

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

Board of Directors Meeting

Date: Tuesday, May 27, 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 Central – Proposed Lease Amendment to Rodriguez Construction Group, Inc. for 683 Northland Avenue *(Action)(Encl.)*

4.2 Ralph Wilson Park Project Update *(Information)*

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

4.4 Northland Corridor Project Update *(Information)*

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

5.0 LATE FILES

6.0 TABLED ITEMS

7.0 EXECUTIVE SESSION

8.0 ADJOURNMENT *(Action)*

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

**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**

**April 29, 2025
12:00 p.m.**

Directors Present:

Catherine Amdur
Bryan J. Bollman
Scott Bylewski
Daniel Castle
Darby Fishkin
Thomas Halligan
Elizabeth Holden
Thomas A. Kucharski
Nadine Marrero
Nathan Marton
Kimberley A. Minkel
David J. Nasca
Dennis M. Penman (Vice Chair)

Directors Absent:

Mayor Christopher P. Scanlon (Chair)
Janique S. Curry
Dennis Elsenbeck
Dottie Gallagher
Thomas Halligan
Crystal Morgan
Karen Utz

Officers Present:

Brandye Merriweather, President
Rebecca Gandour, Executive Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Atiq 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 Vice Chair Penman. The Secretary called the roll of directors and a quorum of the Board was determined to be present. Mr. Nasca and Mr. Bylewski joined the meeting during the presentation of the monthly financial reports.
- 2.0 Approval of Minutes – Meeting of March 25, 2025** – The minutes of the March 25, 2025 meeting of the Board of Directors were presented. Ms. Fishkin made a motion to approve the meeting minutes. The motion was seconded by Mr. Castle 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 March 31, 2025. She then presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending March 31, 2025. Ms. Profic also presented the updated cash flow forecast for BUDC. After a brief discussion regarding the financial reports, Mr. Bollman made a motion to accept the BUDC consolidated financial statements. The motion was seconded by Mr. Kucharski and unanimously carried (13-0-0).

4.0 New Business –

4.1 Northland Corridor – Proposed Lease to Flat 12 Mushrooms, LLC for 606 (612)

Northland Avenue – Ms. Gandour presented her April 29, 2025 memorandum regarding the proposed triple-net lease of 606 (612) Northland Avenue to Flat 12 Mushrooms, LLC and outlined the terms of the lease arrangement as set forth in the Board memorandum. The tenant will lease the “A” building commencing as of May 1, 2025 and the “B” building once the “B” building has been constructed and requisite EDA approvals are obtained. This item was reviewed by the Real Estate Committee at its April 8th meeting and recommended for approval. Ms. Minkel made a motion to: (i) authorize NorDel I, LLC to enter into a lease with Flat 12 Mushrooms, LLC upon the terms outlined in the Board 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. The motion was seconded by Mr. Nasca and (with Ms. Fishkin abstaining) carried with twelve affirmative votes (12-0-1).

4.2 Queen City Hub Revisited – Marketing and Advocacy Support Agreement

Modification – Ms. Merriweather presented her April 29, 2025 memorandum regarding modifications to the Queen City Hub Revisited Initiative marketing and advocacy support agreement. ARP funds will serve as the funding source for this work. Ms. Marrero made a motion to: (i) authorize BUDC to enter into a funding agreement with Buffalo Place Foundation in an amount not to exceed \$20,000.00 in furtherance of marketing and advocacy support for the QCHR Initiative as provided under the existing agreement between Buffalo Place Foundation and the Center for Urban Excellence; and (ii) authorize the President or Executive Vice President to execute the funding agreement and take such actions 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 (13-0-0).

4.3 Race for Place Project Update – Ms. Merriweather presented an update regarding the Race for Place project. BUDC staff is proceeding with contract negotiations with Buffalo Construction Consultants (BCC) in connection with the implementation of the downtown and waterfront infrastructure improvement plans. BUDC released a request for proposals in connection with short-term placemaking and wayfinding improvements due to construction near the Explore & More Children’s Museum, the Naval Park and Heritage Point. Responses to the RFP are due May 12th. BUDC continues to coordinate with Buffalo Place regarding program coordination for the Queen City Pop-Up. Ms. Merriweather also reported that she recently attended the Big Towns conference in Lafayette, Louisiana and participated in a panel discussion regarding Race for Place and the Queen City Hub Revisited Initiative. Ms. Gandour and Mr. Kucharski also reported that that they recently attended Harvard’s Reimagining the Economy conference, which examined how academic research can support economic development in regional economies.

4.4 Ralph Wilson Park Project Update – Mr. Najewski presented a construction update for the Ralph Wilson Park project. Planting and soil placement is moving forward at the soccer fields. Planting and soil work for the South Lawn is moving forward. Grading work continues at the baseball fields and sled hill. The remaining work on the pedestrian bridge, consisting of applying additional coating to the bridge and the installation of mesh and handrails is underway. Ms. Campos then provided an update regarding the Ralph Wilson Park Conservancy. Additional photos of construction progress were shared with the Board. Community engagement efforts continue, with the third annual meeting of the Conservancy taking place in May. The annual

meeting will provide an update on construction and offer opportunities for community members to become more involved with the Park. The Conservancy is also organizing a free, family-friendly event series at the Park, and is working on 716 Day programming around the pedestrian bridge and a KaBoom! community build playground event.

4.5 Northland Corridor Project Update – Mr. Rhodes presented an update regarding the Northland Corridor. With respect to Phase 3, BUDC is awaiting EDA's approval of bid documents to proceed with construction. With respect to Phase 4, Wendel continues its progress on design documents for 631 Northland Avenue. With respect to 741 and 777 Northland Avenue, Mr. Rhodes reported that the Real Estate Committee meeting authorized an additional scope of work for LiRo relating to mitigation efforts for these buildings. A request for proposals for food operations at 683 Northland Avenue was released, with responses due May 12th.

4.6 Buffalo Lakeside Commerce Park – Project Update – Ms. Gandour presented an update regarding Buffalo Lakeside Commerce Park. LiRo has submitted the Periodic Review Report (PRR) for the Park. Partial assessments for 2025 were submitted to members of the Property Owners' Association. BUDC has paid its assessment, while Uniland and Zephyr's assessments remain unpaid. BUDC staff met with NYSDEC to discuss the variance process for 193 Ship Canal Parkway.

5.0 Late File – None.

6.0 Tabled Items – None.

7.0 Executive Session – None.

8.0 Adjournment – There being no further business to come before the Board, the April 29, 2025 meeting of the Board of Directors was adjourned at 12:50 p.m.

Respectfully submitted,

Kevin J. Zanner, Secretary

683 Northland Master Tenant, LLC
Financial Statements
April 30, 2025
(Unaudited)

683 NORTHLAND MASTER TENANT, LLC
Balance Sheet

	April 2025	March 2025	December 2024
ASSETS			
Current assets:			
Cash	\$ 271,817	\$ 476,529	\$ 444,821
Tenant receivable	65,806	82,362	30,811
Prepaid expenses	69,511	62,237	112,860
Total current assets	407,134	621,129	588,492
Prepaid rent - sublessee	569,304	567,658	552,943
Prepaid leasing commission	168,643	171,408	179,703
Tenant security deposits	112,108	109,499	109,324
Cash reserves	342,823	342,640	342,091
Equipment, net	30,001	30,001	27,785
Right of use asset - Master Lease Agreement	24,337,490	24,483,794	24,922,352
Total assets	\$ 25,967,503	\$ 26,326,129	\$ 26,722,691
LIABILITIES & MEMBERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 125,064	\$ 101,312	\$ 101,707
Due to related parties	254,935	254,935	254,935
Total current liabilities	379,999	356,248	356,643
Operating deficit loan	132,359	132,359	132,359
Tenant security deposits	111,816	109,266	109,266
Deferred operating lease liability - Master Lease Agreement	6,879,588	6,914,364	7,018,335
Deferred operating lease liability - sublessee	4,307,258	4,353,348	4,491,616
Distribution payable - priority return	-	257,904	257,904
Total noncurrent liabilities	11,431,021	11,767,240	12,009,480
MEMBERS' EQUITY	14,156,483	14,202,641	14,356,569
Total liabilities and net position	\$ 25,967,503	\$ 26,326,129	\$ 26,722,691

683 NORTHLAND MASTER TENANT, LLC
Income Statement

Year-to-Date For the Period Ended:

	April 2025	March 2025	December 2024
Revenues:			
Lease revenue	\$ 500,032	\$ 374,915	\$ 1,455,051
Additional lease revenue	244,853	199,642	652,904
Interest and other revenue	2,001	1,520	7,443
Total revenues	<u>746,886</u>	<u>576,078</u>	<u>2,115,398</u>
Expenses:			
Lease expense	632,148	474,111	1,896,444
Payroll	33,083	27,537	114,147
Utilities expense	24,340	19,074	58,402
Insurance expense	46,961	35,221	136,220
Professional fees	56,746	47,781	84,141
Property management fee	23,066	17,272	76,041
Real estate taxes	5,591	5,591	28,866
Repairs and maintenance	115,037	93,420	346,395
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	-	-	2,000
Depreciation expense	-	-	5,969
Total expenses	<u>946,972</u>	<u>730,005</u>	<u>2,758,625</u>
Net Income/(Loss)	(200,086)	(153,928)	(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	(200,086)	(153,928)	(643,228)
Members' capital contributions	-	-	-
Distributions	-	-	(257,904)
Members' equity - end of period	<u>\$ 14,156,483</u>	<u>\$ 14,202,641</u>	<u>\$ 14,356,569</u>

683 NORTHLAND MASTER TENANT, LLC
Statement of Cash Flows

Year-to-Date For the Period Ended:

	April 2025	March 2025	December 2024
Cash flows from operating activities:			
Net loss	\$ (200,086)	\$ (153,928)	\$ (643,228)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	-	-	5,969
Decrease (increase) in assets:			
Tenant receivables	(34,995)	(51,551)	(4,299)
Prepaid insurance	43,349	50,623	4,409
Accrued rental income	(16,361)	(14,715)	(17,347)
Prepaid leasing commission	11,061	8,295	11,233
Right of use asset - Master Lease Agreement	446,115	334,586	1,368,398
Increase (decrease) in liabilities:			
Security deposit liability	2,550	-	29,416
Accounts payable	23,357	(395)	15,771
Deferred operating lease liability - sublessee	(184,358)	(138,269)	(553,074)
Net cash provided (used) by operating activities	90,631	34,648	217,248
Cash flows from investing activities:			
Equipment purchases	(2,215)	(2,215)	(10,593)
Net cash used by investing activities	(2,215)	(2,215)	(10,593)
Cash flows from financing activities:			
Members' contributions	-	-	-
Distributions	(257,904)	-	(257,904)
Payments of prepaid rent under Master Lease Agreement	-	-	-
Net cash provided by financing activities	(257,904)	-	(257,904)
Net increase (decrease) in cash	(169,488)	32,433	(51,249)
Cash and restricted cash - beginning of period	896,236	896,236	947,484
Cash and restricted cash - end of period	\$ 726,748	\$ 928,668	\$ 896,236

683 NORTHLAND MASTER TENANT, LLC
Budget to Actual Comparison

	YTD April 2025	YTD Budget 2025	Variance
Revenues:			
Lease revenue	\$ 500,032	\$ 493,667	\$ 6,365
Additional lease revenue	244,853	268,667	(23,813)
Interest and other revenue	2,001	333	1,668
Total revenues	746,886	762,667	(15,781)
Expenses:			
Lease expense	632,148	632,148	-
Payroll	33,083	52,667	(19,583)
Utilities	24,340	18,333	6,006
Insurance	46,961	48,667	(1,706)
Professional fees	56,746	26,667	30,079
Property management fee	23,066	23,600	(534)
Real estate taxes	5,591	11,333	(5,743)
Repairs and maintenance	115,037	98,600	16,438
Asset management fee	10,000	10,000	-
Miscellaneous	-	1,000	(1,000)
Depreciation	-	1,990	(1,990)
Total expenses	946,972	925,005	21,967
Net income (loss)	\$ (200,086)	\$ (162,338)	\$ (37,748)

Budget variances:

- Additional lease revenue is amounts charged to tenants for common area maintenance (CAM) charges, insurance, etc. Negative variance is due to 2024 CAM refunds applied in 2025 and a lower than anticipated rate for 2025.
- 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
April 30, 2025
(Unaudited)

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

	April 2025	March 2025	December 2024
ASSETS			
Current assets:			
Cash	\$ 5,771,283	\$ 5,021,079	\$ 5,226,778
Restricted cash	17,189,626	18,322,625	18,344,519
Grants receivable	59,918,339	60,791,308	64,930,711
Other current assets	5,110,102	5,082,174	5,192,326
Total current assets	87,989,351	89,217,186	93,694,335
Noncurrent assets:			
Loans receivable	-	-	9,666,400
Equity investment	148,427	148,427	148,427
Capital assets, net	99,573,021	99,873,021	100,773,021
Right to use asset	7,064,503	7,066,095	7,070,837
Land and improvement held for sale, net	788,212	788,212	788,212
Total noncurrent assets	107,574,163	107,875,755	118,446,897
Total assets	\$ 195,563,514	\$ 197,092,941	\$ 212,141,232
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 594,849	\$ 453,613	\$ 916,322
Loans payable, current	-	-	504,304
Unearned grant revenue	80,045,113	81,366,580	85,011,299
Total current liabilities	80,639,962	81,820,193	86,431,925
Deferred lease liability	24,544,672	24,656,401	24,991,554
Loans payable, noncurrent	-	-	13,225,696
Total noncurrent liabilities	24,544,672	24,656,401	38,217,250
NET POSITION			
Net investment in capital assets	100,361,233	100,661,233	87,831,233
Restricted	38,517	38,473	37,212
Unrestricted	(10,020,870)	(10,083,359)	(376,388)
Total net position	90,378,880	90,616,347	87,492,057
Total liabilities and net position	\$ 195,563,514	\$ 197,092,941	\$ 212,141,232

Balance Sheet Notes:

- Cash increased due to grant receipts and funds released from imprest account.
- Restricted cash decreased due to release of funds from imprest account during the month.
- 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)

	<u>April 2025</u>	<u>March 2025</u>	<u>December 2024</u>
Operating revenues:			
Grant revenue	\$ 4,966,686	\$ 3,644,719	\$ 37,137,425
Brownfield funds	1,021	1,121	35,964
Loan interest and commitment fees	6,981	6,981	96,664
Rental and other revenue	<u>718,663</u>	<u>554,008</u>	<u>2,253,737</u>
Total operating revenues	<u>5,693,352</u>	<u>4,206,829</u>	<u>39,523,790</u>
Operating expenses:			
Development costs	5,079,407	3,919,964	31,459,804
Adjustment to net realizable value	245,664	77,948	202,199
Salaries and benefits	157,133	111,708	495,815
General and administrative	148,311	103,862	487,700
Management fee	29,600	22,200	156,672
Depreciation	<u>1,200,000</u>	<u>900,000</u>	<u>4,007,389</u>
Total operating expenses	<u>6,860,114</u>	<u>5,135,682</u>	<u>36,809,578</u>
Operating income (loss)	(1,166,762)	(928,852)	2,714,212
Non-operating revenues (expenses):			
Loss on disposal	-	-	22,840
Interest expense	(13,265)	(13,265)	(163,389)
Interest income	10,750	7,808	98,812
Other income	<u>4,063,600</u>	<u>4,063,600</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>4,061,085</u>	<u>4,058,142</u>	<u>(41,737)</u>
Change in net position	2,894,323	3,129,290	2,672,475
Net position - beginning of period	<u>87,492,057</u>	<u>87,492,057</u>	<u>84,819,582</u>
Distributions	(7,500)	(5,000)	-
Net position - end of period	\$ <u>90,378,880</u>	\$ <u>90,616,347</u>	\$ <u>87,492,057</u>

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Net Position
April 30, 2025 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
ASSETS					
Current assets:					
Cash	\$ 5,597,721	\$ 135,565	\$ 37,997	\$ -	\$ 5,771,283
Restricted cash	17,189,626	-	-	-	17,189,626
Grants receivable	59,918,339	-	-	-	59,918,339
Other current assets	8,043,974	1,097	132,359	(3,067,329) (1)	5,110,102
Total current assets	90,749,662	136,662	170,356	(3,067,329)	87,989,351
Noncurrent assets:					
Loans receivable	52,397,279	-	-	(52,397,279) (1)	-
Equity investment	-	67,135,840	-	(66,987,413) (1)	148,427
Capital assets, net	12,434,072	-	87,138,949	-	99,573,021
Right to use asset	46,164	-	7,018,339	-	7,064,503
Land and improvement held for sale, net	788,212	-	-	-	788,212
Total noncurrent assets	65,665,727	67,135,840	94,157,288	(119,384,692)	107,574,163
Total assets	\$ 156,415,389	\$ 67,272,502	\$ 94,327,644	\$ (122,452,021)	\$ 195,563,514
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expense	\$ 594,849	\$ 3,067,329	\$ -	\$ (3,067,329) (1)	\$ 594,849
Loans payable, current	-	-	-	-	-
Unearned grant revenue	80,045,113	-	-	-	80,045,113
Total liabilities	80,639,962	3,067,329	-	(3,067,329)	80,639,962
Noncurrent liabilities:					
Deferred lease liability	46,164	-	24,498,508	-	24,544,672
Loans payable, noncurrent	-	52,397,279	-	(52,397,279) (1)	-
Total noncurrent liabilities	46,164	52,397,279	24,498,508	(52,397,279)	24,544,672
NET POSITION					
Net investment in capital assets	13,222,284	-	87,138,949	-	100,361,233
Restricted	38,517	-	-	-	38,517
Unrestricted	62,468,462	11,807,894	(17,309,813)	(66,987,413) (1)	(10,020,870)
Total net position	75,729,262	11,807,894	69,829,137	(66,987,413)	90,378,880
Total liabilities and net position	\$ 156,415,389	\$ 67,272,502	\$ 94,327,644	\$ (122,452,021)	\$ 195,563,514

(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: April 30, 2025 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
Operating revenues:					
Grant revenue	\$ 4,966,686	\$ -	\$ -	\$ -	\$ 4,966,686
Brownfield funds	1,021	-	-	-	1,021
Loan interest and commitment fees	6,981	-	-	-	6,981
Rental and other revenue	92,083	-	626,581	-	718,663
Total operating revenue	<u>5,066,771</u>	<u>-</u>	<u>626,581</u>	<u>-</u>	<u>5,693,352</u>
Operating expenses:					
Development costs	5,079,407	-	-	-	5,079,407
Adjustment to net realizable value	245,664	-	-	-	245,664
Salaries and benefits	157,133	-	-	-	157,133
General and administrative	105,335	1,805	41,171	-	148,311
Management fee	29,600	-	-	-	29,600
Depreciation	-	-	1,200,000	-	1,200,000
Total operating expenses	<u>5,617,138</u>	<u>1,805</u>	<u>1,241,171</u>	<u>-</u>	<u>6,860,114</u>
Operating income	(550,367)	(1,805)	(614,590)	-	(1,166,762)
Non-operating revenues (expenses):					
Interest expense	-	-	(13,265)	-	(13,265)
Interest income	10,564	82	104	-	10,750
Other income/expenses	(9,666,400)	-	13,730,000	-	4,063,600
Total non-operating revenues (expenses)	<u>(9,655,836)</u>	<u>82</u>	<u>13,716,840</u>	<u>-</u>	<u>4,061,085</u>
Change in net position	(10,206,203)	(1,723)	13,102,250	-	2,894,323
Net position - beginning of year	85,935,466	11,809,617	56,876,887	(67,129,913) (1)	87,492,057
Distributions	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>142,500</u> (1)	<u>(7,500)</u>
Net position - end of period	<u>\$ 75,729,262</u>	<u>\$ 11,807,894</u>	<u>\$ 69,829,137</u>	<u>\$ (66,987,413)</u>	<u>\$ 90,378,880</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: April 30, 2025 (Unaudited)

	YTD April 2025	YTD Budget 2025	Variance
Operating revenues:			
Grant revenue	\$ 4,966,686	\$ 14,835,667	\$ (9,868,980)
Brownfield funds	1,021	3,333	(2,312)
Loan interest and commitment fees	6,981	-	6,981
Rental and other revenue	718,663	663,543	55,120
Total operating revenues	5,693,352	15,502,543	(9,809,191)
Operating expenses:			
Development costs	5,079,407	3,647,875	1,431,531
Adjustment to net realizable value	245,664	-	245,664
Salaries and benefits	157,133	171,437	(14,304)
General and administrative	148,311	134,800	13,511
Management fee	29,600	38,000	(8,400)
Depreciation	1,200,000	1,360,333	(160,333)
Total operating expenses	6,860,114	5,352,445	1,507,669
Operating income (loss)	(1,166,762)	10,150,098	(11,316,860)
Non-operating revenues (expenses):			
Interest expense	(13,265)	(14,000)	735
Interest income	10,750	11,667	(916)
Other income/expenses	4,063,600	-	4,063,600
Total non-operating revenues (expenses)	4,061,085	(2,333)	4,063,418
Change in net position	\$ 2,894,323	\$ 10,147,764	\$ (7,253,442)

Budget variances:

- Grant revenue relates mainly to Ralph Wilson Park and Northland Projects. The variance is due to lower grant revenue recognition than anticipated as a result of timing of grant-supported costs.
- 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).

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
Hon. Christopher P. Scanlon, Chairman

Item 4.1

MEMORANDUM

TO: BUDC Board of Directors

FROM: Angelo Rhodes II – Northland Project Manager

SUBJECT: Northland Central – Proposed Lease Amendment to Rodriguez Construction Group, Inc. for 683 Northland Avenue

DATE: May 27, 2025

Rodriguez Construction Group, Inc. (“Rodriguez Construction”) and 683 Northland Master Tenant, LLC are parties to an existing triple net lease of approximately 8,539 square feet of office space in Area 7 at 683 Northland Avenue, the term of which ends October 31, 2025. Rodriguez Construction has expressed interest in extending the term of their lease of the Area 7 space and adding 4,798 square of additional office space on the mezzanine level of Area 6, for use as general office space for the administration and management of its construction business. BUDC, through its broker CBRE, has been working with Rodriguez Construction to develop the terms of an amendment to the existing lease agreement between the parties, the principal terms of which are as follows:

- A. Landlord: 683 Northland Master Tenant, LLC (an affiliate of BUDC).
- B. Tenant: Rodriguez Construction Group, Inc.
- C. Leased Premises: Approximately 8,539 square feet of office space located at Area 7, and the approximate 4,798 square foot mezzanine level of Area 6 of 683 Northland Avenue, Buffalo, NY.
- D. Use: General office space for administration and management of construction business.
- E. Term: Five (5) years, with an option to renew for one (1) additional term of five (5) years by giving written notice at least 180 days prior to expiration of the term at an agreed upon fair market base rent as determined by an independent appraiser.

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

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

Hon. Christopher P. Scanlon, Chairman

F. Amendment Commencement Date: June 1, 2025.

G. Rent: Commences November 1, 2025. Tenant will continue to pay its current rate of \$4.86/sf NNN for Area 7 until the new rent commencement date of November 1, 2025. Tenant will have access without cost to the mezzanine space from the Amendment Commencement date until November 1, 2025.

Area 7 (8,539 sf)

\$14.00 sf with a 3% annual base rent escalation.

Mezzanine Area (4,798 sf)

\$4.75 sf with a 3% annual base rent escalation.

H. Security Deposit: The Tenant will provide a security deposit in the amount of \$12,370.

I. Additional Rent: The lease will be structured as a triple net (NNN) lease. Tenant will pay pro-rated share of costs associated with the 683 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. Tenant Improvement Allowance: Tenant will construct improvements to the mezzanine space of Area 6, consisting of electrical, HVAC & plumbing improvements to the mezzanine space, including the creation of a bathroom, mechanical closet and concrete pad for an electrical transformer (the "Tenant Improvements"). Upon completion and acceptance of the Tenant Improvements by Landlord, Tenant will receive a reimbursement of up to \$80,000.00 for constructing the Tenant Improvements.

K. Termination Option: Following the completion and acceptance of the Tenant Improvements by Landlord, Tenant will have the option to terminate the lease (Termination Option) by written notice to Landlord and pay a termination fee (Termination Fee).

In the event that the Termination Option is exercised within 18 months from the date of completion and acceptance by Landlord of the Tenant Improvements, then Tenant shall pay a

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
Hon. Christopher P. Scanlon, Chairman

Termination Fee in an amount equal to six (6) months of Base Rent for both Area 7 and the Mezzanine Area.

In the event that the Termination Option is exercised after 18 months from the date of completion and acceptance by Landlord of the Tenant Improvements, then Tenant shall pay a Termination Fee in an amount equal to three (3) months of Base Rent for both Area 7 and the Mezzanine Area.

In addition to paying the Termination Fee, the Tenant will also pay the following to Landlord upon exercising its Termination Option: (i) the remaining, unamortized portion of the Tenant Improvements, to be calculated by multiplying the Tenant Improvements allowance by the percentage of months remaining in the Lease divided by the total Lease Term; and (ii) the unamortized, pro rata balance of the lease commission paid by Landlord.

- L. 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 May 13, 2025, meeting and was recommended for approval by the BUDC Board of Directors

ACTION:

We are requesting that the BUDC Board of Directors: (i) authorize 683 Northland Master Tenant, LLC to enter into an amendment to the existing lease agreement with Rodriguez Construction Group, Inc. 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 683 Northland Master Tenant, LLC and take such other actions as are necessary and appropriate to implement this authorization.

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