

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 **Annual Board of Directors Meeting**

Date: Tuesday, June 25, 2024

Time: Immediately Following the Annual Meeting of the Members

BUDC Offices, 95 Perry Street – Vista Room

Buffalo, NY 14203

1.0 CALL TO ORDER

2.0 READING OF THE MINUTES *(Action) (Enclosure)*

3.0 MONTHLY FINANCIAL REPORTS *(Enclosure)*

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

3.2 BUDC Consolidated Financial Statements *(Action)*

4.0 NEW BUSINESS

4.1 2024-2025 Election of Officers *(Action)(Enclosure)*

4.2 Appointment of Citizen Board Members *(Action)(Enclosure)*

4.3 2024-2025 Board Committee Appointments *(Action)(Enclosure)*

4.4 Ralph C. Wilson, Jr. Centennial Park– Ralph C. Wilson, Jr. Foundation Grant Agreement #11 and 10th Amendment to BUDC - City of Buffalo Wilson Foundation Subgrant Agreement *(Action)(Encl.)*

4.5 Ralph Wilson Park Project Update *(Information)*

4.6 Buffalo Lakeside Commerce Park Update

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

4.8 Northland Corridor Project Update *(Information)*

5.0 LATE FILES

6.0 TABLED ITEMS

6.1 COB-ARP Funding Memorandum of Understanding *(Action)(Enclosure)*

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 • Atiqah Abidi, Assistant Treasurer • Kevin J. Zanner, Secretary

**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**

**May 28, 2024
12:00 p.m.**

Directors Present

Catherine Amdur
Daniel Castle
Dennis W. Elsenbeck
Darby Fishkin
Thomas Halligan
Elizabeth Holden
Thomas A. Kucharski
Nathan Marton
Brendan R. Mehaffy
Dennis M. Penman (Vice Chair)

Directors Absent:

Mayor Byron W. Brown (Chair)
Scott Bylewski
Trina Burruss
Janique S. Curry
Dottie Gallagher
Kimberley A. Minkel
David J. Nasca
Christopher P. Scanlon
Karen Utz

Officers Present:

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

Guests Present: Jonathan Epstein, *The Buffalo News*; Alexis M. Florczak, Hurwitz Fine P.C; Kelly Maloney, Gilbane Building Company; Michelle Moore, ECIDA Compliance Associate; Antonio Parker, BUDC Project Manager; Angelo Rhodes II, Northland Project Manager; Aaron Schauger, LaBella Associates (via Zoom).

- 1.0 Roll Call** – The meeting was called to order at 12:13 p.m. by Vice Chair Penman. The Secretary called the roll of directors and a quorum of the Board was determined to be present.
- 2.0 Approval of Minutes – Meeting of March 26, 2024** – The minutes of the March 26, 2024 meeting of the Board of Directors were presented. Mr. Castle made a motion to approve the meeting minutes. The motion was seconded by Mr. Halligan and unanimously carried (10-0-0).
- 3.0 Monthly Financial Reports** – Ms. Abidi presented for information purposes the financial statements for 683 Northland Master Tenant, LLC for the period ending April 30, 2024. She then presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending April 30, 2024. Mr. Kucharski made a motion to accept the consolidated financial statements. The motion was seconded by Ms. Fishkin and unanimously carried

(10-0-0).

4.0 New Business

4.1 BUDC Credit Card Policy Adoption – Ms. Merriweather presented her May 28, 2024 memorandum regarding the proposed BUDC credit card policy. Following this presentation, Ms. Holden made a motion to adopt the resolution attached to Ms. Merriweather's May 28, 2024 memorandum to approve the BUDC credit card policy and authorize the BUDC President or Executive Vice President to apply for a credit card with KeyBank. The motion was seconded by Mr. Marton and unanimously carried (10-0-0). A copy of the approved resolution is attached to these meeting minutes.

4.2 COB- ARP Funding Memorandum of Understanding – Ms. Fishkin made a motion to table this item. The motion was seconded by Mr. Elsenbeck and unanimously carried (10-0-0).

4.3 Ralph Wilson Park– RCWJF Grant Agreement #11 and 10th Amendment to BUDC-COB Wilson Foundation Subgrant Agreement – Ms. Fishkin made a motion to table this item. The motion was seconded by Mr. Kucharski and unanimously carried (10-0-0).

4.4 Ralph Wilson Park – Design Services and Permitting Procurement for Segment 3 of Seawall – Ms. Gandour presented her May 28, 2024 memorandum regarding the design services and permitting procurement for segment 3 of the seawall at Ralph Wilson Park. A request for proposals was issued for this work, which will be paid for with federal DHESES grant funding and a ten percent match from the Ralph C. Wilson Jr. Foundation. Ms. Fishkin made a motion to: (i) approve BUDC entering into a \$358,270 contract with MVVA for design services and permitting relating to segment 3 of the seawall located at Ralph Wilson Park; and (ii) authorize the BUDC President or Executive Vice President to execute the contract with MVVA and take such other actions as are necessary to implement this authorization. The motion was seconded by Mr. Kucharski and unanimously carried (10-0-0).

4.5 Northland Corridor Project – Procurement of Substation Equipment for Phase 3 Northland Corridor Redevelopment – Ms. Gandour presented her May 28, 2024 memorandum regarding the procurement of substation equipment for Phase 3 Northland Corridor Redevelopment. BUDC issued a request for quotations for the substation equipment. Two proposals were received with Frey Electric Construction Co. being the recommended vendor. Mr. Elsenbeck commented that the original intent was to design a microgrid system that would result in independent and increased energy capacity at Northland. Mr. Mehaffy commented that the plan for the BUDC substation will allow for inclusion of a microgrid in the future, and that initial plans for a microgrid were scaled back due to costs coming back higher than expected. Mr. Mehaffy further noted that additional information will be reviewed by the Real Estate Committee regarding potential implications if BUDC were to be regulated as a utility, and sustainability plans for the Northland Corridor and grant funding requirements. Following this discussion, Mr. Mehaffy made a motion to: (i) authorize BUDC to enter into an agreement with Frey Electric Construction Co. for the procurement of the substation equipment for an amount not to exceed \$6,462,110; and (ii) authorize the BUDC President or Executive Vice President to execute the agreement with Frey and take such other actions as may be necessary or appropriate to implement this authorization. The motion was seconded by Ms. Fishkin and unanimously carried (10-0-0).

4.6 Buffalo's Race for Place – Downtown Waterfront Improvement Plan MIG Contract Extension – Ms. Merriweather presented her May 28, 2024 memorandum regarding the Downtown Waterfront Improvement Plan contract extension. Mr. Mehaffy made a motion to: (i) approve the BUDC-MIG contract extension of \$15,000 with BUDC providing \$7,500 of the cost; and (ii) authorize the BUDC President or Executive Vice President to execute the extension and take such other

actions as are necessary to implement this authorization. The motion was seconded by Mr. Kucharski and unanimously carried (10-0-0).

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 to develop an implementation strategy for the Downtown Waterfront Improvement Plan. A request for proposals has been drafted to retain a project coordinator to oversee implementation. 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 prepare a series of reports regarding the current baseline of downtown office workers, foot traffic patterns, and hybrid work models. Buffalo Place Rangers, NFTA, Buffalo Police Department and private sector representatives are working to identify solutions to post-pandemic safety challenges in the Downtown area.

4.8 Ralph Wilson Park Project Update – Ms. Maloney shared a video with the Board showing construction progress at Ralph Wilson Park. Shoreline work is progressing and inlet work has begun. The wall for the bridge abutment is being constructed on the park side first before construction on the 4th Street side of the bridge will begin. The pedestrian bridge has been placed on a vessel in Italy and should be delivered in July. Phase 1B construction work has been awarded, which includes landscaping, fending and metal work for the athletic fields and benches.

4.9 Northland Corridor Project Update – Mr. Rhodes presented an update regarding the Northland Corridor. With respect to Phase 3 redevelopment, EDA is reviewing bid document packages prepared by BUDC staff for the general construction and energy component of construction. With respect to Phase 4 redevelopment, Wendel has submitted draft schematic design documents to BUDC, which are currently under review by staff. Frey confirmed that power to the 631 Northland building comes in from the substation. A temporary generator will be installed to test the cranes in 631 Northland. Proposals for the Northland BOA RFP are due June 3rd.

4.10 Buffalo Lakeside Commerce Park – Project Update – Ms. Gandour presented an update regarding Buffalo Lakeside Commerce Park. RAS Development Company has extended its exclusivity agreement for 193 Ship Canal Parkway by 90 days and is current on payments. BUDC is working with Ms. Johnson-Huff to address reported tagging and dumping instances at BLCP. Ms. Merriweather added that BUDC received an updated M/WBE compliance report for the Zephyr project, which indicated 13% M/WBE participation as of April. Another report on M/WBE compliance is due this Friday.

5.0 Tabled Items – None.

6.0 Executive Session – None.

7.0 Adjournment – There being no further business to come before the Board, the May 28, 2024 meeting of the Board of Directors was adjourned at 1:00 p.m.

Respectfully submitted,

Kevin J. Zanner, Secretary

**RESOLUTIONS OF
THE BOARD OF DIRECTORS
OF
BUFFALO URBAN DEVELOPMENT CORPORATION**

WHEREAS, BUDC staff has identified a need for BUDC to obtain a credit card in order to make certain purchases on behalf of BUDC where manual checks are not accepted; and

WHEREAS, BUDC staff and legal counsel have prepared a credit card policy that outlines the policies and procedures for the use of a credit card by BUDC, a copy of which is attached hereto as Exhibit A (the “Credit Card Policy”); and

WHEREAS, at its March 19, 2024 meeting, the BUDC Governance Committee reviewed the Credit Card Policy and recommended that the BUDC Board of Directors adopt the Credit Card Policy; and

WHEREAS, BUDC desires to apply for a KeyBank Business Card with a limit of Five Thousand and 00/100 Dollars (\$5,000.00) with KeyBank, at an introductory APR of 0.00% followed by an APR between 12.74% to 22.74%, and to utilize the credit card in the manner outlined in the Credit Card Policy; and

WHEREAS, Section III of the Credit Card Policy requires the BUDC Board of Directors to authorize the following prior to the issuance of a credit card: (i) approval to apply for a credit card; (ii) the identification of all authorized users; (iii) setting appropriate limits; (iv) the custody of the credit card when not in use; (v) permitted uses of the credit card; (vi) an appropriate internal control structure for monitoring the use of the credit card; (vii) the approval process for payment of the charges; and (viii) the establishment of a means to recoup any unauthorized expenditures.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BUFFALO URBAN DEVELOPMENT CORPORATION AS FOLLOWS:

Section 1. The BUDC Board of Directors hereby adopts the Credit Card Policy in the form attached hereto as Exhibit A.

Section 2. The BUDC Board of Directors hereby authorizes the BUDC President and Executive Vice President to apply for a KeyBank Business Card on behalf of BUDC as described in this Resolution, and to take such other actions as may be necessary or appropriate to implement this Resolution.

Section 3. These Resolutions shall take effect immediately.

Dated: May 28, 2024

BUFFALO URBAN DEVELOPMENT CORPORATION

CREDIT CARD POLICY

I. Purpose.

To establish the policy and procedures for the use of a credit card or cards by Buffalo Urban Development Corporation (“BUDC”).

II. Introduction/Background.

It is commonplace for organizations to use credit cards for the convenience of making purchases on behalf of the organization. In some instances, purchases can only be made with a credit card as manual checks are not accepted (i.e. hotel reservations, internet purchases). In order to simplify the process for purchasing certain items on behalf of BUDC, the following policy outlines the use of credit cards.

III. Authorization.

A resolution will be presented to the BUDC Board of Directors prior to the issuance of the credit card that authorizes:

- The approval of the issuance of the credit card and the number and type(s) of credit cards to be used, such as general-purpose cards or vendor specific cards
- Identification of all authorized users
- Setting of appropriate credit limits
- Establish custody of the credit card when not in use
- Permitted uses of the credit card
- The appropriate internal control structure for monitoring the use of the credit card
- The approval process for payment of the charges
- The establishment of a means to recoup any unauthorized expenditures

The use of a BUDC credit card(s) shall be in accordance with, and is not intended to circumvent, the BUDC Procurement Policy and/or the BUDC Travel, Conference, Meals and Entertainment Policy.

BUDC shall be permitted to obtain and utilize a credit card(s) as so authorized by the Board resolution. In addition to BUDC itself, the individuals authorized to be issued a credit card are listed on Schedule A, along with the credit limit authorized. Schedule A shall be updated as the individuals authorized and credit limits change. The credit cards will be issued to the specific individuals listed on Schedule A in order to help maintain accountability. Once issued, all cards are to be locked in the Treasurer's lockbox when not in use. If an individual is no longer designated as a cardholder, and/or leaves BUDC employment, the credit card issued to this individual will be cancelled. As determined by the resolution of BUDC, only authorized personnel of BUDC may be assigned and use the BUDC credit card.

The BUDC Audit and Finance Committee will evaluate the use of the credit card(s) on an annual basis to determine the continued need for the credit card(s) and the nature and type of purchases being made.

IV. Use of Cards.

All purchases made on BUDC's credit card must comply with the BUDC Procurement Policy and the Travel, Conferences, Meals and Entertainment Policy. The BUDC credit card may be used only for official business of BUDC to pay for actual and necessary expenses incurred in the performance of work-related duties for BUDC. The credit card may be used only for the following purchases:

- Hotel reservations
- Rental car reservations
- Training, conference, luncheons and seminar registrations
- Meals for meetings in which the vendor will not accept a check
- Internet purchases where a vendor will not accept a check
- Supplies and items needed for BUDC programs, events or meetings with short-lead times

Personal expenses on the BUDC credit card are strictly prohibited. A credit card that allows cash advances or cash back from purchases is also prohibited. The card will be issued in the name of Buffalo Urban Development Corporation with the name of the individual authorized on the credit card.

The BUDC employee issued the credit card is responsible for its protection and custody and shall immediately notify the Treasurer or Assistant Treasurer if the credit card is lost or stolen.

Employees must immediately surrender the BUDC credit card upon termination of employment.

V. Recordkeeping.

The use of the BUDC credit card may be substantiated with a purchase order, receipts and documentation detailing the goods or services purchased, cost, date of the purchase and the

official business explanation. Receipts and documentation must be submitted to the Treasurer or Assistant Treasurer following the purchase to reconcile against the monthly credit card statement.

At the end of each month, the Treasurer or Assistant Treasurer is to review the monthly card statement and reconcile it with the receipts and documentation received for that month. The Treasurer or Assistant Treasurer should determine that all purchases are supported by documentation. Any variances are to be investigated. Any purchase/charge without appropriate supporting documentation requires a detailed explanation and description and the written approval of the BUDC President (or Audit and Finance Committee Chair in the case of President charges). Unauthorized or improper purchases will result in credit card revocation and discipline of the employee. BUDC shall also take appropriate action to recoup unauthorized or improper expenditures. Once the reconciliation is complete, the Treasurer or Assistant Treasurer will initial the reconciliation to show it has been completed.

Once the credit card has been reconciled, payment via check will be made. All purchases made with credit cards shall be paid for within the grace period so that no interest charges or penalties will accrue.

VII. Effective Date; Amendments.

This Credit Card Policy shall be effective upon approval of BUDC Board of Directors and may be amended by the Board of Directors from time to time as the Board deems necessary or appropriate.

Adopted: May 28, 2024

	<u>SCHEDULE A</u>	
<u>Name</u>	<u>Title</u>	<u>Credit Limit Authorized</u>
Brandy Merriweather	President	\$5,000.00
Rebecca Gandour	Executive Vice President	\$5,000.00
Mollie Profic	Treasurer	\$5,000.00

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

683 NORTHLAND MASTER TENANT, LLC
Balance Sheet

	May 2024	April 2024	December 2023
ASSETS			
Current assets:			
Cash	\$ 593,764	\$ 541,519	\$ 518,270
Tenant receivable	27,684	92,360	26,512
Prepaid expenses	55,885	69,659	117,269
Total current assets	677,334	703,538	662,052
Prepaid rent - sublessee	550,535	547,829	535,596
Prepaid leasing commission	178,594	181,062	190,936
Tenant security deposits	80,191	80,133	79,908
Cash reserves	340,518	340,273	349,306
Equipment, net	33,754	33,754	23,162
Right of use asset - Master Lease Agreement	25,943,684	26,089,371	26,671,582
Total assets	\$ 27,804,611	\$ 27,975,961	\$ 28,512,542
LIABILITIES & MEMBERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 100,350	\$ 93,686	\$ 85,937
Due to related parties	254,935	254,935	254,935
Total current liabilities	355,286	348,622	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	7,241,435	7,273,089	7,399,167
Deferred operating lease liability - sublessee	4,814,243	4,860,332	5,044,691
Distribution payable - priority return	257,904	257,904	257,904
Total noncurrent liabilities	12,525,790	12,603,534	12,913,970
MEMBERS' EQUITY	14,923,535	15,023,805	15,257,700
Total liabilities and net position	\$ 27,804,611	\$ 27,975,961	\$ 28,512,542

683 NORTHLAND MASTER TENANT, LLC
Income Statement

Year-to-Date For the Period Ended:

	May 2024	April 2024	December 2023
Revenues:			
Lease revenue	\$ 615,556	\$ 492,445	\$ 1,445,436
Additional lease revenue	194,702	216,756	752,072
Interest and other revenue	3,535	2,822	7,033
Total revenues	<u>813,793</u>	<u>712,022</u>	<u>2,204,541</u>
Expenses:			
Lease expense	790,185	632,148	1,913,148
Payroll	54,046	48,936	155,609
Utilities expense	18,715	17,219	28,115
Insurance expense	55,787	44,630	127,632
Professional fees	44,893	41,091	81,054
Property management fee	35,121	29,313	69,719
Real estate taxes	4,583	4,583	25,914
Repairs and maintenance	134,629	117,998	263,437
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	0	0	347
Depreciation expense	-	-	6,448
Total expenses	<u>1,147,958</u>	<u>945,917</u>	<u>2,681,424</u>
Net loss	(334,165)	(233,895)	(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	(334,165)	(233,895)	(476,883)
Members' capital contributions	-	-	-
Distributions	-	-	(257,904)
Members' equity - end of period	<u>\$ 14,923,535</u>	<u>\$ 15,023,805</u>	<u>\$ 15,257,700</u>

683 NORTHLAND MASTER TENANT, LLC
Statement of Cash Flows

Year-to-Date For the Period Ended:

	May 2024	April 2024	December 2023
Cash flows from operating activities:			
Net loss	\$ (334,165)	\$ (233,895)	\$ (476,883)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	-	-	6,448
Decrease (increase) in assets:			
Tenant receivables	(1,172)	(65,848)	15,694
Prepaid insurance	61,384	47,610	(1,387)
Accrued rental income	(14,939)	(12,233)	(52,202)
Prepaid leasing commission	12,342	9,874	(2,320)
Right of use asset - Master Lease Agreement	570,166	456,133	1,420,725
Increase (decrease) in liabilities:			
Security deposit liability	-	-	(5,000)
Accounts payable	14,414	7,750	(44,958)
Deferred operating lease liability - sublessee	(230,448)	(184,358)	(592,742)
Net cash provided (used) by operating activities	77,582	25,032	267,373
Cash flows from investing activities:			
Equipment purchases	(10,593)	(10,593)	(9,741)
Net cash used by investing activities	(10,593)	(10,593)	(9,741)
Cash flows from financing activities:			
Members' contributions	-	-	-
Distributions	-	-	(238,207)
Payments of prepaid rent under Master Lease Agreement	-	-	-
Net cash provided by financing activities	-	-	(238,207)
Net increase (decrease) in cash	66,989	14,440	19,425
Cash and restricted cash - beginning of period	947,484	947,484	928,059
Cash and restricted cash - end of period	\$ 1,014,473	\$ 961,925	\$ 947,484

683 NORTHLAND MASTER TENANT, LLC
Budget to Actual Comparison

	<u>YTD May 2024</u>	<u>YTD Budget 2024</u>	<u>Variance</u>
Revenues:			
Lease revenue	\$ 615,556	\$ 613,333	\$ 2,223
Additional lease revenue	194,702	325,000	(130,298)
Interest and other revenue	3,535	104	3,430
Total revenues	<u>813,793</u>	<u>938,438</u>	<u>(124,645)</u>
Expenses:			
Lease expense	790,185	790,185	-
Payroll	54,046	72,400	(18,354)
Utilities	18,715	20,833	(2,119)
Insurance	55,787	57,500	(1,713)
Professional fees	44,893	31,250	13,643
Property management fee	35,121	30,833	4,287
Real estate taxes	4,583	13,750	(9,167)
Repairs and maintenance	134,629	123,181	11,448
Asset management fee	10,000	10,000	-
Miscellaneous	0	1,328	(1,327)
Depreciation	-	-	-
Total expenses	<u>1,147,958</u>	<u>1,151,260</u>	<u>(3,302)</u>
Net income (loss)	\$ (334,165)	\$ (212,823)	\$ (121,343)

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 April 2024.
- Professional fees are above budget year-to-date because of timing (e.g. audit and tax prep fees).
- Repairs and maintenance includes building automation system costs, snow removal and landscaping.

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

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

	May 2024	April 2024	December 2023
ASSETS			
Current assets:			
Cash	\$ 16,750,200	\$ 17,160,652	\$ 16,542,113
Restricted cash	23,654,182	23,611,462	460,544
Grants receivable	62,563,946	63,090,731	89,350,024
Other current assets	5,459,383	5,600,737	5,749,149
Total current assets	108,427,712	109,463,582	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	99,281,557	99,602,280	100,961,985
Right to use asset	7,462,538	7,464,068	7,470,200
Land and improvement held for sale, net	788,212	788,212	788,212
Total noncurrent assets	117,353,566	117,675,819	119,041,656
Total assets	\$ 225,781,278	\$ 227,139,401	\$ 231,143,486
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 387,329	\$ 1,183,441	\$ 528,067
Lines of credit	617,252	450,000	570,000
Loans payable, current	100,188	100,188	469,938
Unearned grant revenue	101,888,308	102,062,300	104,383,474
Total current liabilities	102,993,076	103,795,929	105,951,479
Deferred lease liability	26,171,744	26,285,916	26,742,613
Loans payable, noncurrent	13,629,812	13,629,812	13,629,812
Total noncurrent liabilities	39,801,556	39,915,728	40,372,425
NET POSITION			
Net investment in capital assets	86,339,768	86,660,491	87,650,447
Restricted	41,823	41,708	233,780
Unrestricted	(3,394,945)	(3,274,455)	(3,064,645)
Total net position	82,986,646	83,427,744	84,819,582
Total liabilities and net position	\$ 225,781,278	\$ 227,139,401	\$ 231,143,486

Balance Sheet Notes:

- Cash decreased mainly due to payments to vendors during the month.
- Grants receivable decreased due to receipt of grant funds.
- Capital assets decrease is due to monthly depreciation expense.
- Accounts payable/accrued expenses decreased due to payment of various project invoices.
- Lines of credit: balances are BUDC: \$217,251.58 ; 683 Northland: \$400,000. 683 Northland paid down \$50,000 during the month and BUDC's made one draw during the month.
- Unearned grant revenue decreased due to recognition of grant revenue during the month.

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

	May 2024	April 2024	December 2023
Operating revenues:			
Grant revenue	\$ 6,975,100	\$ 6,801,107	\$ 31,596,676
Brownfield funds	31,655	31,655	35,823
Loan interest and commitment fees	40,277	32,221	96,664
Rental and other revenue	823,876	659,618	2,951,472
Total operating revenues	<u>7,870,908</u>	<u>7,524,602</u>	<u>34,680,635</u>
Operating expenses:			
Development costs	7,213,812	6,945,402	30,900,700
Adjustment to net realizable value	248,236	248,196	74,961
Salaries and benefits	214,756	170,314	440,561
General and administrative	325,848	178,581	1,742,514
Management fee	61,250	51,750	142,262
Depreciation	1,654,942	1,327,704	4,138,093
Total operating expenses	<u>9,718,844</u>	<u>8,921,946</u>	<u>37,439,091</u>
Operating income (loss)	(1,847,936)	(1,397,344)	(2,758,456)
Non-operating revenues (expenses):			
Loss on disposal	-	-	8,329
Interest expense	(50,199)	(47,343)	(197,771)
Interest income	65,198	52,849	126,417
Total non-operating revenues (expenses)	<u>15,000</u>	<u>5,506</u>	<u>(63,024)</u>
Change in net position	(1,832,936)	(1,391,838)	(2,821,480)
Net position - beginning of period	<u>84,819,582</u>	<u>84,819,582</u>	<u>87,598,751</u>
Capital contributions, net of distributions	-	-	42,311
Net position - end of period	<u>\$ 82,986,646</u>	<u>\$ 83,427,744</u>	<u>\$ 84,819,582</u>

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

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
ASSETS					
Current assets:					
Cash	\$ 16,747,354	\$ 61	\$ 2,785	\$ -	\$ 16,750,200
Restricted cash	23,555,765	-	98,417	-	23,654,182
Grants receivable	62,563,946	-	-	-	62,563,946
Other current assets	7,868,704	28,833	132,359	(2,570,512)	5,459,383
Total current assets	110,735,770	28,894	233,561	(2,570,512)	108,427,712
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	8,674,778	-	90,806,778	-	99,281,557
Right to use asset	63,367	-	7,399,171	-	7,462,538
Land and improvement held for sale, net	788,212	-	-	-	788,212
Total noncurrent assets	71,380,035	67,074,772	98,005,949	(119,107,192)	117,353,566
Total assets	\$ 182,115,805	\$ 67,103,665	\$ 98,239,511	\$ (121,677,704)	\$ 225,781,278
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expense	\$ 384,473	\$ 2,570,512	\$ 2,855	(2,570,512)	(1)\$ 387,329
Line of credit	217,252	-	400,000	-	617,252
Loans payable, current	-	-	100,188	-	100,188
Unearned grant revenue	101,888,308	-	-	-	101,888,308
Total liabilities	102,490,032	2,570,512	503,043	(2,570,512)	102,993,076
Noncurrent liabilities:					
Deferred lease liability	63,367	-	26,108,377	-	26,171,744
Loans payable, noncurrent	-	52,187,279	13,629,812	(52,187,279)	13,629,812
Total noncurrent liabilities	63,367	52,187,279	39,738,189	(52,187,279)	39,801,556
NET POSITION					
Net investment in capital assets	9,462,990	-	76,876,778	-	86,339,768
Restricted	41,823	-	-	-	41,823
Unrestricted	70,057,593	12,345,875	(18,878,501)	(66,919,913)	(3,394,945)
Total net position	79,562,406	12,345,875	57,998,278	(66,919,913)	82,986,646
Total liabilities and net position	\$ 182,115,805	\$ 67,103,665	\$ 98,239,511	\$ (121,677,704)	\$ 225,781,278

(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: May 31, 2024 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
Operating revenues:					
Grant revenue	\$ 6,975,100	\$ -	\$ -	\$ -	\$ 6,975,100
Brownfield funds	31,655	-	-	-	31,655
Loan interest and commitment fees	40,277	-	-	-	40,277
Rental and other revenue	40,650	-	783,226	-	823,876
Total operating revenue	7,087,682	-	783,226	-	7,870,908
Operating expenses:					
Development costs	7,213,812	-	-	-	7,213,812
Adjustment to net realizable value	248,236	-	-	-	248,236
Salaries and benefits	214,756	-	-	-	214,756
General and administrative	236,650	1,615	87,582	-	325,848
Management fee	47,500	-	13,750	-	61,250
Depreciation	18,750	-	1,636,192	-	1,654,942
Total operating expenses	7,979,704	1,615	1,737,525	-	9,718,844
Operating income	(892,022)	(1,615)	(954,299)	-	(1,847,936)
Non-operating revenues (expenses):					
Interest expense	(4,849)	-	(45,350)	-	(50,199)
Interest income	65,069	1	129	-	65,198
Other income/expenses	-	-	-	-	-
Total non-operating revenues (expenses)	60,220	1	(45,221)	-	15,000
Change in net position	(831,803)	(1,614)	(999,520)	-	(1,832,936)
Net position - beginning of year	80,394,209	12,347,489	58,997,797	(66,919,913)	84,819,582
Capital contributions, net of distributions	-	-	-	-	-
Net position - end of period	\$ 79,562,406	\$ 12,345,875	\$ 57,998,278	\$ (66,919,913)	\$ 82,986,646

(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: May 31, 2024 (Unaudited)

	YTD May 2024	YTD Budget 2024	Variance
Operating revenues:			
Grant revenue	\$ 6,975,100	\$ 8,313,333	\$ (1,338,234)
Brownfield funds	31,655	19,167	12,489
Loan interest and commitment fees	40,277	40,277	(0)
Rental and other revenue	823,876	874,316	(50,440)
Proceeds from land sales, net	-	(29,375)	29,375
Total operating revenues	<u>7,870,908</u>	<u>9,217,718</u>	<u>(1,346,810)</u>
Operating expenses:			
Development costs	7,213,812	5,247,657	1,966,155
Adjustment to net realizable value	248,236	-	248,236
Salaries and benefits	214,756	212,234	2,522
General and administrative	325,848	559,776	(233,929)
Management fee	61,250	47,500	13,750
Depreciation	1,654,942	1,700,417	(45,475)
Total operating expenses	<u>9,718,844</u>	<u>7,767,584</u>	<u>1,951,260</u>
Operating income (loss)	(1,847,936)	1,450,134	(3,298,070)
Non-operating revenues (expenses):			
Interest expense	(50,199)	(88,114)	37,916
Interest income	65,198	10,417	54,781
Other income/expenses	-	-	-
Total non-operating revenues (expenses)	<u>15,000</u>	<u>(77,698)</u>	<u>92,697</u>
Change in net position	\$ <u>(1,832,936)</u>	\$ <u>1,372,436</u>	\$ <u>(3,205,373)</u>

Budget variances:

- Grant revenue relates mainly to Ralph C. Wilson, Jr. Centennial Park and Northland Projects. The variance is due to higher 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.

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 4.1

2024 – 2025

Buffalo Urban Development Corporation

Slate of Officers

Chairman:	Hon. Byron W. Brown, Mayor
Vice Chairman:	Dennis Penman
President:	Brandye Merriweather
Executive Vice President:	Rebecca Gandour
Secretary:	Kevin J. Zanner, Esq.
Treasurer:	Mollie Profic
Assistant Treasurer:	Atiqab Abidi

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

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Item 4.2

MEMORANDUM

TO: BUDC Board of Directors

FROM: Mayor Byron W. Brown, Chairman

RE: Appointment of BUDC Citizen Board Members

DATE: June 25, 2024

I am advising the BUDC Board of Directors of my decision to re-appoint Janique Curry and Thomas Halligan as Citizen Members and Directors of BUDC. Their new terms will begin effective as of the June 25, 2024 Board meeting and continue until the Annual Meeting in June of 2027, and until their successors are duly appointed. I am appreciative of the wisdom and commitment that both of these members have given to the Board over their respective years of service.

I am also appointing Crystal Morgan as a Citizen Member and Director of BUDC for a term beginning on June 25, 2024, continuing until the Annual Meeting in June of 2027. Crystal Morgan is Assistant Vice President of Pursuit and has extensive experience in banking, business development and community lending. I believe that Crystal's experience will prove to be a valuable addition to the BUDC Board of Directors.

Hon. Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Brandye Merriweather, President
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Item 4.3

Slate of 2024-2025 BUDC Board Committee Members

Audit & Finance (5)

Amdur
Curry
Morgan (Pending)
Nasca
Penman (Chair)

Governance (7)

Brown
Elsenbeck
Halligan
Kucharski (Chair)
Mehaffy
Penman
Utz

Real Estate (7)

Bylewski
Curry
Holden
Kucharski
Mehaffy
Minkel (Chair)
Penman

Downtown (10)

Amdur
Castle
Fishkin
Gallagher
Marton
Mehaffy (Chair)
Minkel
Morgan (Pending)
Scanlon
Utz

Loan (2)

Gallagher
Mehaffy (Chair)

TBD (Evans Bank)*Mike Anthony (M&T Bank)* Joseph Burden (HSBC)* TBD (KeyBank)* TBD

** These Loan Committee Members are appointed by their respective organizations.*

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Item 4.4

MEMORANDUM

TO: BUDC Board of Directors

FROM: Brandye Merriweather President

SUBJECT: Ralph C. Wilson, Jr. Centennial Park– Ralph C. Wilson, Jr. Foundation Grant Agreement #11 and 10th Amendment to BUDC - City of Buffalo Wilson Foundation Subgrant Agreement

DATE: June 25, 2024

At its February 27, 2024 meeting, the BUDC Board of Directors accepted its 10th grant award from the Ralph C. Wilson, Jr. Foundation (the “Wilson Foundation”) to support the capacity of the Ralph Wilson Park project team through the end of 2025. Previously, BUDC has accepted grant funding from the Wilson Foundation to support Phase 1 construction at Ralph Wilson Park, which consists of Phases 1A and 1B of construction.

With Phase 1A construction progressing, Phase 1B construction is projected to start in spring of 2024 and will consist of landscaping, irrigation, road paving, curb installation, parking lots, bollards, dugouts at baseball fields, fencing, railings, handrails, and park furnishings. A funding gap for Phase 1B was identified by the Ralph Wilson Park project team during the negotiation of the second guaranteed maximum price package with the City of Buffalo’s construction manager Gilbane. In order to close this funding gap, BUDC submitted its eleventh grant proposal (R-2402-14381) to the Wilson Foundation in April 2024. On April 19, 2024, the Wilson Foundation notified BUDC that it had approved BUDC’s grant funding request in the amount of \$6,000,000.00 to support Phases 1B/2 construction (“Wilson Grant Agreement 11”).

Wilson Grant Agreement 11 was updated to clarify reporting conditions on the application and approval of \$1,500,000.00 in funding from the Buffalo and Erie County Greenway Fund. The Wilson Foundation recognizes BUDC does not control the application or approval process related to the award of Buffalo Erie Greenway Funds. BUDC is also required, as a condition of Wilson

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Grant Agreement 11, to initiate the approval process through the City of Buffalo Common Council to name a trail within Ralph Wilson Park. BUDC will work with the City of Buffalo to satisfy this condition and include this condition within its next amendment to its subgrant agreement with the City of Buffalo. BUDC has been further advised by the Wilson Foundation that these conditions are not contingencies tied to specific payment milestones or would need to be satisfied prior to a specific payment under Wilson Grant Agreement 11.

An additional amendment to the Wilson Foundation Subgrant Agreement between BUDC and the City of Buffalo is needed. The tenth amendment will allow for the transfer of 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 represents the maximum amount of grant funds to be transferred and may be less than this amount as determined by the project team.

This item was reviewed with the Downtown Committee at its May 15th meeting and was recommended for Board approval.

ACTION:

I am requesting that the BUDC Board of Directors: (i) accept the \$6,000,000 grant award from the Wilson Foundation Phases 1B/2 of construction at Ralph Wilson Park; (ii) approve the tenth amendment to the BUDC-City of Buffalo subgrant agreement allowing BUDC to transfer up to \$6,000,000 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 the Wilson Grant Agreement 11 and tenth amendment to the subgrant agreement, and take such other actions as are necessary or appropriate to implement this authorization.

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Item 6.1 (TABLED)

MEMORANDUM

TO: BUDC Board of Directors

FROM: Brandye Merriweather, President

SUBJECT: BUDC-City of Buffalo American Rescue Plan Funding Memorandum of Understanding

DATE: June 25, 2024

In July 2021, the City of Buffalo announced that BUDC sustainability was included in the City of Buffalo's American Rescue Plan ("ARP") funding. The City's ARP funding plan allocates One Million Two Hundred Thousand Dollars (\$1,200,000.00) to BUDC for operational costs incurred during the Covid-19 pandemic and other related, direct, and indirect costs in order for BUDC to continue necessary economic development planning work. A portion of the ARP funding will also be used by BUDC towards Covid-19 downtown recovery initiatives occurring in 2024, including outdoor pop-ups, storefront vacancy programs, and small business marketing and promotional programming.

BUDC and the City of Buffalo are finalizing the terms of a memorandum of understanding ("MOU") to clarify the obligations of each party relating to the ARP funding. The MOU provides that the City will distribute the ARP funding to BUDC in one allocation in the amount of \$1,200,000.00 during the 2024 calendar year. BUDC will be required to submit quarterly programmatic and expenditure reports and annual performance reports to the City of Buffalo's Department of Administration and Finance. The terms of the MOU also require BUDC to adhere to certain compliance measures, including audit requirements and monthly virtual or on-site monitoring by the Department of Administration and Finance. BUDC is also required to indemnify the City of Buffalo from claims the City may be subject to as a result of the negligent performance of any work or funding of any activities pursuant to the MOU.

This item is being presented directly to the BUDC Board of Directors as the Audit & Finance Committee meeting was canceled.

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

ACTION:

We are requesting that the BUDC Board of Directors: (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.