

## **Buffalo Urban Development Corporation**

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### **Buffalo Urban Development Corporation** **Board of Directors Meeting**

***Date: Tuesday, April 29, 2025***

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

***BUDC Offices – 95 Perry Street, Buffalo, NY 14203***

***Vista Room***

#### **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)(Encl.)*

3.2 BUDC Consolidated Financial Statements *(Action)(Encl.)*

#### **4.0 NEW BUSINESS**

4.1 Northland Corridor – Proposed Lease to Flat 12 Mushrooms, LLC for 606 (612) Northland Avenue *(Action)(Encl.)*

4.2 Queen City Hub Revisited – Marketing and Advocacy Support Agreement Modification *(Action)(Handout to be Distributed)*

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

4.4 Ralph Wilson Park 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**

***Buffalo Niagara Partnership  
79 Perry Street– 2<sup>nd</sup> Floor  
Buffalo, New York 14203***

**March 25, 2025  
12:00 p.m.**

**Directors Present:**

Mayor Christopher P. Scanlon (Chair)  
Catherine Amdur  
Bryan J. Bollman  
Scott Bylewski  
Daniel Castle  
Janique S. Curry  
Dennis W. Elsenbeck  
Dottie Gallagher  
Elizabeth Holden  
Thomas A. Kucharski  
Nadine Marrero  
Kimberley A. Minkel  
Crystal Morgan  
David J. Nasca

**Directors Absent:**

Darby Fishkin  
Thomas Halligan  
Nathan Marton  
Dennis M. Penman (Vice Chair)  
Karen Utz

**Officers Present:**

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

**Guests Present:** Greg Baker, Gilbane Building Company; James Bernard, BUDC Project Manager; Katie Campos, Ralph Wilson Park Conservancy; Jonathan Epstein, *The Buffalo News*; Alexis M. Florczak, Hurwitz Fine P.C.; Bryan 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 12:06 p.m. by Mayor Scanlon. 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 3.1.5. Mr. Bollman left the meeting following the presentation of item 3.3.2.

**2.0 Approval of Minutes – Meeting of February 25, 2025** – The minutes of the February 25, 2025 meeting of the Board of Directors were presented. Ms. Minkel made a motion to approve the

meeting minutes. The motion was seconded by Mr. Bollman and unanimously carried (13-0-0).

### **3.0 New Business**

**3.1 Audit & Finance Committee Report** – Ms. Profic presented the Audit & Finance Committee report. Four items to be presented as part of the Audit & Finance Committee report require a Board vote and were recommended for approval by the Audit & Finance Committee at its March 13, 2025 meeting.

**3.1.1 683 Northland Master Tenant, LLC Audited Financial Statements** – Ms. Profic presented for information purposes the 2024 audited financial statements of 683 Northland Master Tenant, LLC. Ms. Profic reviewed the financial statements with the Board and reported that an unmodified (clean) opinion is being issued by Freed Maxick with respect to the financial statements of 683 Northland Master Tenant, LLC.

**3.1.2 2024 BUDC Audited Consolidated Financial Statements Approval** – Ms. Profic reviewed the draft 2024 audited consolidated financial statements. She noted that BUDC is being issued an unmodified (clean) opinion that the financial statements present fairly, in all material respects, the financial position of BUDC as of December 31, 2024, and the changes in its financial position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States. No material weaknesses or control deficiencies were found during the audit process. Ms. Profic also noted that the auditors performed a single audit which was required this year with respect to federal grant funding received in 2024. There were no negative findings or questioned costs in relation to the single audit. The Audit & Finance Committee reviewed the draft audited financial statements and is recommending that the Board accept the draft audited financial statements. The Board briefly discussed the audited financials. Ms. Gallagher then made a motion to accept the 2024 BUDC consolidated audited financial statements. The motion was seconded by Mr. Nasca and unanimously carried (13-0-0).

**3.1.3 2024 Audited Financial Statements – BBRF** – Ms. Profic presented for information purposes the 2024 audited financial statements for the Buffalo Brownfield Redevelopment Fund (BBRF). It is anticipated that the BBRF funds will be supplemented with PILOT payments from the Zephyr project this year.

**3.1.4 2024 Investment Report and Approval** – Ms. Profic presented the 2024 Investment Report. Ms. Minkel made a motion to approve the 2024 Investment Report. The motion was seconded by Mr. Nasca and unanimously carried (13-0-0).

**3.1.5 Investment and Deposit Policy Re-adoption** – Ms. Profic presented the BUDC Investment and Deposit Policy. No changes were made to the policy from the prior year. Ms. Gallagher made a motion to approve the Investment & Deposit Policy as presented. The motion was seconded by Mr. Bollman and unanimously carried (14-0-0).

**3.1.6 Credit Card Policy Re-adoption** – Ms. Profic presented the BUDC Credit Card Policy. No changes were made to the policy from the prior year. In response to a question from Ms. Minkel, Ms. Profic noted that Schedule A of the policy would be updated to reflect the credit card authorization limits for each authorized user. Mr. Nasca made a motion to approve the Credit Card Policy, with Schedule A to include the previously authorized limits. The motion was seconded by Ms. Amdur and unanimously carried (14-0-0).

**3.2 Monthly Financial Report Approval** – Ms. Profic presented for information purposes only the monthly financial statements for 683 Northland Master Tenant LLC for the period ending February 28, 2025. Ms. Profic then presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending February 28, 2025.

Ms. Profic also reviewed with the Board the monthly cash flow forecast. Mr. Nasca made a motion to accept the BUDC consolidated financial statements for the period ending February 28, 2025. The motion was seconded by Mr. Kucharski and unanimously carried (14-0-0).

- 3.3 Governance Committee Report** – Mr. Kucharski and Ms. Merriweather presented the Governance Committee report. Nine of the items to be presented as part of the Governance Committee report require a Board vote and were recommended for approval by the Governance Committee at its March 5, 2025 meeting. Items 3.3.4–3.3.10 were taken together by the Board. Mr. Kucharski also commented on the accomplishments that were achieved in 2024 by BUDC staff.

Ms. Merriweather then introduced BUDC's new project manager, James Bernard to the Board. Mr. Bernard has a background in urban planning and will be working on matters related to the Ralph Wilson Park project and Buffalo's Race for Place.

- 3.3.1 2024 Mission Statement and Performance Measurements w/ Results** – Ms. Merriweather presented a written evaluation and overview of BUDC's achievement of the performance measurements that were established by the Board of Directors for the 2024 calendar year. Each year, BUDC develops a set of written performance measurements relating to BUDC projects, initiatives and operations in relation to its mission. The measurements are reviewed with Governance Committee and approved by the Board of Directors. The report is annually submitted to the Authorities Budget Office. Ms. Merriweather presented a PowerPoint summary of the 2024 performance measurements results.

- 3.3.2 2025 Mission Statement and Performance Measurements Approval** – Ms. Merriweather presented the 2025 mission statement and proposed performance measurements for 2025. No changes are being proposed to the mission statement. The performance measurements for 2025 have been updated to reflect new measurements applicable to BUDC projects and initiatives, and Ms. Merriweather highlighted these new measurements, which include coordinating with SHPO to advance the 741 and 777 Northland Avenue projects, issuing a request for proposals for a general contractor to construct the 631 Northland project, and coordinating with the City of Buffalo and other partners to advocate for development tools, partnerships and resources to support the recommendations outlined in the Queen City Hub Revisited initiative. Mr. Kucharski made a motion to adopt the 2025 Mission Statement and Performance Measurements in the form presented. The motion was seconded by Mr. Nasca and unanimously carried (13-0-0).

- 3.3.3 2024 Public Authorities Annual Report** – Ms. Profic presented the 2024 Public Authorities Annual Report for Board approval. Ms. Gallagher made a motion to approve the 2024 Public Authorities Annual Report. The motion was seconded by Ms. Curry and unanimously carried (13-0-0).

- 3.3.4 Procurement Policy Re-adoption** – Ms. Merriweather presented the Procurement Policy, for re-adoption without changes.

- 3.3.5 Property Acquisition Guidelines Re-adoption** – Ms. Merriweather presented the Property Acquisition Guidelines for re-adoption without changes.

- 3.3.6 Property Disposition Guidelines Re-adoption** – Ms. Merriweather presented the Property Disposition Guidelines for re-adoption without changes.

- 3.3.7 Grant Administration Policy Re-adoption** – Ms. Merriweather presented the Grant Administration Policy for re-adoption without changes.

**3.3.8 Code of Ethics Policy Re-adoption** – Ms. Merriweather presented the Code of Ethics Policy for re-adoption without changes.

**3.3.9 Whistleblower Policy Re-adoption** – Ms. Merriweather presented the Whistleblower Policy to the Board for re-adoption without changes.

**3.3.10 Travel, Conferences, Meals & Entertainment Policy Re-adoption** – Ms. Merriweather presented the Travel, Conferences, Meals & Entertainment Policy for re-adoption without changes.

At the conclusion of the presentation of items 3.3.4 through 3.3.10, Mr. Kucharski made a motion to re-adopt (i) the Procurement Policy, (ii) the Property Acquisition Guidelines, (iii) the Property Disposition Guidelines, (iv) the Grant Administration Policy, (v) the Code of Ethics Policy, (vi) Whistleblower Policy, and (vii) the Travel, Conferences, Meals & Entertainment Policy. The motion was seconded by Ms. Gallagher and unanimously carried (13-0-0).

**3.4 Northland Corridor – 631 Northland Avenue Consulting Change Order** – Mr. Rhodes presented his March 25, 2025 memorandum regarding a proposed change order for the 631 Northland Avenue consultant contract with Wendel. The change order would authorize Wendel to contract with LiRo Engineers to provide additional environmental services for the project. Following the presentation, Mr. Bylewski made a motion to: (i) authorize Wendel's retention of LiRo Engineers as a project team member under BUDC's existing agreement with Wendel; (ii) approve an amendment to the Wendel consulting agreement for the additional scope of work associated with the Brownfield Cleanup Program project at 631 Northland Avenue, for an amount not to exceed \$204,415; and (iii) authorize the President or Executive Vice President to execute an amendment to the agreement with Wendel and take such other actions as may be necessary or appropriate to implement this authorization. The motion was seconded by Ms. Curry and unanimously carried (13-0-0).

**3.5 Northland Corridor Project Update** – Mr. Rhodes presented an update regarding the Northland Corridor. With respect to Phase 3, BUDC has submitted its bid opening checklist to EDA for review and approval. Mr. Rhodes noted there is no update for Phase 4 redevelopment at this time. With respect to 741 and 777 Northland Avenue, Mr. Rhodes and Ms. Gandour reported that SHPO has requested that BUDC provide mitigation strategies for these buildings.

**3.6 Ralph Wilson Park Project Update** – Mr. Najewski presented a construction update for the Ralph Wilson Park project. The construction team is gearing up to re-mobilize efforts after the winter season. Soil and underground electrical work has moved forward at the soccer fields. Planting and soil work for the South Lawn is anticipated to be finished this spring, which will include irrigation work, planting trees and shrubs, and some paving work. Additional coating and installation of mesh and handrails to the pedestrian bridge will begin in the next few weeks. Ms. Campos then provided an update regarding the Ralph Wilson Park Conservancy. A video of the Winter Fest was shared with the Board. Ms. Campos noted that over three hundred community members were in attendance. The third annual meeting of the Conservancy will take place in May and will provide an update on construction and ways for community members to get involved with the Park. The Conservancy received over fifty applications for its ambassador program for the Park. Ms. Campos also reported that the Conservancy will be advancing a project to improve the Park amphitheater and is reviewing national fundraising models for this project.

**3.7 Race for Place Project Update** – Ms. Merriweather presented an update regarding the Race for Place project. BUDC continues to coordinate with its partners on the implementation of the downtown and waterfront infrastructure improvement plans. BUDC staff is moving forward with contract negotiations with Buffalo Construction Consultants. It is anticipated that the first

infrastructure project will be the Erie Street Greenway project. A request for proposals will be released in connection with short-term placemaking and wayfinding improvements due to construction around the Explore & More Children's Museum, the Naval Park and Heritage Point. Ms. Merriweather also reported that she was invited to speak at a conference in Lafayette, Louisiana regarding Race for Place and the Queen City Hub Revisited Initiative.

**3.8 Buffalo Lakeside Commerce Park – Project Update** – Ms. Gandour presented an update regarding Buffalo Lakeside Commerce Park. BUDC has executed an agreement with LaBella Associates for a variance request for the 193 Ship Canal Parkway site. BUDC continues to coordinate with CBRE on marketing efforts for available parcels at the Park.

**4.0 Late File** – None.

**5.0 Tabled Items** – None.

**6.0 Executive Session** – None.

**7.0 Adjournment** – There being no further business to come before the Board, the March 25, 2025 meeting of the Board of Directors was adjourned at 1:08 p.m.

Respectfully submitted,

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Kevin J. Zanner, Secretary

**683 Northland Master Tenant, LLC**

**Financial Statements**

March 31, 2025

(Unaudited)

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

	<b>March 2025</b>	<b>February 2025</b>	<b>December 2024</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash	\$ 476,529	\$ 382,825	\$ 444,821
Tenant receivable	82,362	121,736	30,811
Prepaid expenses	62,237	75,982	112,860
Total current assets	621,129	580,543	588,492
Prepaid rent - sublessee	567,658	566,012	552,943
Prepaid leasing commission	171,408	174,173	179,703
Tenant security deposits	109,499	109,439	109,324
Cash reserves	342,640	342,450	342,091
Equipment, net	30,001	30,001	27,785
Right of use asset - Master Lease Agreement	24,483,794	24,630,039	24,922,352
Total assets	\$ 26,326,129	\$ 26,432,658	\$ 26,722,691
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 101,312	\$ 90,487	\$ 101,707
Due to related parties	254,935	254,935	254,935
Total current liabilities	356,248	345,423	356,643
Operating deficit loan	132,359	132,359	132,359
Tenant security deposits	109,266	109,266	109,266
Deferred operating lease liability - Master Lease Agreement	6,914,364	6,949,080	7,018,335
Deferred operating lease liability - sublessee	4,353,348	4,399,437	4,491,616
Distribution payable - priority return	257,904	257,904	257,904
Total noncurrent liabilities	11,767,240	11,848,046	12,009,480
<b>MEMBERS' EQUITY</b>	14,202,641	14,239,190	14,356,569
Total liabilities and net position	\$ 26,326,129	\$ 26,432,658	\$ 26,722,691



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

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

	<b>March 2025</b>	<b>February 2025</b>	<b>December 2024</b>
<b>Revenues:</b>			
Lease revenue	\$ 374,915	\$ 251,243	\$ 1,455,051
Additional lease revenue	199,642	130,271	652,904
Interest and other revenue	1,520	1,011	7,443
Total revenues	<u>576,078</u>	<u>382,525</u>	<u>2,115,398</u>
<b>Expenses:</b>			
Lease expense	474,111	316,074	1,896,444
Payroll	27,537	18,970	114,147
Utilities expense	19,074	12,863	58,402
Insurance expense	35,221	23,480	136,220
Professional fees	47,781	21,229	84,141
Property management fee	17,272	11,486	76,041
Real estate taxes	5,591	5,591	28,866
Repairs and maintenance	93,420	80,212	346,395
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	-	-	2,000
Depreciation expense	-	-	5,969
Total expenses	<u>730,005</u>	<u>499,904</u>	<u>2,758,625</u>
Net Income/(Loss)	(153,928)	(117,379)	(643,228)
Members' equity - beginning of period	<u>14,356,569</u>	<u>14,356,569</u>	<u>15,257,700</u>
Change in members' equity	(153,928)	(117,379)	(643,228)
Members' capital contributions	-	-	-
Distributions	-	-	(257,904)
Members' equity - end of period	<u>\$ 14,202,641</u>	<u>\$ 14,239,190</u>	<u>\$ 14,356,569</u>

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

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

	<b>March 2025</b>	<b>February 2025</b>	<b>December 2024</b>
<b>Cash flows from operating activities:</b>			
Net loss	\$ (153,928)	\$ (117,379)	\$ (643,228)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	-	-	5,969
Decrease (increase) in assets:			
Tenant receivables	(51,551)	(90,925)	(4,299)
Prepaid insurance	50,623	36,878	4,409
Accrued rental income	(14,715)	(13,069)	(17,347)
Prepaid leasing commission	8,295	5,530	11,233
Right of use asset - Master Lease Agreement	334,586	223,058	1,368,398
Increase (decrease) in liabilities:			
Security deposit liability	-	-	29,416
Accounts payable	(395)	(11,220)	15,771
Deferred operating lease liability - sublessee	(138,269)	(92,179)	(553,074)
<b>Net cash provided (used) by operating activities</b>	<b>34,648</b>	<b>(59,305)</b>	<b>217,248</b>
<b>Cash flows from investing activities:</b>			
Equipment purchases	(2,215)	(2,215)	(10,593)
<b>Net cash used by investing activities</b>	<b>(2,215)</b>	<b>(2,215)</b>	<b>(10,593)</b>
<b>Cash flows from financing activities:</b>			
Members' contributions	-	-	-
Distributions	-	-	(257,904)
Payments of prepaid rent under Master Lease Agreement	-	-	-
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>	<b>(257,904)</b>
<b>Net increase (decrease) in cash</b>	<b>32,433</b>	<b>(61,521)</b>	<b>(51,249)</b>
<b>Cash and restricted cash - beginning of period</b>	<b>896,236</b>	<b>896,236</b>	<b>947,484</b>
<b>Cash and restricted cash - end of period</b>	<b>\$ 928,668</b>	<b>\$ 834,715</b>	<b>\$ 896,236</b>

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

	<u>YTD March 2025</u>	<u>YTD Budget 2025</u>	<u>Variance</u>
<b>Revenues:</b>			
Lease revenue	\$ 374,915	\$ 370,250	\$ 4,665
Additional lease revenue	199,642	201,500	(1,858)
Interest and other revenue	<u>1,520</u>	<u>250</u>	<u>1,270</u>
Total revenues	<u>576,078</u>	<u>572,000</u>	<u>4,078</u>
<b>Expenses:</b>			
Lease expense	474,111	474,111	-
Payroll	27,537	39,500	(11,963)
Utilities	19,074	13,750	5,324
Insurance	35,221	36,500	(1,280)
Professional fees	47,781	20,000	27,781
Property management fee	17,272	17,700	(428)
Real estate taxes	5,591	8,500	(2,909)
Repairs and maintenance	93,420	73,950	19,470
Asset management fee	10,000	10,000	-
Miscellaneous	-	750	(750)
Depreciation	<u>-</u>	<u>1,493</u>	<u>(1,493)</u>
Total expenses	<u>730,005</u>	<u>696,253</u>	<u>33,752</u>
Net income (loss)	\$ (153,928)	\$ (124,253)	\$ (29,674)

**Budget variances:**

- Payroll costs are under budget due to lower than anticipated actual costs.
- Professional fees are above budget year-to-date mainly due to timing of audit fees and environmental services.
- Repairs and maintenance costs were higher due to heating unit and smoke detector work performed.

**Buffalo Urban Development Corporation**  
**Consolidated Financial Statements**  
March 31, 2025  
(Unaudited)

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

	March 2025	February 2025	December 2024
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash	\$ 5,021,079	\$ 3,507,415	\$ 5,226,778
Restricted cash	18,322,625	18,295,421	18,344,519
Grants receivable	60,791,308	62,562,890	64,930,711
Other current assets	5,082,174	5,142,539	5,192,326
Total current assets	89,217,186	89,508,265	93,694,335
<b>Noncurrent assets:</b>			
Loans receivable	-	-	9,666,400
Equity investment	148,427	148,427	148,427
Capital assets, net	99,873,021	100,173,021	100,773,021
Right to use asset	7,066,095	7,067,682	7,070,837
Land and improvement held for sale, net	788,212	788,212	788,212
Total noncurrent assets	107,875,755	108,177,342	118,446,897
Total assets	\$ 197,092,941	\$ 197,685,607	\$ 212,141,232
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 453,613	\$ 402,715	\$ 916,322
Loans payable, current	-	-	504,304
Unearned grant revenue	81,366,580	81,583,113	85,011,299
Total current liabilities	81,820,193	81,985,829	86,431,925
Deferred lease liability	24,656,401	24,768,125	24,991,554
Loans payable, noncurrent	-	-	13,225,696
Total noncurrent liabilities	24,656,401	24,768,125	38,217,250
<b>NET POSITION</b>			
Net investment in capital assets	100,661,233	100,961,233	87,831,233
Restricted	38,473	38,472	37,212
Unrestricted	(10,083,359)	(10,068,052)	(376,388)
Total net position	90,616,347	90,931,654	87,492,057
Total liabilities and net position	\$ 197,092,941	\$ 197,685,607	\$ 212,141,232

**Balance Sheet Notes:**

- Cash increased due to grant receipts late in the month for future distribution.
- Grants receivable decreased due to receipt of grant funds.
- Capital assets decreased due to monthly estimated depreciation expense.
- Unearned grant revenue decreased due to recognition of grant revenue.

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

	<b>March 2025</b>	<b>February 2025</b>	<b>December 2024</b>
<b>Operating revenues:</b>			
Grant revenue	\$ 3,644,719	\$ 3,428,186	\$ 37,137,425
Brownfield funds	1,121	1,121	35,964
Loan interest and commitment fees	6,981	6,981	96,664
Rental and other revenue	<u>554,008</u>	<u>388,888</u>	<u>2,253,737</u>
Total operating revenues	<u>4,206,829</u>	<u>3,825,176</u>	<u>39,523,790</u>
<b>Operating expenses:</b>			
Development costs	3,919,964	3,618,826	31,459,804
Adjustment to net realizable value	77,948	67,323	202,199
Salaries and benefits	111,708	74,672	495,815
General and administrative	103,862	65,915	487,700
Management fee	22,200	14,800	156,672
Depreciation	<u>900,000</u>	<u>600,000</u>	<u>4,007,389</u>
Total operating expenses	<u>5,135,682</u>	<u>4,441,537</u>	<u>36,809,578</u>
Operating income (loss)	(928,852)	(616,361)	2,714,212
<b>Non-operating revenues (expenses):</b>			
Loss on disposal	-	-	22,840
Interest expense	(13,265)	(13,265)	(163,389)
Interest income	7,808	5,623	98,812
Other income	<u>4,063,600</u>	<u>4,063,600</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>4,058,142</u>	<u>4,055,958</u>	<u>(41,737)</u>
Change in net position	3,129,290	3,439,597	2,672,475
Net position - beginning of period	<u>87,492,057</u>	<u>87,492,057</u>	<u>84,819,582</u>
Distributions	(5,000)	-	-
Net position - end of period	<u>\$ 90,616,347</u>	<u>\$ 90,931,654</u>	<u>\$ 87,492,057</u>

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Consolidating Statement of Net Position**  
**March 31, 2025 (Unaudited)**

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash	\$ 4,904,840	\$ 88,010	\$ 28,229	\$ -	\$ 5,021,079
Restricted cash	18,284,131	-	38,494	-	18,322,625
Grants receivable	60,791,308	-	-	-	60,791,308
Other current assets	8,016,046	1,097	132,359	(3,067,329) (1)	5,082,174
Total current assets	91,996,325	89,107	199,082	(3,067,329)	89,217,186
<b>Noncurrent assets:</b>					
Loans receivable	52,397,279	-	-	(52,397,279) (1)	-
Equity investment	-	67,183,340	-	(67,034,913) (1)	148,427
Capital assets, net	12,434,072	-	87,438,949	-	99,873,021
Right to use asset	47,756	-	7,018,339	-	7,066,095
Land and improvement held for sale, net	788,212	-	-	-	788,212
Total noncurrent assets	65,667,319	67,183,340	94,457,288	(119,432,192)	107,875,755
Total assets	\$ 157,663,644	\$ 67,272,447	\$ 94,656,370	\$ (122,499,521)	\$ 197,092,941
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expense	\$ 453,613	\$ 3,067,329	\$ -	\$ (3,067,329) (1)	\$ 453,613
Loans payable, current	-	-	-	-	-
Unearned grant revenue	81,366,580	-	-	-	81,366,580
Total liabilities	81,820,193	3,067,329	-	(3,067,329)	81,820,193
<b>Noncurrent liabilities:</b>					
Deferred lease liability	47,756	-	24,608,645	-	24,656,401
Loans payable, noncurrent	-	52,397,279	-	(52,397,279) (1)	-
Total noncurrent liabilities	47,756	52,397,279	24,608,645	(52,397,279)	24,656,401
<b>NET POSITION</b>					
Net investment in capital assets	13,222,284	-	87,438,949	-	100,661,233
Restricted	38,473	-	-	-	38,473
Unrestricted	62,534,939	11,807,839	(17,391,224)	(67,034,913) (1)	(10,083,359)
Total net position	75,795,695	11,807,839	70,047,726	(67,034,913)	90,616,347
Total liabilities and net position	\$ 157,663,644	\$ 67,272,447	\$ 94,656,370	\$ (122,499,521)	\$ 197,092,941

(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: March 31, 2025 (Unaudited)**

	<b>Buffalo Urban Development Corporation</b>	<b>683 WTC, LLC</b>	<b>683 Northland LLC</b>	<b>Eliminations (1)</b>	<b>Total</b>
<b>Operating revenues:</b>					
Grant revenue	\$ 3,644,719	\$ -	\$ -	\$ -	\$ 3,644,719
Brownfield funds	1,121	-	-	-	1,121
Loan interest and commitment fees	6,981	-	-	-	6,981
Rental and other revenue	84,072	-	469,936	-	554,008
Total operating revenue	<u>3,736,894</u>	<u>-</u>	<u>469,936</u>	<u>-</u>	<u>4,206,829</u>
<b>Operating expenses:</b>					
Development costs	3,919,964	-	-	-	3,919,964
Adjustment to net realizable value	77,948	-	-	-	77,948
Salaries and benefits	111,708	-	-	-	111,708
General and administrative	86,145	1,805	15,912	-	103,862
Management fee	22,200	-	-	-	22,200
Depreciation	-	-	900,000	-	900,000
Total operating expenses	<u>4,217,965</u>	<u>1,805</u>	<u>915,912</u>	<u>-</u>	<u>5,135,682</u>
Operating income	(481,071)	(1,805)	(445,976)	-	(928,852)
<b>Non-operating revenues (expenses):</b>					
Interest expense	-	-	(13,265)	-	(13,265)
Interest income	7,701	27	79	-	7,808
Other income/expenses	(9,666,400)	-	13,730,000	-	4,063,600
Total non-operating revenues (expenses)	<u>(9,658,699)</u>	<u>27</u>	<u>13,716,815</u>	<u>-</u>	<u>4,058,142</u>
Change in net position	(10,139,770)	(1,778)	13,270,839	-	3,129,290
Net position - beginning of year	85,935,466	11,809,617	56,876,887	(67,129,913) (1)	87,492,057
Distributions	-	-	(100,000)	95,000 (1)	(5,000)
Net position - end of period	<u>\$ 75,795,695</u>	<u>\$ 11,807,839</u>	<u>\$ 70,047,726</u>	<u>\$ (67,034,913)</u>	<u>\$ 90,616,347</u>

(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: March 31, 2025 (Unaudited)**

	<b>YTD March 2025</b>	<b>YTD Budget 2025</b>	<b>Variance</b>
<b>Operating revenues:</b>			
Grant revenue	\$ 3,644,719	\$ 11,126,750	\$ (7,482,031)
Brownfield funds	1,121	2,500	(1,379)
Loan interest and commitment fees	6,981	-	6,981
Rental and other revenue	554,008	497,657	56,351
Total operating revenues	4,206,829	11,626,907	(7,420,078)
<b>Operating expenses:</b>			
Development costs	3,919,964	2,735,907	1,184,057
Adjustment to net realizable value	77,948	-	77,948
Salaries and benefits	111,708	128,578	(16,870)
General and administrative	103,862	101,100	2,762
Management fee	22,200	28,500	(6,300)
Depreciation	900,000	1,020,250	(120,250)
Total operating expenses	5,135,682	4,014,334	1,121,348
Operating income (loss)	(928,852)	7,612,573	(8,541,426)
<b>Non-operating revenues (expenses):</b>			
Interest expense	(13,265)	(10,500)	(2,765)
Interest income	7,808	8,750	(942)
Other income/expenses	4,063,600	-	4,063,600
Total non-operating revenues (expenses)	4,058,142	(1,750)	4,059,892
Change in net position	\$ 3,129,290	\$ 7,610,823	\$ (4,481,533)

**Budget variances:**

- Grant revenue relates mainly to Ralph Wilson Park and Northland Projects. The variance is due to lower grant revenue recognition
- 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.
- Other income/expenses relates to effects of NMTC exit in January 2025 (noncash).

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Buffalo Urban Development Corporation  
Hon. Christopher P. Scanlon, Chairman

**Item 4.1**

**MEMORANDUM**

**TO: BUDC Board of Directors**

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

**SUBJECT: Northland Corridor – Proposed Lease to Flat 12 Mushrooms, LLC for 606 (612) Northland Avenue**

**DATE: April 29, 2025**

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Flat 12 Mushrooms, LLC (Flat 12) has expressed interest in leasing approximately 28,639 square feet of industrial space at 606 Northland Avenue, commonly known at 612 Northland Avenue, for the growth of mushrooms and production of mushroom-related products. BUDC, through its broker CBRE, has been working with Flat 12 to develop lease terms, the principal terms of which are as follows:

- A. Landlord: NorDel I, LLC (an affiliate of BUDC).
- B. Tenant: Flat 12 Mushrooms, LLC.
- C. Leased Premises: Approximately 15,700sf of industrial space located at the “A” building of 612 Northland Avenue (“612A Northland”) and approximately 12,939sf of industrial space located at the “B” building of 612 Northland Avenue (“612B Northland”) when construction is complete and contingent on the conditions outlined below.
- D. Use: Warehousing, light manufacturing, and distribution and ancillary uses thereto.
- E. Term: Ten (10) years, commencing May 1, 2025 and ending April 30, 2035.
- F. Approvals: Tenant acknowledges that 612B Northland has gone through minor site plan review with the City of Buffalo. Any revisions to the approved site plan to accommodate Flat 12’s requested composting site will be advanced at Tenant’s sole

Hon. Christopher P. Scanlon, 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

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Hon. Christopher P. Scanlon, Chairman

expense. Landlord is not guaranteeing the availability of a composting site on the property as the entire site will be under construction for 12-18 months.

Tenant further acknowledges that the construction of 612B Northland is funded by grant monies from the U.S. Economic Development Administration ("EDA"). Tenant's lease of 612B Northland is expressly contingent on EDA approval, including; (i) EDA approval of the form of lease agreement; (ii) EDA approval of Landlord's proposed lease arrangement with Tenant.

### G. Rent:

#### 612A Northland (15,700sf)

Month 1: Free base rent. Tenant will not pay additional rent.

Months 2-5: Free base rent. Tenant will pay additional rent.

Month 6-12: \$7.50 / sf and additional rent.

Year 2-10: \$7.73 / sf and additional rent with 3% annual base rent escalations

#### 612B Northland (12,939sf)

Tenant's occupancy of 612B Northland shall commence only upon the completion of construction and subject to EDA approval.

Months 1-3: free base rent. Tenant will pay additional rent.

Month 4 through lease expiration (based on 10-year term for 612A Northland): \$7.73/ sf and additional rent with 3% annual base rent escalations

H. Security Deposit: The Tenant will provide a security deposit in the amount of \$18,000.

I. Additional Rent: The lease will be structured as a triple net (NNN) lease. Tenant will pay all costs associated with the 612 Northland property including all real estate taxes and assessments, general liability and property insurance, maintenance, pest control, utilities, carrying costs and other obligations and liabilities of ownership.

J. Leasehold Improvements: The Premises are being leased in "as is" condition.

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- K. **Broker Fee:** Landlord's broker shall receive a commission from Landlord per the terms of a separate agreement.

This item was reviewed by the Real Estate Committee at its April 8, 2025, meeting and is being recommended for approval by the BUDC Board of Directors.

**ACTION:**

We are requesting that the BUDC Board of Directors: (i) authorize NorDel I, LLC to enter into a lease with Flat 12 Mushrooms, LLC upon the terms outlined in this memorandum; and (ii) authorize the President or Executive Vice President of BUDC to execute the lease on behalf of NorDel I, LLC and take such other actions as are necessary and appropriate to implement this authorization.