

## Buffalo Urban Development Corporation

95 Perry Street

Suite 404

Buffalo, New York 14203

phone: 716-856-6525

fax: 716-856-6754

Buffalo Urban Development Corporation

web: [buffalourbandevelopment.com](http://buffalourbandevelopment.com)



### **Buffalo Urban Development Corporation**

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

***Date: Tuesday, August 27, 2024***

***Time: 12:00 noon***

***BUDC Offices, 95 Perry Street – 4<sup>th</sup> 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 BLCP - Amendment to Brokerage Services Agreement for 193 Ship Canal Pkwy *(Action)(Enclosure)*

4.2 Ralph C. Wilson, Jr. Centennial Park – MVVA Amendment #14 *(Action)(Enclosure)*

4.3 Ralph Wilson Park Project Update *(Information)*

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

4.5 Northland Corridor Project Update *(Information)*

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

#### **5.0 LATE FILES**

#### **6.0 TABLED ITEMS**

#### **7.0 EXECUTIVE SESSION**

#### **8.0 ADJOURNMENT *(Action)***

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

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

**July 30, 2024  
12:00 p.m.**

Directors Present:

Catherine Amdur  
Scott Bylewski  
Janique S. Curry  
Darby Fishkin  
Dottie Gallagher  
Thomas A. Kucharski  
Nathan Marton  
Brendan R. Mehaffy  
Kimberley A. Minkel  
Crystal Morgan  
David J. Nasca  
Dennis M. Penman (Vice Chair)

Directors Absent:

Mayor Byron W. Brown (Chair)  
Daniel Castle (attended via Zoom)  
Dennis W. Elsenbeck  
Thomas Halligan  
Elizabeth Holden  
Christopher P. Scanlon  
Karen Utz

Officers Present:

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

Guests Present: Jonathan Epstein, *The Buffalo News*; Alexis M. Florczak, Hurwitz Fine P.C; Soma Hawramee, ECIDA Compliance Manager; Brian Krygier, Director of IT, ECIDA; Sean Najewski, Gilbane Building Company; and Angelo Rhodes II, Northland Project Manager.

- 1.0** Roll Call – The meeting was called to order at 12:13 p.m. by Vice Chair Penman, who welcomed Crystal Morgan to her first meeting as a member of the BUDC Board of Directors. A quorum was not present. Agenda item 4.6 was presented first as an informational item. Mr. Kucharski and Ms. Amdur joined the meeting during the presentation of item 4.6. Following the presentation of item 4.6. the Secretary called the roll of directors and a quorum of the Board was determined to be present. Ms. Curry joined the meeting during the presentation of item 3.1.
- 2.0** Approval of Minutes – Meeting of June 25, 2024 – The minutes of the June 25, 2024 meeting of the Board of Directors were presented. Mr. Nasca made a motion to approve the meeting minutes. The motion was seconded by Ms. Amdur 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 June 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 June 30, 2024. The Board discussed the financial statements. Mr. Mehaffy commented on the City of Buffalo’s financial commitment of American Rescue Plan funding to BUDC. Mr. Mehaffy then made a motion to accept the consolidated financial statements. The motion was seconded by Mr. Nasca and unanimously carried (12-0-0).

**4.0 New Business**

**4.1 Northland Corridor Project – Northland Corridor BOA Plan Consultant** – Mr. Rhodes presented his July 30, 2024 memorandum regarding the proposed retention of a consultant for the Northland Beltline Brownfield Opportunity Area Plan. Mr. Rhodes outlined the request for proposals process undertaken by BUDC staff and the selection team. This item was reviewed by the BUDC Real Estate Committee at its July 23<sup>rd</sup> meeting and is recommended for approval. Following the presentation, Mr. Nasca made a motion to: (i) authorize BUDC to enter into an agreement with Colliers Engineering & Design to provide nomination document preparation, assist with the designation of the proposed BOA, and project administration consultant services for the Northland Beltline Brownfield Opportunity Area for an amount not to exceed \$97,500; and (ii) authorize the BUDC President or Executive Vice President to execute the agreement with Colliers Engineering & Design and take such other actions as may be necessary or appropriate to implement this authorization. The motion was seconded by Ms. Gallagher and unanimously carried (12-0-0).

**4.2 Northland Central – Lease to Rookery Labs** – Ms. Gandour presented her July 30, 2024 memorandum regarding a proposed lease of the red shed building at 683 Northland to Rookery Labs, Inc. The Board asked several questions regarding the proposed lease. In response to a question from Ms. Gallagher, Ms. Gandour noted that the prospective tenant requested that BUDC utilize good faith efforts to limit increases in controllable expenses to three percent each year. In response to a question from Ms. Amdur, Ms. Gandour noted that current tenant, Garwood Medical, has terminated its lease and will vacate the premises by the end of August. At the conclusion of the discussion, Ms. Minkel made a motion to approve a lease with Rookery Labs consistent with the terms outlined in July 30<sup>th</sup> memorandum, and to authorize the BUDC President or Executive Vice President to execute the lease on behalf of 683 Northland Master Tenant, LLC. The motion was seconded by Ms. Curry and (with Ms. Fishkin abstaining) carried with eleven affirmative votes (11-0-1).

**4.3 Ralph C. Wilson, Jr. Centennial Park – GLC Grant Agreement #5** – Ms. Gandour presented her July 30, 2024 memorandum regarding the fifth GLC grant agreement. Following the presentation, Mr. Kucharski made a motion to: (i) approve the acceptance by BUDC of an approximately \$1.63 million grant from the Great Lakes Commission for additional construction funding in support of the Ralph Wilson Park project; (ii) authorize BUDC to enter into the second amendment to the subgrant agreement with the City of Buffalo to allow BUDC to move funds for additional construction funding to the City, and to pass through the federal grant obligations in the GLC Grant Agreement; and (iii) authorize the BUDC President or Executive Vice President to execute the GLC Grant Agreement and second amendment to the BUDC-City of Buffalo subgrant agreement and take such other actions as are necessary or appropriate to implement this authorization. The motion was seconded by Ms. Minkel and unanimously carried (12-0-0).

**4.4 BLCP – Brokerage Services for 80, 134, 158 & 200 Ship Canal Parkway** – Ms. Gandour presented her July 30, 2024 memorandum regarding the retention of a real estate brokerage firm for the contiguous parcels located 80, 134, 158 and 200 Ship Canal Parkway. Proposals for brokerage services were solicited and three proposals were received. BUDC staff recommended the selection of CBRE Upstate NY and after reviewing the matter at its July 23<sup>rd</sup> meeting, the Real Estate Committee is recommending that the Board approve the selection. 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, it 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, Mr. Nasca 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 agreement with CBRE; (ii) authorize BUDC to enter into an agreement with CBRE for brokerage services for 80, 134, 158 and 200 Ship Canal Parkway on the terms set forth in this memorandum; 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. Marton and (with Ms. Fishkin abstaining) carried with eleven affirmative votes (11-0-1).

**4.5 Buffalo's Race for Place Project Update** – Ms. Merriweather presented an update regarding Buffalo's Race for Place. BUDC is coordinating with the City of Buffalo regarding the release of the Waterfront Improvement Plan and Smart Streets Design Plan. 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. A pre-proposal meeting was held with potential respondents and was well attended. The response deadline has been extended to August 15<sup>th</sup> due to the volume of questions received. The Buffalo Place Rangers, Buffalo Police Department and NFTA continue to hold coordination meetings addressing safety and quality of life enhancement matters. Focus group meetings are ongoing for the Queen City Revisited Plan. Mr. Mehaffy thanked Ms. Gallagher for joining this effort, and noted that the Office of Strategic Planning is currently in its data collection stage.

**4.6 Ralph Wilson Park Project Update** – Sean Najewski presented an update regarding the Ralph Wilson Park project. The pedestrian bridge was delivered to the Park. All pieces of the bridge have been fit together, and welding work on the bridge will continue through September. It is anticipated that the bridge will be erected in early October. Bridge abutment work continues and will be completed in August. Inlet work continues and subaqueous soil is being placed where stone was previously excavated. Mr. Najewski reported that utilization is currently tracking at 19.11% MBE and 26% WBE.

**4.7 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 were submitted to EDA for approval. With respect to Phase 4 redevelopment, Wendel and BUDC are working with SHPO regarding historic preservation requirements for the 631 Northland building. Mr. Rhodes reported that LiRo prepared a draft update to its building conditions report for the buildings located at 741 and 777 Northland. As a result of the December 2022 blizzard, the condition of both buildings has deteriorated, with portions of the roofs of both buildings having caved in. Mr. Rhodes noted that 777 Northland is subject to a memorandum of agreement with SHPO that describes elements of the building that were intended to be preserved and rehabilitated. He noted that the memorandum of agreement does not apply to 741 Northland.

**4.8 Buffalo Lakeside Commerce Park – Project Update** – Ms. Gandour presented an update regarding Buffalo Lakeside Commerce Park. BUDC staff is following up with RAS Development regarding payment of its exclusivity fee with respect to 193 Ship Canal Parkway. The exclusivity agreement is scheduled to expire on August 15<sup>th</sup>. It is anticipated that RAS Development will request an extension to the exclusivity agreement, which would be reviewed with the Real Estate Committee. With respect to the Property Owners Association, Ms. Gandour reported that Uniland has not yet paid an outstanding assessment invoice.

**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 Ms. Gallagher, seconded by Ms. Curry and unanimously carried, the July 30, 2024 meeting of the Board of Directors was adjourned at 12:51 p.m.

Respectfully submitted,

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Kevin J. Zanner, Secretary

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

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

<b>ASSETS</b>	<b>July 2024</b>	<b>June 2024</b>	<b>December 2023</b>
<b>Current assets:</b>			
Cash	\$ 291,809	\$ 365,723	\$ 518,270
Tenant receivable	152,483	63,371	26,512
Prepaid expenses	24,322	39,782	117,269
Total current assets	<u>468,614</u>	<u>468,876</u>	<u>662,052</u>
Prepaid rent - sublessee	554,868	553,241	535,596
Prepaid leasing commission	173,657	176,125	190,936
Tenant security deposits	80,305	80,247	79,908
Cash reserves	341,003	340,756	349,306
Equipment, net	30,754	30,754	23,162
Right of use asset - Master Lease Agreement	25,652,146	25,797,942	26,671,582
Total assets	<u>\$ 27,301,347</u>	<u>\$ 27,447,943</u>	<u>\$ 28,512,542</u>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 99,399	\$ 104,140	\$ 85,937
Due to related parties	254,935	254,935	254,935
Total current liabilities	<u>354,334</u>	<u>359,076</u>	<u>340,872</u>
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	7,177,963	7,209,726	7,399,167
Deferred operating lease liability - sublessee	4,722,064	4,768,153	5,044,691
Distribution payable - priority return	-	-	257,904
Total noncurrent liabilities	<u>12,112,236</u>	<u>12,190,088</u>	<u>12,913,970</u>
<b>MEMBERS' EQUITY</b>	<b>14,834,777</b>	<b>14,898,780</b>	<b>15,257,700</b>
Total liabilities and net position	<u>\$ 27,301,347</u>	<u>\$ 27,447,943</u>	<u>\$ 28,512,542</u>

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

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

	<u>July 2024</u>	<u>June 2024</u>	<u>December 2023</u>
<b>Revenues:</b>			
Lease revenue	\$ 858,064	\$ 734,953	\$ 1,445,436
Additional lease revenue	328,714	261,708	752,072
Interest and other revenue	<u>4,655</u>	<u>4,080</u>	<u>7,033</u>
Total revenues	<u>1,191,433</u>	<u>1,000,741</u>	<u>2,204,541</u>
<b>Expenses:</b>			
Lease expense	1,106,259	948,222	1,913,148
Payroll	73,833	65,895	155,609
Utilities expense	26,214	21,561	28,115
Insurance expense	78,102	66,945	127,632
Professional fees	53,597	49,796	81,054
Property management fee	47,037	41,229	69,719
Real estate taxes	15,079	4,583	25,914
Repairs and maintenance	201,235	148,431	263,437
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	0	0	347
Depreciation expense	<u>3,000</u>	<u>3,000</u>	<u>6,448</u>
Total expenses	<u>1,614,356</u>	<u>1,359,662</u>	<u>2,681,424</u>
Net loss	<u>(422,923)</u>	<u>(358,921)</u>	<u>(476,883)</u>
Members' equity - beginning of period	<u>15,257,700</u>	<u>15,257,700</u>	<u>15,992,487</u>
Change in members' equity	<u>(422,923)</u>	<u>(358,921)</u>	<u>(476,883)</u>
Members' capital contributions	-	-	-
Distributions	-	-	(257,904)
Members' equity - end of period	<u>\$ 14,834,777</u>	<u>\$ 14,898,780</u>	<u>\$ 15,257,700</u>



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

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

	<u>July 2024</u>	<u>June 2024</u>	<u>December 2023</u>
<b>Cash flows from operating activities:</b>			
Net loss	\$ (422,923)	\$ (358,921)	\$ (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	(125,971)	(36,858)	15,694
Prepaid insurance	92,947	77,487	(1,387)
Accrued rental income	(19,272)	(17,645)	(52,202)
Prepaid leasing commission	17,280	14,811	(2,320)
Right of use asset - Master Lease Agreement	798,232	684,199	1,420,725
Increase (decrease) in liabilities:			
Security deposit liability	-	-	(5,000)
Accounts payable	13,462	18,204	(44,958)
Deferred operating lease liability - sublessee	(322,627)	(276,537)	(592,742)
<b>Net cash provided (used) by operating activities</b>	<u>34,129</u>	<u>107,739</u>	<u>267,373</u>
<b>Cash flows from investing activities:</b>			
Equipment purchases	(10,593)	(10,593)	(9,741)
<b>Net cash used by investing activities</b>	<u>(10,593)</u>	<u>(10,593)</u>	<u>(9,741)</u>
<b>Cash flows from financing activities:</b>			
Members' contributions	-	-	-
Distributions	(257,904)	(257,904)	(238,207)
Payments of prepaid rent under Master Lease Agreement	-	-	-
<b>Net cash provided by financing activities</b>	<u>(257,904)</u>	<u>(257,904)</u>	<u>(238,207)</u>
<b>Net increase (decrease) in cash</b>	<u>(234,368)</u>	<u>(160,757)</u>	19,425
<b>Cash and restricted cash - beginning of period</b>	<u>947,484</u>	<u>947,484</u>	<u>928,059</u>
<b>Cash and restricted cash - end of period</b>	<u>\$ 713,116</u>	<u>\$ 786,727</u>	<u>\$ 947,484</u>

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

	<u>YTD July 2024</u>	<u>YTD Budget 2024</u>	<u>Variance</u>
<b>Revenues:</b>			
Lease revenue	\$ 858,064	\$ 858,667	\$ (602)
Additional lease revenue	328,714	455,000	(126,286)
Interest and other revenue	<u>4,655</u>	<u>146</u>	<u>4,509</u>
Total revenues	<u>1,191,433</u>	<u>1,313,813</u>	<u>(122,379)</u>
<b>Expenses:</b>			
Lease expense	1,106,259	1,106,259	-
Payroll	73,833	101,360	(27,527)
Utilities	26,214	29,167	(2,953)
Insurance	78,102	80,500	(2,398)
Professional fees	53,597	43,750	9,847
Property management fee	47,037	43,167	3,870
Real estate taxes	15,079	19,250	(4,171)
Repairs and maintenance	201,235	172,453	28,782
Asset management fee	10,000	10,000	-
Miscellaneous	0	1,859	(1,858)
Depreciation	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total expenses	<u>1,614,356</u>	<u>1,607,764</u>	<u>6,592</u>
Net income (loss)	\$ (422,923)	\$ (293,952)	\$ (128,971)

**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.
- Professional fees are above budget year-to-date mainly due to timing (e.g. audit and tax prep fees).
- 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**  
July 31, 2024  
(Unaudited)

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

<b>ASSETS</b>	<b>July 2024</b>	<b>June 2024</b>	<b>December 2023</b>
<b>Current assets:</b>			
Cash	\$ 7,745,147	\$ 16,119,860	\$ 16,542,113
Restricted cash	23,598,237	23,676,894	460,544
Grants receivable	63,970,077	66,220,077	89,350,024
Other current assets	5,342,305	5,438,741	5,749,149
Total current assets	<u>100,655,766</u>	<u>111,455,573</u>	<u>112,101,830</u>
<b>Noncurrent assets:</b>			
Loans receivable	9,666,400	9,666,400	9,666,400
Equity investment	154,859	154,859	154,859
Capital assets, net	99,694,167	100,040,155	100,961,985
Right to use asset	7,459,460	7,461,002	7,470,200
Land and improvement held for sale, net	788,212	788,212	788,212
Total noncurrent assets	<u>117,763,098</u>	<u>118,110,628</u>	<u>119,041,656</u>
Total assets	<u>\$ 218,418,865</u>	<u>\$ 229,566,201</u>	<u>\$ 231,143,486</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 362,808	\$ 1,374,050	\$ 528,067
Lines of credit	1,721,839	617,252	570,000
Loans payable, current	100,188	100,188	469,938
Unearned grant revenue	93,197,687	104,006,764	104,383,474
Total current liabilities	<u>95,382,521</u>	<u>106,098,254</u>	<u>105,951,479</u>
Deferred lease liability	25,943,384	26,057,567	26,742,613
Loans payable, noncurrent	13,629,812	13,629,812	13,629,812
Total noncurrent liabilities	<u>39,573,196</u>	<u>39,687,379</u>	<u>40,372,425</u>
<b>NET POSITION</b>			
Net investment in capital assets	86,752,378	87,098,367	87,650,447
Restricted	44,256	41,935	233,780
Unrestricted	<u>(3,333,487)</u>	<u>(3,359,733)</u>	<u>(3,064,645)</u>
Total net position	<u>83,463,148</u>	<u>83,780,569</u>	<u>84,819,582</u>
Total liabilities and net position	<u>\$ 218,418,865</u>	<u>\$ 229,566,201</u>	<u>\$ 231,143,486</u>

**Balance Sheet Notes:**

- Cash decreased mainly due to grant funds passed through to City of Buffalo 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 timing of payments of various project invoices.
- Lines of credit: balances are BUDC: \$1,321,838.58 ; 683 Northland: \$400,000.
- 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)**

	<u>July 2024</u>	<u>June 2024</u>	<u>December 2023</u>
<b>Operating revenues:</b>			
Grant revenue	\$ 21,665,720	\$ 8,856,643	\$ 31,596,676
Brownfield funds	33,860	31,655	35,823
Loan interest and commitment fees	56,387	48,332	96,664
Rental and other revenue	<u>1,152,393</u>	<u>988,134</u>	<u>2,951,472</u>
Total operating revenues	<u>22,908,360</u>	<u>9,924,765</u>	<u>34,680,635</u>
<b>Operating expenses:</b>			
Development costs	20,888,776	8,021,592	30,900,700
Adjustment to net realizable value	253,836	248,236	74,961
Salaries and benefits	296,273	256,150	440,561
General and administrative	374,423	349,219	1,742,514
Management fee	94,000	84,500	142,262
Depreciation	<u>2,346,919</u>	<u>2,000,931</u>	<u>4,138,093</u>
Total operating expenses	<u>24,254,227</u>	<u>10,960,627</u>	<u>37,439,091</u>
Operating income (loss)	<u>(1,345,867)</u>	<u>(1,035,863)</u>	<u>(2,758,456)</u>
<b>Non-operating revenues (expenses):</b>			
Loss on disposal	-	-	8,329
Interest expense	(92,658)	(80,036)	(197,771)
Interest income	<u>82,090</u>	<u>76,885</u>	<u>126,417</u>
Total non-operating revenues (expenses)	<u>(10,568)</u>	<u>(3,151)</u>	<u>(63,024)</u>
Change in net position	<u>(1,356,435)</u>	<u>(1,039,014)</u>	<u>(2,821,480)</u>
Net position - beginning of period	<u>84,819,582</u>	<u>84,819,582</u>	<u>87,598,751</u>
Capital contributions, net of distributions	-	-	42,311
Net position - end of period	<u>\$ 83,463,148</u>	<u>\$ 83,780,569</u>	<u>\$ 84,819,582</u>

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

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash	\$ 7,690,152	\$ 2,679	\$ 52,316	\$ -	\$ 7,745,147
Restricted cash	23,518,800	-	79,437	-	23,598,237
Grants receivable	63,970,077	-	-	-	63,970,077
Other current assets	7,759,842	1,097	132,359	(2,550,992)	5,342,305
Total current assets	102,938,871	3,776	264,112	(2,550,992)	100,655,766
<b>Noncurrent assets:</b>					
Loans receivable	61,853,679	-	-	(52,187,279)	9,666,400
Equity investment	-	67,074,772	-	(66,919,913)	154,859
Capital assets, net	9,741,865	-	89,952,301	-	99,694,167
Right to use asset	60,289	-	7,399,171	-	7,459,460
Land and improvement held for sale, net	788,212	-	-	-	788,212
Total noncurrent assets	72,444,045	67,074,772	97,351,472	(119,107,192)	117,763,098
Total assets	\$ 175,382,916	\$ 67,078,548	\$ 97,615,584	\$ (121,658,184)	\$ 218,418,865
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expense	\$ 360,008	\$ 2,550,992	\$ 2,799	(2,550,992)	(1)\$ 362,808
Line of credit	1,321,839	-	400,000	-	1,721,839
Loans payable, current	-	-	100,188	-	100,188
Unearned grant revenue	93,197,687	-	-	-	93,197,687
Total liabilities	94,879,534	2,550,992	502,987	(2,550,992)	95,382,521
<b>Noncurrent liabilities:</b>					
Deferred lease liability	60,289	-	25,883,095	-	25,943,384
Loans payable, noncurrent	-	52,187,279	13,629,812	(52,187,279)	13,629,812
Total noncurrent liabilities	60,289	52,187,279	39,512,907	(52,187,279)	39,573,196
<b>NET POSITION</b>					
Net investment in capital assets	10,530,077	-	76,222,301	-	86,752,378
Restricted	44,256	-	-	-	44,256
Unrestricted	69,868,760	12,340,277	(18,622,611)	(66,919,913)	(3,333,487)
Total net position	80,443,093	12,340,277	57,599,690	(66,919,913)	83,463,148
Total liabilities and net position	\$ 175,382,916	\$ 67,078,548	\$ 97,615,584	\$ (121,658,184)	\$ 218,418,865

(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: July 31, 2024 (Unaudited)**

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
<b>Operating revenues:</b>					
Grant revenue	\$ 21,665,720	\$ -	\$ -	\$ -	\$ 21,665,720
Brownfield funds	33,860	-	-	-	33,860
Loan interest and commitment fees	56,387	-	-	-	56,387
Rental and other revenue	55,877	-	1,096,516	-	1,152,393
Total operating revenue	21,811,844	-	1,096,516	-	22,908,360
<b>Operating expenses:</b>					
Development costs	20,888,776	-	-	-	20,888,776
Adjustment to net realizable value	253,836	-	-	-	253,836
Salaries and benefits	296,273	-	-	-	296,273
General and administrative	268,440	7,215	98,768	-	374,423
Management fee	66,500	-	27,500	-	94,000
Depreciation	56,250	-	2,290,669	-	2,346,919
Total operating expenses	21,830,074	7,215	2,416,937	-	24,254,227
Operating income	(18,231)	(7,215)	(1,320,421)	-	(1,345,867)
<b>Non-operating revenues (expenses):</b>					
Interest expense	(14,809)	-	(77,849)	-	(92,658)
Interest income	81,924	3	163	-	82,090
Other income/expenses	-	-	-	-	-
Total non-operating revenues (expenses)	67,115	3	(77,686)	-	(10,568)
Change in net position	48,884	(7,212)	(1,398,107)	-	(1,356,435)
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	\$ 80,443,093	\$ 12,340,277	\$ 57,599,690	\$ (66,919,913)	\$ 83,463,148

(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: July 31, 2024 (Unaudited)**

	<u>YTD July 2024</u>	<u>YTD Budget 2024</u>	<u>Variance</u>
<b>Operating revenues:</b>			
Grant revenue	\$ 21,665,720	\$ 11,638,667	\$ 10,027,053
Brownfield funds	33,860	26,833	7,027
Loan interest and commitment fees	56,387	56,387	(0)
Rental and other revenue	1,152,393	1,224,042	(71,649)
Proceeds from land sales, net	-	(41,125)	41,125
Total operating revenues	<u>22,908,360</u>	<u>12,904,805</u>	<u>10,003,556</u>
<b>Operating expenses:</b>			
Development costs	20,888,776	7,346,720	13,542,056
Adjustment to net realizable value	253,836	-	253,836
Salaries and benefits	296,273	297,127	(854)
General and administrative	374,423	783,687	(409,264)
Management fee	94,000	66,500	27,500
Depreciation	2,346,919	2,380,583	(33,664)
Total operating expenses	<u>24,254,227</u>	<u>10,874,617</u>	<u>13,379,609</u>
Operating income (loss)	(1,345,867)	2,030,187	(3,376,054)
<b>Non-operating revenues (expenses):</b>			
Interest expense	(92,658)	(123,360)	30,701
Interest income	82,090	14,583	67,507
Other income/expenses	-	-	-
Total non-operating revenues (expenses)	<u>(10,568)</u>	<u>(108,777)</u>	<u>98,208</u>
Change in net position	<u>\$ (1,356,435)</u>	<u>\$ 1,921,411</u>	<u>\$ (3,277,846)</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 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**

95 Perry Street  
Suite 404  
Buffalo, New York 14203  
phone: 716-856-6525  
fax: 716-856-6754  
web: [buffalourbandevelopment.com](http://buffalourbandevelopment.com)



**Item 4.1**

**MEMORANDUM**

**TO: BUDC Board of Directors**

**FROM: Rebecca Gandour, Executive Vice President**

**SUBJECT: Buffalo Lakeside Commerce Park: Amendment to Brokerage Services Agreement for 193 Ship Canal Parkway**

**DATE: August 27, 2024**

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Last month, the BUDC Board of Directors approved a broker services agreement with CBRE Upstate NY (CBRE) for 80, 134, 158 and 200 Ship Canal Parkway. CBRE was selected as broker for these BLCF parcels following a solicitation process conducted pursuant to the BUDC procurement policy. A three-year contract is being finalized for broker services.

Earlier this month, the exclusivity agreement for 193 Ship Canal Parkway with RAS Development expired, making that parcel available for sale.

BUDC staff is recommending that the CBRE broker services agreement be amended to include 193 Ship Canal Parkway. The proposed six percent commission structure is the same commission percentage BUDC and CBRE agreed to for the sale of 80, 134, 158 and 200 Ship Canal Parkway and lease of Northland Corridor properties. Staff did not conduct a separate solicitation for these additional broker services as BUDC just completed a solicitation for broker services last month and these additional services qualify for the single-source exception to procurement under the BUDC procurement policy.

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

Staff's recommendation to retain CBRE to provide broker services for 193 Ship Canal Parkway was reviewed with the Real Estate Committee at its August 20<sup>th</sup> meeting and was recommended for Board approval.

**ACTION:**

I am requesting that the BUDC Board of Directors:

1. Determine that the proposed transaction described in this memorandum is a Related Party Transaction and is fair, reasonable, and in BUDC's best interest, and that the BUDC Board has considered alternatives to the extent available and after considering such alternatives, it is in BUDC's best interest to enter into an amendment to the broker services agreement with CBRE.
2. Authorize BUDC to enter into an amendment with CBRE for brokerage services for 193 Ship Canal Parkway on the terms set forth in this memorandum.
3. Authorize the BUDC President or Executive Vice President to execute an amendment to the broker services agreement with CBRE and take such other actions as may be necessary or appropriate to implement this authorization.

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Buffalo, New York 14203  
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fax: 716-856-6754

web: [buffalourbandevelopment.com](http://buffalourbandevelopment.com)



**Item 4.2**

**MEMORANDUM**

**TO: BUDC Board of Directors**

**FROM: Rebecca Gandour, Executive Vice President**

**SUBJECT: Ralph C. Wilson, Jr. Centennial Park – MVVA Amendment #14**

**DATE: August 27, 2024**

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On February 27, 2024, the BUDC Board of Directors approved the 13th amendment to the Master Service Agreement (the “MVVA Agreement”) with Michael Van Valkenburgh Associates (“MVVA”) for the redesign of the retaining wall handrail and preparation of new grading drawings for Ralph Wilson Park.

An additional amendment to the MVVA Agreement is now required for value engineering design services for Phase 2. Gardiner & Theobald has negotiated with MVVA to provide these services for a sum not to exceed \$340,147. The cost of this amendment will be split and funded through three grants. The first \$66,917.23 will be funded through Wilson Grant 5, which was accepted by the BUDC Board of Directors at its February 16, 2022 meeting. The second \$18,482.01 will be funded through Wilson Grant 7 which was accepted by the BUDC Board of Directors at its November 29, 2022 meeting. As funding from Wilson Grants 5 and 7 were allocated for Phase 1 construction, BUDC received approval from the Wilson Foundation on August 13, 2024, to modify these grant agreements and repurpose funding for Phase 2.

The remaining \$254,747.76 (if needed) will come from BUDC’s next grant ask to the Wilson Foundation for Phase 2 construction and other time-sensitive items, which will be brought to the Board for approval at a later date. MVVA is aware that remaining funding for the design services has not been approved to date. To account for this, and consistent with prior amendments to BUDC’s agreement with MVVA, the 14<sup>th</sup> amendment will expressly provide that payment to MVVA is conditioned on BUDC’s receipt of funding, and that BUDC has no independent funding obligation for work the performed by MVVA.

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

This item is being presented directly to the BUDC Board of Directors as the August 21, 2024, Downtown Committee meeting was canceled.

**ACTION:**

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