,891	159,538
Professional fees	80,000	82,400	84,872	87,418
Property management fee	70,800	70,800	73,000	76,000
Real estate taxes	33,000	33,990	35,010	36,060
Repairs and maintenance	303,560	312,667	322,047	331,708
Asset management fee	10,000	-	-	-
Depreciation	5,970	5,970	5,970	5,970
Miscellaneous	3,000	3,090	3,183	3,278
Total	<u>2,761,774</u>	<u>2,775,131</u>	<u>2,801,388</u>	<u>2,829,168</u>
Net Income / (Loss)	<u>\$ (473,774)</u>	<u>\$ (571,931)</u>	<u>\$ (642,888)</u>	<u>\$ (755,368)</u>
Members' Equity				
Members' equity - beginning of period	\$ 14,399,510	\$ 12,538,993	\$ 11,967,062	\$ 11,324,173
Investor member put	(1,000,000)	-	-	-
Distributions	(386,743)	-	-	-
Members' equity - end of period	<u>\$ 12,538,993</u>	<u>\$ 11,967,062</u>	<u>\$ 11,324,173</u>	<u>\$ 10,568,806</u>
Cash Flow Adjustments				
Net Income / (Loss)	\$ (473,774)	\$ (571,931)	\$ (642,888)	\$ (755,368)
Prepaid rent - rent expense	1,757,446	1,766,203	1,775,381	1,785,063
Deferred lease liability	(553,074)	(553,074)	(553,074)	(553,074)
Prepaid leasing commission	30,345	33,249	33,249	33,249
Usage of/(additions to) reserves	-	-	-	-
Depreciation	5,970	5,970	5,970	5,970
Cash Increase/(Decrease) before Equity Items	<u>766,913</u>	<u>680,417</u>	<u>618,638</u>	<u>515,840</u>
Investor member put	(1,000,000)	-	-	-
Distributions	(386,743)	-	-	-
Net Cash Increase/(Decrease)	<u>\$ (619,830)</u>	<u># \$ 680,417</u>	<u># \$ 618,638</u>	<u># \$ 515,840</u>

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An investor-owned fund owns 99% of the entity.

DRAFT - FOR DISCUSSION PURPOSES ONLY

**Buffalo Urban Development Corporation
2025 Budget - Summary**

REVENUE	Budget 2025	Projected 2024	YTD June 2024	Actual 2023
Grant Revenue				
Empire State Development	\$ 21,951,020	\$ 2,258,724	\$ 1,326,999	\$ 423,755
EDA - Build Back Better	13,650,000	750,000	15,290	55,798
Ralph C. Wilson, Jr. Foundation/GLC	8,577,115	26,460,803	7,451,347	30,139,708
National Grid (various)	250,000	250,000	-	-
City of Buffalo	908,050	291,950	-	-
ECIDA	100,000	100,000	38,007	200,000
Other	-	325,000	25,000	777,415
Gross Proceeds from Land Sales	-	-	-	-
Less: Cost of Land Sales	-	-	-	-
Buffalo Brownfield Fund Revenue (net)	10,000	36,000	31,655	35,823
Rental Income	1,980,629	1,972,293	985,551	2,004,510
Interest Income & Fees - Loans	-	96,664	48,332	96,664
Investment Interest Income/Miscellaneous	45,000	153,685	76,885	126,418
Other Income	-	17,784	2,584	960,491
Total	47,471,814	32,712,903	10,001,650	34,820,581
OPERATING EXPENSES				
Property Operations & Maintenance	77,365	74,699	36,768	80,491
Legal	178,450	175,928	87,429	119,032
Insurance	187,418	159,982	76,497	155,688
Marketing	50,000	32,975	20,238	23,841
Utilities	25,088	22,867	11,392	16,117
Misc.	18,265	14,885	7,445	15,245
Consultants	798,500	2,653,411	1,326,705	1,800,089
General Development Expenses	8,725,165	24,443,930	6,348,937	28,937,684
Personnel Costs	514,458	466,989	256,150	440,560
Interest	42,000	143,066	80,037	197,771
Rent	31,800	23,940	11,970	24,291
ECIDA Management Fee	114,000	114,000	57,000	87,262
Audit & Tax	228,100	195,917	195,917	342,622
Operating Expenses	15,000	39,904	35,952	20,611
Grant Expense	958,625	871,541	435,770	1,068,103
General & Administrative	42,250	101,111	51,526	169,362
Depreciation	4,081,000	4,006,648	2,000,931	4,138,093
Total	16,087,484	33,541,792	11,040,664	37,636,862
Net Income / (Loss)	\$ 31,384,329	\$ (828,889)	\$ (1,039,014)	\$ (2,816,280)
CAPITAL BUDGET				
Capital expenditures/equipment	(33,562,000)	(1,104,587)	-	(348,535)
Proceeds from loans/line of credit	-	1,321,839	217,252	-
Tax credits exist cost	(1,000,000)	-	-	-
Capital contributions, net	-	-	-	42,311
Repayment of debt	-	(1,811,839)	(170,000)	(1,108,325)
	(34,562,000)	(1,594,587)	47,252	(1,414,549)
CASH FLOW ADJUSTMENTS				
Cost of Land Sales	-	-	-	-
Prepaid rental income	(1,338,346)	(1,351,696)	(675,847)	(1,420,727)
Deferred lease liability	511,932	511,932	255,966	513,406
Use of reserves	47,049	99,240	61,740	98,533
Depreciation	4,081,000	4,006,648	2,000,931	4,138,093
Net Cash Increase/(Decrease)	\$ 123,965	\$ 842,647	\$ 651,028	\$ (901,525)

DRAFT - FOR DISCUSSION PURPOSES ONLY

**Buffalo Urban Development Corporation
2025 Budget - Project Detail**

	Downtown /					
	BLCP	Race for Place	Ralph Wilson Park	Northland Corridor	Corporate Operations	Total
REVENUE						
Grant Revenue						
ESD - Northland	\$ -	\$ -	\$ -	\$ 19,162,000	\$ 2,789,020	\$ 21,951,020
Ralph C. Wilson, Jr. Foundation/GLC	-	-	8,577,115	-	-	8,577,115
National Grid	-	250,000	-	-	-	250,000
EDA - Build Back Better	-	-	-	13,650,000	-	13,650,000
City of Buffalo	-	788,050	-	-	120,000	908,050
ECIDA	-	100,000	-	-	-	100,000
Gross Proceeds from Land Sales	-	-	-	-	-	-
Less: Cost of Land Sales + closing costs	-	-	-	-	-	-
Buffalo Brownfield Fund Revenue (net)	-	-	-	-	10,000	10,000
Rental Income	-	-	-	1,980,629	-	1,980,629
Interest Income & Fees - Loans	-	-	-	-	-	-
Investment Interest Income/Miscellaneous	-	-	-	-	45,000	45,000
Total	-	1,138,050	8,577,115	34,792,629	2,964,020	47,471,814
OPERATING EXPENSES						
Property Operations & Maintenance	10,365	-	-	67,000	-	77,365
Legal	3,450	-	10,000	120,000	45,000	178,450
Insurance	1,918	-	-	115,500	70,000	187,418
Marketing	-	25,000	-	-	25,000	50,000
Utilities	88	-	-	25,000	-	25,088
Misc.	3,265	-	-	-	15,000	18,265
Consultants	-	25,000	720,000	28,500	25,000	798,500
General Development Expenses	-	1,038,050	7,687,115	-	-	8,725,165
Personnel Costs	-	50,000	145,000	-	319,458	514,458
Interest	-	-	-	42,000	-	42,000
Operating Expenses	-	-	-	5,000	10,000	15,000
Rent	-	-	-	-	31,800	31,800
ECIDA Management Fee	-	-	7,500	-	106,500	114,000
Audit & Tax	-	-	5,000	55,500	167,600	228,100
General & Administrative	-	-	2,500	983,375	15,000	1,000,875
Depreciation	-	-	-	4,075,000	6,000	4,081,000
Total	19,087	1,138,050	8,577,115	5,516,875	836,358	16,087,484
Net Income / (Loss)	(19,087)	-	-	29,275,754	2,127,662	31,384,329
CAPITAL BUDGET						
Capital expenditures/equipment	-	-	-	(33,562,000)	-	(33,562,000)
Tax credits exist cost	-	-	-	(1,000,000)	-	(1,000,000)
Repayment of debt	-	-	-	-	-	-
Total	-	-	-	(34,562,000)	-	(34,562,000)
Prepaid Rental Income	-	-	-	(1,338,346)	-	(1,338,346)
Deferred lease liability	-	-	-	511,932	-	511,932
Use of reserves	-	-	-	47,049	-	47,049
Depreciation	-	-	-	4,075,000	6,000	4,081,000
Net Cash Increase/(Decrease)	\$ (19,087)	\$ -	\$ -	\$ (1,990,611)	\$ 2,133,662	\$ 123,965

DRAFT - FOR DISCUSSION PURPOSES ONLY

**Buffalo Urban Development Corporation
2025 Budget - Northland Corridor Project Breakout**

	BUDC	683 WTC, LLC	683 Northland LLC	Eliminations ¹	Northland Corridor Total
REVENUE					
Grant Revenue					
Empire State Development	\$ 19,162,000	\$ -	\$ -	\$ -	\$ 19,162,000
EDA - Build Back Better	13,650,000	-	-	-	13,650,000
Loan interest	522,000	-	-	(522,000)	-
Rental Income	84,185	-	1,896,444	-	1,980,629
Other Income	-	-	-	-	-
Total	33,418,185	-	1,896,444	(522,000)	34,792,629
OPERATING EXPENSES					
Property Operations & Maintenance	67,000	-	-	-	67,000
Legal	75,000	-	45,000	-	120,000
Insurance	115,500	-	-	-	115,500
Utilities	25,000	-	-	-	25,000
Operating expenses	-	-	5,000	-	5,000
Administrative	958,625	-	-	-	958,625
Consultants	28,500	-	-	-	28,500
Interest	-	522,000	42,000	(522,000)	42,000
Asset Management Fee	-	-	18,750	-	18,750
Audit & Tax	-	6,500	49,000	-	55,500
Loan servicing fees	-	-	6,000	-	6,000
Depreciation	75,000	-	4,000,000	-	4,075,000
Total	1,344,625	528,500	4,165,750	(522,000)	5,516,875
Net Income/(Loss)	32,073,560	(528,500)	(2,269,306)	-	29,275,754
CAPITAL BUDGET					
Capital expenditures/equipment	(33,562,000)	-	-	-	(33,562,000)
Repayment of debt	-	-	-	-	-
Tax credits exist cost	(1,000,000)	-	-	-	(1,000,000)
	(34,562,000)	-	-	-	(34,562,000)
CASH FLOW ADJUSTMENTS					
Prepaid rent (rental income)	-	-	(1,338,346)	-	(1,338,346)
Deferred lease liability	511,932	-	-	-	511,932
Deferred interest payments	(522,000)	522,000	-	-	-
Use of/(additions to) reserves	-	-	47,049	-	47,049
Depreciation/amortization	75,000	-	4,000,000	-	4,075,000
Net Cash Increase/(Decrease)	\$ (2,423,508)	\$ (6,500)	\$ 439,397	\$ -	\$ (1,990,611)

¹ Eliminations consist of interest revenue/expense between BUDC and 683 WTC, LLC.

Buffalo Urban Development Corporation

2025 Budget and 3 Year Forecast

REVENUE	Budget 2025	Projected 2026	Projected 2027	Projected 2028
Grant Revenue	\$ 45,436,185	\$ 18,667,500	\$ 13,020,000	\$ 13,020,000
Gross Proceeds from Land Sales	-	-	-	-
Less: Cost of Land Sales	-	-	-	-
Buffalo Brownfield Fund Revenue (net)	10,000	10,000	10,000	10,000
Rental Income	1,980,629	333,000	890,000	890,000
Investment Interest Income/Miscellaneous	45,000	34,000	22,000	22,000
Other Income	-	-	-	-
Total	47,471,814	19,044,500	13,942,000	13,942,000
OPERATING EXPENSES				
Property Operations & Maintenance	77,365	85,587	85,784	85,981
Legal	178,450	80,000	85,000	85,000
Insurance	187,418	205,000	210,000	214,000
Marketing	50,000	50,000	-	-
Utilities	25,088	25,841	26,616	27,414
Misc.	18,265	10,000	10,000	10,000
Consultants	798,500	-	-	-
General Development Expenses	8,725,165	1,750,000	-	-
Personnel Costs	514,458	529,420	555,891	583,686
Interest	42,000	-	-	-
Rent	31,800	26,750	27,000	27,000
ECIDA Management Fee	114,000	115,000	117,500	120,000
Audit & Tax	228,100	126,900	89,500	92,185
Operating Expenses	15,000	5,000	5,150	5,305
Grant Expense	958,625	110,000	110,000	-
General & Administrative	42,250	49,000	48,850	51,696
Depreciation	4,081,000	4,081,000	4,081,000	4,081,000
Total	16,087,484	7,249,498	5,452,291	5,383,266
Net Income / (Loss)	\$ 31,384,329	\$ 11,795,002	\$ 8,489,709	\$ 8,558,734
CAPITAL BUDGET				
Capital expenditures/equipment	(33,562,000)	(15,500,000)	(12,000,000)	(12,000,000)
Tax credits exit cost	(1,000,000)	-	-	-
Total	(34,562,000)	(15,500,000)	(12,000,000)	(12,000,000)
CASH FLOW ADJUSTMENTS				
Cost of Land Sales	-	-	-	-
Prepaid rental income	(1,338,346)	-	-	-
Deferred lease liability	511,932	-	-	-
Use of reserves	47,049	-	-	-
Depreciation/amortization	4,081,000	4,081,000	4,081,000	4,081,000
Net Cash Increase/(Decrease)	\$ 123,965	\$ 376,002	\$ 570,709	\$ 639,734

**Minutes of the Meeting
of the
Real Estate Committee
of
Buffalo Urban Development Corporation**

**95 Perry Street
Buffalo, New York
August 20, 2024
12:30 p.m.**

Committee Members Present:

Scott Bylewski
Janique S. Curry
Kimberley A. Minkel, Chair
Brendan R. Mehaffy
Dennis M. Penman

Committee Members Absent:

Elizabeth A. Holden
Thomas A. Kucharski

Officers Present:

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

Guests Present: Dennis Cannon, Comvest; Matthew DiFrancesco, CBRE Upstate NY; Alexis M. Florczak, Hurwitz Fine P.C.; Brian Krygier, Director of IT, ECIDA; Yolando Mullen, Project Manager; and Angelo Rhodes II, Northland Project Manager.

Roll Call: The meeting was called to order at 12:38 p.m. A quorum of the Committee was present. Ms. Curry joined the meeting during the presentation of agenda item 2(b). Ms. Gandour introduced new BUDC project manager, Yolando Mullen to the Committee. Mr. Mullen will work on the Ralph Wilson Park project and downtown initiatives.

1.0 Approval of Minutes – Meeting of July 23, 2024 – The minutes of the July 23, 2024 Real Estate Committee meeting were presented. Mr. Penman made a motion to approve the meeting minutes. The motion was seconded by Mr. Bylewski and unanimously carried (4-0-0).

2.0 Northland Beltline Corridor

(a) Northland Corridor – Phase 3 Redevelopment Update – Mr. Rhodes presented an update regarding the Phase 3 Northland redevelopment project and shared a color-coded map with the Committee identifying Phases 3 and 4 of the redevelopment work. BUDC staff has submitted mortgage and bid documents to EDA for review and approval. He noted that BUDC staff and legal counsel have engaged in discussions with the Public Service Commission (PSC) regarding the substation. Mr. Zanner then briefed the Committee on the regulatory issues

relating to the substation and noted that the discussion with PSC counsel was productive and helpful for evaluating next steps.

- (b) **Northland Corridor – Phase 4 Redevelopment Update** – Mr. Rhodes presented an update regarding the Phase 4 project. Wendel continues to work on the SHPO process for the 631 Northland building. Wendel has also solicited feedback from potential tenants regarding electrical power needs for 631 Northland. It was determined that adding an additional 2000-amp service would require the installation of a new substation for the 631 Northland building. Given the cost and long lead-time for constructing a new substation, Wendel is recommending against pursuing that option and instead suggested targeting tenants with less substantial electrical power requirements. It was noted that the 631 Northland building will not be serviced from the substation owned by BUDC.
- (c) **Northland Corridor– 741 Northland and 777 Northland Building Condition Update** – Mr. Rhodes reported that LiRo Engineers provided BUDC with cost estimates as a follow up to the consultant's updated building condition report for the buildings located at 741 and 777 Northland. BUDC is coordinating with SHPO to identify next steps regarding the memorandum of agreement (MOA) that applies to the 777 Northland property.
- (d) **Northland Corridor– Brownfield Opportunity Area (BOA) Plan** – Mr. Rhodes reported that a kickoff meeting with BUDC's consultant for this project, Colliers Engineering & Design, is scheduled for August 27th.
- (e) **Northland Corridor – Tenant & Property Management Updates** – Mr. DiFrancesco reported that CBRE is negotiating with a potential tenant for the mezzanine space at 683 Northland. The potential tenant is a minority-and veteran-owned business enterprise that would use the mezzanine for general office space. Mr. DiFrancesco then distributed updated marketing materials for the Fillmore parcels and identified an affordable housing developer as a potential purchaser. Ms. Gandour added that at this stage, BUDC would seek entering into an exclusivity agreement for a period of 12-18 months, with an exclusivity fee of \$3,000/month to be paid and applied toward the purchase amount. The Committee then discussed the approvals required for an affordable housing development and whether the Fillmore parcel sites are suitable for such development, given certain regulatory requirements. Ms. Gandour noted that next steps would be to enter into an exclusivity agreement for the purchase of the parcels, but added more discussions regarding the project were needed before an exclusivity agreement will be pursued.

Mr. Cannon then provided a property management update for the Northland Corridor. Comvest has submitted its draft budget. Construction of the Workforce Training Center's auto-tech space is in progress and is anticipated to be completed by the end of September. Core sampling in the building and parking lot adjacent to 631 Northland was completed. Comvest is preparing an RFP for snow removal services.
- (f) **Northland Corridor – Phase I Construction Additional HVAC Work Claim Update** – Mr. Zanner reported that the parties are working towards scheduling mediation sessions with the selected mediator. BUDC counsel has begun drafting a position statement for the mediation.
- (g) **Discussion of Northland Corridor Properties Grant & Other Obligations** – Ms. Gandour presented a draft spreadsheet setting forth the revenue, expenses and overhead costs for each of the BUDC-owned properties in the Northland Corridor. Copies of the spreadsheet were distributed to members of the Committee. The Committee provided feedback on the draft report and asked BUDC staff to include which properties are on the market and vacant, and the potential gross rent for such properties. Ms. Gandour added that BUDC is working with ESD regarding its reimbursement requests from the RECAP grant and matters

relating to expense reimbursement eligibility. Mr. Mehaffy thanked BUDC staff for their work and commented that this information will help inform BUDC strategy regarding sustainability moving forward.

3.0 Buffalo Lakeside Commerce Park

- (a) **193 Ship Canal Parkway Update** – Ms. Gandour reported that RAS Development did not extend its exclusivity agreement with BUDC for 193 Ship Canal Parkway. RAS Development owes BUDC approximately \$6,800 in exclusivity payments and legal expenses. BUDC staff will send a letter and invoice to the developer for the unpaid amount.

With 193 Ship Canal Parkway no longer under contract, Ms. Gandour proposed to the Committee that CBRE be appointed as the broker and marketing agent for this parcel. She noted that the Board had approved CBRE as broker for the other remaining BLCP parcels just last month. After a discussion, Mr. Mehaffy made a motion to recommend that the BUDC Board of Directors approve the retention of CBRE for brokerage services for 193 Ship Canal Parkway. The motion was seconded by Mr. Penman and unanimously carried (5-0-0).

- (b) **80, 134, 158 and 200 Ship Canal Parkway** – Ms. Gandour reported that CBRE has prepared marketing materials and signage for these parcels.

- (c) **Buffalo Lakeside Commerce Park Property Owners Association** – Ms. Gandour reported that Uniland has not yet paid an outstanding assessment invoice. The Committee suggested that staff contact Uniland again, and that if Uniland continues to be unresponsiveness, BUDC legal counsel should send a letter reminding Uniland of its obligation to make payment.

4.0 Executive Session – None.

- 5.0 Adjournment** – There being no further business to come before the Committee, upon motion made by Ms. Curry seconded by Mr. Mehaffy and unanimously carried, the August 20, 2024 meeting of the Real Estate Committee was adjourned at 1:33 p.m.

Respectfully submitted,

Kevin J. Zanner
Secretary

Buffalo Urban Development Corporation

95 Perry Street

Suite 404

Buffalo, New York 14203

phone: 716-856-6525

fax: 716-856-6754

web: buffalourbandevelopment.com



Item 7

MEMORANDUM

TO: BUDC Real Estate Committee

FROM: Angelo Rhodes II, Project Manager

SUBJECT: Northland Snow Removal Services

DATE: September 19, 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.

ACTION:

We are requesting that the Real Estate Committee recommend 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.

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

Buffalo Urban Development Corporation

95 Perry Street
Suite 404
Buffalo, New York 14203
phone: 716-856-6525
fax: 716-856-6754
web: buffalourbandevelopment.com



Item 8

MEMORANDUM

TO: BUDC Real Estate Committee
FROM: Angelo Rhodes II, Project Manager
SUBJECT: Northland Corridor – 631 Northland Avenue Consultant Change Order
DATE: September 19, 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.

ACTION:

I am requesting that the BUDC Real Estate Committee recommend that the 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.

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