

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation

Board of Directors Meeting

Date: Tuesday, March 31, 2020

Time: Noon

Conference Call for Board Members and Staff

Live Stream Audio for Press and Public

1.0 CALL TO ORDER

2.0 READING OF THE MINUTES (Action) (Enclosure)

3.0 NEW BUSINESS

3.1 Governance Committee Report (Enclosure)

- 3.1.1 2019 Mission Statement and Performance Measurements w/ Results (Info.) (Encl.)
- 3.1.2 2020 Mission Statement and Performance Measurements (Approve) (Act.) (Encl.)
- 3.1.3 Procurement Policy (Re-adopt) (Action) (Enclosure)
- 3.1.4 Property Disposition Guidelines (Re-adopt) (Action) (Enclosure)
- 3.1.5 2019 Public Authorities Annual Report (Approve) (Action) (Enclosure)

3.2 Audit & Finance Committee Report (Enclosure)

- 3.2.1 2019 683 Northland Master Tenant, LLC Audited Financial Statements (Information) (Enclosure)
- 3.2.2 2019 Audited Consolidated Financial Statements (Approve) (Action) (Enclosure)
- 3.2.3 2019 Audited Financial Statements - BBRF (Information) (Enclosure)
- 3.2.4 2019 Investment Report (Approve) (Action) (Enclosure)
- 3.2.5 Investment and Deposit Policy (Re-adopt) (Action) (Enclosure)
- 3.2.6 Reimbursement of 2019 Brownfield Expenses from BBRF (Approve) (Act.) (Encl.)
- 3.3 Monthly Financial Report (Action) (Separate Distribution)
- 3.4 Northland Central Lease Proposal (Action) (Separate Distribution)
- 3.5 Northland Corridor – Community Solar & Microgrid RFP Proposal (Action) (Enclosure)
- 3.6 RCWJ Centennial Park Project – MVVA Contract Amendment (Action) (Enclosure)
- 3.7 BBRP / Race For Place Project Update (Information)
- 3.8 Northland Beltline Project Update (Information)
- 3.9 Waterfront / Ralph C. Wilson Jr. Centennial Park Project Update (Information)
- 3.10 Buffalo Lakeside Commerce Park Project Update (Information)
- 3.11 308 Crowley Project Update (Information)

4.0 LATE FILES

5.0 TABLED ITEMS

6.0 EXECUTIVE SESSION

7.0 ADJOURNMENT (Action)

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

95 Perry Street
Buffalo, New York 14203
February 25, 2020
12:00 p.m.

1.0 Call to Order

Directors Present:

Hon. Byron W. Brown (Chair)
Trina Burruss
James W. Comerford
Janique S. Curry
Darby Fishkin
Dottie Gallagher
Thomas Halligan
Thomas A. Kucharski
Amanda Mays
Kimberley A. Minkel
Dennis M. Penman (Vice Chair)
Darius G. Pridgen
Craig A. Slater

Directors Absent:

Dennis W. Elsenbeck
Michael J. Finn
Thomas R. Hersey, Jr.
Brendan R. Mehaffy
David J. Nasca
Maria R. Whyte

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Brandye Merriweather, Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Others Present: Dawn Boudreau, ECIDA; Evan Y. Bussiere, Hurwitz & Fine, P.C.; Daniel Chorley, Watts Architecture & Engineering; John Cleary, Gilbane Building Company; David Dittmar, 34 Group, Inc.; Jonathan Epstein, *The Buffalo News*; James Fink, *Buffalo Business First*; Garrett Gruendike, Gilbane Building Company; Arthur Hall, BUDC; Kellena Kane, Uniland Development Company; and Michael Montante, Uniland Development Company.

Roll Call – The meeting was called to order at 12:05 p.m. The Secretary called the roll of directors and a quorum was determined to be present. Mr. Kucharski joined during the presentation of item 3.0. Mayor Brown and Ms. Gallagher joined the meeting during the presentation of item 3.2.

- 2.0 Presentation of the Minutes** – The minutes of the January 28, 2020 meeting of the Board of Directors were presented. Mr. Slater made a motion to approve the meeting minutes. The motion was seconded by Ms. Burruss and unanimously carried (11-0-0).

3.0 Monthly Financial Reports

3.1 683 Northland Master Tenant , LLC Financial Statements – Ms. Profic presented for information purposes the financial statements for 683 Northland Master Tenant, LLC for the period ending January 31, 2020.

3.2 BUDC Consolidated Financial Statements – Ms. Profic presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending January 31, 2020. Ms. Profic noted that the auditor's report and cost certification in connection with the tax credits for the project are pending. Mr. Pridgen made a motion to accept the financial report. The motion was seconded by Mr. Comerford and unanimously carried (14-0-0).

3.3 Corporate Lines of Credit – BUDC & 683 Northland LLC – Ms. Profic presented her February 25, 2020 memorandum regarding a proposal to establish lines of credit for BUDC and 683 Northland LLC through KeyBank. She explained the lengthy reimbursement process for project grants, which has resulted in constraints on BUDC's general operating cash. To date, construction costs have exceeded three million dollars, with only \$949,000 reimbursed to BUDC. Ms. Profic also explained the need for a line of credit for 683 Northland LLC. The Audit & Finance Committee reviewed this item at its February 5, 2020 meeting and is recommending that the Board approve pursuing two separate lines of credit from KeyBank, a working capital line of credit for BUDC in the amount of two million dollars and a working capital line of credit for 683 Northland LLC in the amount of one million dollars. The Board discussed the item. In response to a question from Ms. Gallagher, Ms. Profic stated that interest expenses for the proposed lines of credit are not included in the budget, and she also confirmed that there is no present need to draw on either line. Mr. Penman stated that having access to lines of credit is standard operating procedure for a development company and would be appropriate for BUDC. Ms. Profic stated that she would provide monthly updates to the Board regarding any draws made against the lines of credit. Mr. Cammarata added that all draws would be reported to the Audit & Finance Committee and the Board of Directors. At the conclusion of the discussion, Mr. Pridgen made a motion to authorize the President or Executive Vice President to execute and deliver the necessary documents to establish two separate working capital lines of credit for Buffalo Urban Development Corporation and 683 Northland LLC in the amounts of two million dollars and one million dollars, respectively, with terms consistent with the memorandum presented, and with the requirement that all draws be reported on a monthly basis to the Board of Directors and the Audit & Finance Committee. The motion was seconded by Mr. Comerford and unanimously carried (14-0-0).

4.0 New Business

4.1 BLCP – Uniland Development Co. Amendment to Land Sale Agreement – Mr. Cammarata presented his January 28, 2020 memorandum regarding a proposed amendment to the Land Sale Agreement between Uniland Development Company and BUDC for the 255 Ship Canal Parkway property. In the course of Uniland's due diligence, it encountered unanticipated issues including unfavorable soil conditions and potential difficulty utilizing the NYS Brownfield Cleanup Program. Based on these difficulties, Uniland submitted a request for an extension of the contractual due diligence period through August 31, 2020 and a waiver of the \$2,000 per month exclusivity fee requirement during the extended due diligence period. Mr. Cammarata noted that the proposed amendment was reviewed with members of the Real Estate Committee that were present at the Committee's February 28, 2020 meeting, but formal action to approve the item was not taken due to the lack of a quorum. Mr. Slater stated that the members present at the February 28th meeting were in favor of the extension. Mr. Slater then made a motion to approve an amendment to the Land Sale Agreement to extend the due diligence period to August 31, 2020 and to waive the exclusivity fee requirement during the extended due diligence period. The motion was seconded by Mr. Kucharski and unanimously carried (14-0-0).

- 4.2 Ralph C. Wilson, Jr. Centennial Park – Additional Due Diligence** – Mr. Stebbins presented his February 25, 2020 memorandum regarding additional due diligence to be performed in connection with the Ralph C. Wilson, Jr. Centennial Park project. He noted that Gardiner & Theobald has undertaken a thorough review of the due diligence work and is recommending additional hydrological analysis to support design and regulatory approvals for the shoreline improvements, sourcing and analyzing fill material for the project and completing the required State Environmental Quality Review Act (SEQRA) and National Environmental Policy Act (NEPA) processes. Gardiner & Theobald determined that BUDC's due diligence consultant, Wendel Companies, was best positioned to perform the preparation of materials and managing the SEQRA and NEPA review processes as well as managing and subcontracting with an environmental and geotechnical consultant to assess the fill material. Wendel prepared a proposal to perform the desired work and sought competitive proposals from three subconsultants for environmental and geotechnical services. SJB Services was selected as the lowest cost subconsultant. Mr. Stebbins noted that the proposed not-to-exceed cost of the Wendel proposal is \$84,000. The current contract with Wendel is \$165,000 and upon approval of the Wendel proposal, the total contract amount will be \$249,000 with the entire cost paid from Ralph C. Wilson, Jr. Foundation grant funding. This proposal was reviewed with the Downtown Committee at its February 19, 2020 meeting, but formal action to approve the item was not taken due to the lack of a quorum. Mr. Pridgen made a motion to amend the existing agreement with Wendel Companies for additional due diligence services for the Ralph C. Wilson, Jr. Centennial Park project for the not-to-exceed amount of \$84,000 and to authorize the President or Executive Vice President to take such actions as are necessary to implement the authorization. The motion was seconded by Ms. Curry and unanimously carried (14-0-0).
- 4.3 683 WTC, LLC – Documenting Inter-company Loan Transaction** – Ms. Profic presented her February 25, 2020 memorandum and provided a handout regarding the need for additional documentation for Phase II of the 683 Northland project. Ms. Profic noted that the BUDC Board of Directors had previously approved the tax credits transaction and financial model for Phase I and Phase II of the 683 Northland project in December 2017. At the time of closing, Phase I inter-company grant and loan documents were executed. At the closing of Phase I of the project, Phase II of the project had yet to be designed and final costs for Phase II were estimated so the inter-company grant and loan documents for Phase II were not executed. Ms. Profic stated that now that Phase II is nearly complete, additional documentation to fully document the tax credits model for Phase II of the project is necessary. The additional documentation consists of a promissory note from 683 WTC, LLC to BUDC and a sub-recipient agreement between BUDC and Buffalo Brownfield Restoration Corporation (BBRC) to document a grant from BUDC to BBRC. Ms. Profic noted that the execution of these documents will not create any additional financial obligations for BUDC or its affiliates. She also noted that the BBRC Board of Directors approved the sub-recipient agreement at its meeting, which was held just prior to this Board meeting. Ms. Gallagher made a motion to approve the execution and delivery by 683 WTC, LLC of the Phase II Note, the execution and delivery by BUDC of the Phase II Subrecipient Agreement and to authorize the President or Executive Vice President to execute such other documents or instruments and take such actions as may be necessary in connection with the transactions outlined in the memorandum. The motion was seconded by Mr. Hersey and carried with thirteen affirmative votes (13-0-1). Ms. Mays abstained from the vote.
- 4.4 541 E. Delavan – 34 Group Phase 1C Core & Shell Bids (Roofing, Masonry, Excavation Underpinning, and Framing & Sheathing)** – Mr. Stebbins presented his February 25, 2020 memorandum regarding the balance of Phase 1 Work planned for the restoration and renovation of the eastern plant building. He noted that the 34 Group had released bid documents for the Phase 1C work on behalf of NorDel I, LLC. Proposals were received and were de-scoped by Watts and 34 Group. Each recommended bidder submitted a M/WBE Utilization Plan. Mr. Stebbins noted that the work will be funded with the Restore NY V grant and a 10% local match from the Buffalo Brownfields Redevelopment Fund. This item was reviewed by the Real Estate Committee at its February 18, 2020 meeting but no formal action to approve the

item was taken due to the lack of a quorum. Mr. Pridgen made a motion to (i) approve (a) the roofing contract with Jos. A. Sanders & Sons, Inc. in the amount of \$829,765, (b) the framing and sheathing contract with Datz Dat! Construction, Inc. in the amount of \$97,000, (c) the masonry contract with Thomas Johnson, Inc. in the amount of \$242,000 and (d) the excavation and underpinning contract with DMyles, Inc. in the amount of \$143,840, (ii) approve the use of the Buffalo Brownfields Redevelopment Fund for the 10% match, or up to \$131,261 and (iii) to authorize the President or Executive Vice President to execute contracts with each of the contractors on behalf of NorDel I, LLC and take such actions as are reasonably necessary in connection with the work. The motion was seconded by Ms. Minkel and carried with thirteen affirmative votes (13-0-1). Ms. Mays abstained from the vote. Mr. Pridgen left the meeting after the presentation of this item.

- 4.5 **541 E. Delavan – Apollo Steel Change Order** – Mr. Cammarata presented his February 25, 2020 memorandum regarding a change order to the Apollo Steel Corporation contract for the repair of significant structural deficiencies that were discovered during the final demolition phase of the project. This additional work includes reconstruction of the corners of the building and replacement of steel lintels on the north facade. The cost of this work is \$175,545 and is reimbursable through the Restore NY V grant. The Real Estate Committee reviewed the proposed change order at its February 18, 2020 meeting but no formal action to approve the item was taken due to the lack of a quorum. Mr. Slater made a motion to amend the existing construction contract with Apollo Steel Corporation for additional structural steel reconstruction and replacement work at 541 E. Delevan Avenue for a net additional change order cost of \$175,545 and to authorize the President or Executive Vice President to execute and deliver the amendment to the construction contract on behalf of NorDel I, LLC. The motion was seconded by Ms. Minkel and carried with twelve affirmative votes (12-0-1). Ms. Mays abstained from the vote.
- 4.6 **683 Northland Phase 2B (NWTC Expansion Space) – Gilbane Change Order** – Mr. Stebbins presented his February 25, 2020 memorandum regarding a proposed Gilbane Building Company change order in the amount of \$15,967.22 to cover extra costs associated with the expansion of the Northland Workforce Training Center (NWTC) into Area 3 at 683 Northland. The work includes final cleaning expenses in connection with preparing the Area 3 space for occupancy. Mr. Stebbins noted that the cost of this work will be funded through the ESD equipment grant. The Real Estate Committee reviewed the proposed change order at its February 18, 2020 meeting but no formal action to approve the item was taken due to the lack of a quorum. Mr. Penman made a motion to amend the existing construction management agreement with Gilbane Building Company to cover the extra costs associated with the expansion of the NWTC into 9,505 square feet of space in Area 3 at a cost of \$15,967.22 and to authorize the President or Executive Vice President to execute and deliver the amendment to the construction management agreement on behalf of 683 Northland LLC. The motion was seconded by Ms. Burruss and carried with twelve affirmative votes (12-0-1). Ms. Mays abstained from the vote.
- 4.7 **Northland Beltline Corridor Project Update** - Mr. Hall circulated a handout outlining the progress of the construction projects at 612 Northland, 537 and 541 E. Delavan Avenue. He reported that interviews will be held this week with respondents to the Northland Community Solar and Microgrid RFP. He also discussed progress on the Brownfield Opportunity Area, noting that a public meeting has been scheduled for March 5, 2020 to discuss the BOA project. He also reported that the next session of the Northland Business Network Series will be held on March 26th. He noted that BUDC staff is investigating whether to apply for an Economic Development Assistance Grant through the EDA for 631 Northland and 541 E. Delavan. He completed his report with an update regarding the commencement of landlord improvements for the Retech Systems space at 683 Northland.
- 4.8 **Buffalo Building Reuse Project Update** – Ms. Merriweather presented an update regarding Buffalo Building Reuse Project matters. She reported on the rollout of the Race for Place initiative program which will enhance efforts for attracting talent to the downtown core. She also discussed

the Smart Cities technology initiative and efforts to create a modern technology eco-system in the downtown area. Ms. Merriweather also reported on progress on the entertainment district project, including a report on the current responses to the public art RFP which are due on March 16th. She completed her report with an update on the Congress for New Urbanism event. Ms. Gallagher left after the presentation of the item.

4.9 Waterfront-RCWJ Centennial Park Project Update – Mr. Stebbins reported that MVVA in the process of refining its schematic design work and is conducting value engineering. Design work for the pedestrian bridge is underway. The next community workshop is scheduled for March 10th to review the park design.

4.10 Buffalo Lakeside Commerce Park Project Update – Mr. Cammarata reported that the three land sale agreements for parcels in the park are currently in their respective due diligence periods.

4.11 Information Package – Mr. Cammarata reviewed the informational, marketing and media materials that were included in the monthly information package.

5.0 Late Files – Ralph C. Wilson, Jr. Centennial Park – City Funding Agreement – Following the presentation and vote on item 4.6, Mr. Stebbins introduced a late file item relating to the Ralph C. Wilson, Jr. Centennial Park project. Ms. Gallagher made a motion to accept the late file. The motion was seconded by Mr. Kucharski and unanimously carried (13-0-0). Mr. Stebbins then presented his February 25, 2020 memorandum regarding the funding agreement between BUDC and the City of Buffalo. BUDC has been asked to advance funding to the City of Buffalo for the next phase of bridge design work from the design grant previously awarded to BUDC by the Ralph C. Wilson, Jr. Foundation. The estimated cost of the work is \$975,148. To accomplish this, BUDC executive staff is seeking Board authorization to amend the previously approved funding agreement between BUDC and the City of Buffalo to authorize the transfer of \$975,148 to the City of Buffalo from the second Foundation grant. Mr. Slater made a motion to approve the amendment to the funding agreement between BUDC and the City of Buffalo to facilitate the transfer of \$975,148 to the City of Buffalo from the second Ralph C. Wilson, Jr. Foundation grant for the pedestrian bridge design work and to authorize the President or Executive Vice President to take such actions as are necessary to implement the amendment. The motion was seconded by Mr. Comerford and unanimously carried (12-0-0). Mr. Kucharski was absent during the vote on this item.

6.0 Tabled Items – None.

7.0 Executive Session – None.

8.0 Adjournment – Upon motion made by Mr. Kucharski, seconded by Ms. Curry and unanimously carried, the February 25, 2020 meeting of the Board of Directors was adjourned at 1:10 p.m.

Respectfully submitted,

/s/ *Kevin J. Zanner*

Kevin J. Zanner, Secretary

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Item 3.1

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors
FROM: Thomas Kucharski, Governance Committee Chair
SUBJECT: Governance Committee Report
DATE: March 31, 2020

At the March 16, 2020 meeting, those members participating from the BUDC Governance Committee reviewed the following items that do not require action by the full Board:

- Board Self-Evaluation Process
- Governance Committee Self-Evaluation
- 2019 Mission Statement and Performance Measurements w/ Results (Item 3.1.1 to follow)
- Code of Ethics
- Governance Committee Charter
- Whistleblower Policy
- Travel, Conferences, Meals & Entertainment Policy
- 2020 Summary of Employee Benefits
- PAAA Training Opportunities
- New Board Member Orientation Process

Those members participating from the Committee recommended that the following items be forwarded to the full Board for action:

- 2020 Mission Statement and Performance Measurements (Item 3.1.2 to follow)
- Procurement Policy (Item 3.1.3 to follow)
- Property Disposition Guidelines (Item 3.1.4 to follow)
- 2019 Public Authorities Annual Report (Item 3.1.5 to follow)

Buffalo Urban Development Corporation (BUDC)

2019 Mission Statement and Performance Measurements (w/ Results)

Date Approved: 3/26/2019

BUDC Mission Statement:

The mission of Buffalo Urban Development Corporation (BUDC) is to support the urban economic development efforts of the region through acquisition, remediation and management of distressed properties, and to engage in related real estate development activities for the purpose of attracting and/or retaining new and existing businesses to the City as part of the region. The mission of BUDC also includes supporting the revitalization of downtown Buffalo by serving as the lead management entity for Buffalo Building Reuse Project (BBRP) initiatives, working in collaboration with the City of Buffalo; including the coordination of financial assistance for downtown adaptive re-use projects and public right-of-way improvements.

BUDC Performance Measurements:

Goal: To reclaim abandoned and distressed land and buildings for future development.

Objective A: Continue to establish the Northland Beltline ("Northland") as the prime urban area for reclamation, by implementing the redevelopment strategy and continuing to engage in appropriate planning processes for future development.

Measurement: Assemble any additional properties that become available which are needed to enhance Northland.

Result: Acquired 714 Northland. This property has a long-term tenant and provides additional parking for the campus. Continued to work with the City on the swap of key commercial properties for vacant residential properties. Continued to work with Plesh Industries to swap vacant land for potential campus parking areas.

Measurement: Obtain City of Buffalo Planning Board approval for various phases of Northland redevelopment as they occur.

Result: No further projects required Planning Board approval.

Measurement: Obtain State Historic Preservation Office (SHPO) approval to maximize the preservation of structures that will contribute to the redevelopment of Northland and the select demolition of structures that are an impediment to the redevelopment.

Result: No further SHPO approvals were required for the advancement of projects in 2019.

Measurement: Complete construction of Buffalo Manufacturing Works (BMW) and Phase 2 renovation of 683 Northland (“Northland Central”).

Result: BMW work was completed for their opening in the fall of 2019. All other Phase 2 work is scheduled to be completed by March of 2020.

Measurement: Manage all compliance and milestones related to the financing for Northland Central; including Historic Preservation Tax Credits, Brownfield Cleanup Program Tax Credits, New Market Tax Credits, and bridge loan financing.

Result: Compliance milestones were managed as the projects advanced. Compliance documents have been advanced as quickly as the milestones have been reached.

Measurement: Negotiate and execute any lease agreement amendments with the Economic Development Group Inc. and BMW for Northland Central.

Result: A lease agreement amendment was executed with Economic Development Group for the expansion space in 2019.

New Measurement: Execute State funding agreement with Northland Workforce Training Center (NWTC) for Phase 2.1 construction at Northland Central and complete design and construction.

Result: N/A. This funding was included as part of the lease agreement stated above.

New Measurement: Negotiate and execute a lease with Thinking Robot Studios (TRS) and two (2) other potential tenants at Northland Central.

Result: TRS decided not to lease space at Northland Central, but SparkCharge and Retech Systems leases were negotiated and executed.

New Measurement: Complete tenant build-outs for any new tenants at Northland Central.

Result: As of March 2020, this work is on-going.

New Measurement: Negotiate and execute a lease with a food service provider for the restaurant space at Northland Central.

Result: A lease was negotiated with Manna and they began operations in late fall of 2019.

New Measurement: Secure SHPO and National Park Service Part 3 approval for Phase 1 and 2 work at Northland Central.

Result: The SHPO and National Park Service approvals are pending.

Measurement: Complete any further remedial investigation and implement the Soil Management Plan (SMP) for Northland Central, under the NYS Brownfield Cleanup Program.

Result: A small amount of remedial investigation continues into the spring of 2020, related to further vapor intrusion well placement and testing. Implementation of the SMP will begin when this work is finalized.

Measurement: Continue effective M/WBE Utilization and Workforce Participation programs for all Northland Central construction.

Result: This is an on-going measurement, but results for 683 Northland were 42% and 60% for 612 Northland.

New Measurement: Continue to implement the Restore NY IV & V Grant initiatives, including the completion of renovations at 612 Northland, Phase 1 renovations at 541 East Delavan, and partial demolition of 777 Northland.

Result: 612 Northland renovations were completed under the Restore NY IV grant. Renovations at 541 E. Delavan are on-going under the Restore NY V grant. The partial demolition of 777 Northland was dropped as part of Restore V.

Measurement: Continue to coordinate with the City of Buffalo on all aspects of the Northland Avenue streets improvements project until completion.

Result: The project has been completed. Final payments and reimbursements are being processed.

Measurement: Continue the implementation of the Historic Preservation Mitigation measures agreed to with the State Historic Preservation Office, according to the Memorandum of Agreement (MOA).

Result: All further work at 612 Northland and 541 E. Delavan will be reviewed by our historical architect consultant and remain true to the MOA.

New Measurement: Continue to work with the NYSDEC regarding Superfund investigation and remediation at the 537 E. Delavan site.

Result: We are working with and monitoring the Superfund work at 537 E. Delavan. It continues in the investigative stage.

Measurement: If funding becomes available, begin renovations or other actions necessary to bring other space within Northland Beltline to a “ready-to-lease” condition.

Result: N/A. No additional funding became available in 2019.

Measurement: Continue the Community Outreach Program, with at least one additional Public Meeting and two additional Stakeholder Advisory Committee meetings, and additional community outreach, as appropriate such as newsletters, social media and individual outreach.

Result: One public meeting and two stakeholder meetings were held in 2019. Extensive individual outreach was completed by Art Hall and Sandy

White. An additional Northland Newsletter was published and social media outreach continued.

New Measurement: Complete design and construction of the Entrepreneurial Center at Northland Central.

Result: The design of the Building which was to house the Entrepreneurial Center was completed in 2019 and construction will be completed in March 2020. Currently the location of the Center is being discussed for another part of the east side and the building may have a different tenant.

New Measurement: Prepare and begin to implement a green infrastructure plan for 537 E. Delavan.

Result: A portion of this plan was implemented with the landscaping improvements included in the renovation of 612 Northland for the Albright Knox Art Gallery occupancy.

New Measurement: Prepare and begin to implement a community solar and district energy plan for the Northland Corridor.

Result: A Request for Proposals for this plan was issued in late 2019 and a consultant team will be chosen in the spring of 2020.

New Measurement: Continue to work with energy stakeholders to solicit funding from Eaton Corporation to create an Energy Experience Center at Northland Central, and assist in developing a community solar and district energy plan for the Northland Corridor.

Result: A preliminary commitment for funding has been obtained from Eaton Corporation and other funding sources are being pursued. This includes both the Energy Experience Center and the district energy plan.

New Measurement: Complete building condition analysis and begin to implement, if appropriate, the renovation of 631 Northland.

Result: The building condition analysis has been completed, but no renovation was started in 2019

Objective B: Secure funds to continue to advance the Northland Beltline projects.

Measurement: Draw-down all remaining funds related to the \$6.7M Grant Distribution Agreement (GDA) with Empire State Development (ESD).

Result: All remaining funds for this grant have been drawn-down.

Measurement: Draw-down all remaining funds related to the \$10.3M GDA with ESD for Northland Central.

Result: Almost all remaining funds for this grant have been drawn-down.

Measurement: Draw-down all remaining funds related to the \$6M GDA with ESD for the WNY Workforce Training Center.

Result: Almost all remaining funds for this grant have been drawn-down.

New Measurement: Draw-down all remaining funds related to the \$25M GDA with ESD for Phase 2 of Northland Central.

Result: All remaining funds for this grant have been drawn-down.

New Measurement: Execute a grant agreement with LISC for the \$50,000 Northland Economic Development Grant and implement the related scope of work.

Result: The grant agreement with LISC was executed and the scope of work implemented.

Measurement: Identify additional funding sources (i.e. grants and tax credits) and income opportunities for future phases of Northland Beltline projects.

Result: A Request for Proposals was issued in late 2019 to help identify funding sources for the renovation of 631 Northland. A consultant will be chosen in spring of 2020. National Grid's economic development programs continue to be a funding source for on-going Northland development phases.

Objective C: Prepare land and buildings for development through remediation, select demolition, infrastructure upgrades/construction, site improvements, and amenity construction.

New Measurement: Assemble appropriate properties throughout the City to increase inventory for future brownfield projects.

Result: No additional properties were assembled throughout the City in 2019, but various acquisition opportunities were discussed with the Real Estate Committee.

Measurement: Number of acres remediated to shovel-ready condition.

Result: One additional acre at Northland Central.

Measurement: Number of building square feet rehabilitated to leasable condition.

Result: Approximately 100,000 square feet in 2019.

Goal: To attract and/or retain new and existing businesses to the City and region.

Objective A: Market BUDC properties as an urban alternative for new construction of light manufacturing, distribution and office facilities.

Measurement: Assist in a minimum of four (4) prospects interested in purchasing land and/or buildings.

Result: Assisted three prospects at Buffalo Lakeside Commerce Park (BLCP) and one at 308 Crowley.

Measurement: A minimum of six (6) “earned” media appearances and five hundred (500) website page and social media views.

Result: At least ten earned media appearances were related to the land sale agreements at BLCP and 308 Crowley.

Measurement: Maintain infrastructure amenities to enhance the marketability of the BLCP properties.

Result: Maintenance contracts were maintained to continue to hand the BUDC properties at BLCP and Northland.

Objective B: Support the economic development efforts of the City of Buffalo Office of Strategic Planning (OSP) with the task of expanding or relocating businesses of a diverse nature in the City.

Measurement: Assist in identifying parcels of land in or added to marketable inventory.

Result: At least three parcels in other areas of the City were identified to the Real Estate Committee as potentially being added to the marketable inventory.

Measurement: Number of businesses contacted, as directed by OSP.

Result: At least six in 2019.

Objective C: Support the economic development efforts of the City by maintaining procurement practices that encourage the participation of local (50%), minority (25%), and women-owned (5%) businesses.

Measurement: All informal bids, formal bids, request for proposals, and requests for qualifications will include the City’s participation goals listed above.

Result: The City’s participation goals were included in all BUDC solicitations.

Goal: To support the revitalization of downtown Buffalo.

Objective A: Serve as lead management entity for BBRP initiatives.

Measurement: A minimum of twenty (20) companies contacted.

Result: At least fifty (50) companies contacted.

Objective B: Coordinate financial assistance for adaptive re-use projects.

Measurement: A minimum of two (2) projects assisted.

Result: Four (4) projects assisted.

Objective C: Manage lending program as an incentive for adaptive re-use and/or new construction projects.

Measurement: A minimum of two (2) loans approved and closed.

Result: No loans were approved in 2019. Several are in the immediate pipeline for early in 2020.

Measurement: Finalize modifications to the BBRP Loan Program for Loan Committee review and approval, and NYBDC use.

Result: BUDC has developed recommendations and the BUDC Loan Committee is in the process of reviewing for approval.

Objective D: Assist coordination of public right-of-way and public space improvements.

Measurement: A minimum of two (2) city blocks and one (1) public space improved.

Result: BUDC is in the process of coordinating public improvements to the entertainment district, Erie Street public spaces and underpass areas. Construction will begin in 2020.

New Measurement: Develop a draft waterfront implementation strategy.

Result: BUDC is working with waterfront stakeholders to facilitate regular waterfront coordination meetings and continues to pursue funding for the design of public realm improvements.

New Measurement: Develop a draft Flower District / Ellicott Corridor Concept Plan.

Result: BUDC is in the process of completing the Ellicott Corridor Plan. Anticipated completion is the spring of 2020.

Objective E: Coordinate additional phases of Queen City Pop Up (QCPU).

Measurement: A minimum of six (6) temporary retailers and two (2) permanent retailers added to the downtown market area.

Result: Nine (9) temporary and one permanent retailers were added.

Measurement: Coordinate at least two (2) technical assistance training sessions for QCPU retailers.

Result: Four technical assistance trainings were coordinated (website development, marketing & merchandising, social media, and media relations).

Measurement: Maintain a webpage and directory for/of QCPU participants.

Result: BUDC is in the process of developing a directory that will be located on the recently updated website.

Objective F: Coordinate the publication, marketing, and distribution of an updated State of Downtown Report.

Measurement: A minimum of five hundred (500) copies distributed and two (2) “earned” media appearances.

Result: Vice President Brandye Merriweather coordinated the roll-out of the new downtown development strategy (Buffalo’s Race for Place), which was unveiled at the 2020 State of the City address.

Objective G: Build awareness of BBRP programs, tools, and incentives.

Measurement: At least two (2) presentations to business associations and professional/community groups on BBRP.

Result: Ms. Merriweather made four (4) presentations in 2019 including the Buffalo Business First Power Breakfast, the WNY @ Work Radio Show, It Takes a Village Action Organization, and the Buffalo Niagara Area Realtors.

Measurement: Finalize a list of recommendations for additional BBRP tools and incentives, based on current market conditions.

Result: BUDC finalized recommendations outlined in Buffalo’s Race for Place plan, these include public/private funding for infrastructure and “smart cities” technology.

Objective H: Promote the construction of additional units of downtown housing.

Measurement: The announcement of two hundred fifty (250) units to be constructed.

Result: Approximately 220 residential units announced.

Objective I: Coordinate the resolution or redevelopment of targeted problem properties within the BBRP boundaries.

Measurement: A minimum of three (3) problem properties addressed.

Result: Numerous BBRP problem properties were discussed in 2019, with strategies pending.

Objective J: Explore additional strategies and best practices for addressing problem properties.

Measurement: Finalize draft of the “white paper” entitled City of Buffalo Problem Property Strategy Report, for review by the City of Buffalo and final publication.

Result: BUDC is in the process of coordinating strategies with the City of Buffalo.

Goal: To effectively manage property, development projects and initiatives.

Objective A: Engage in all aspects of productive property management including marketing, leasing, maintenance, etc.

Measurement: Keep property related costs within budget.

Result: Incorporating various challenges brought forward by the ever-increasing stable of Northland Corridor properties, property related costs were held within budget.

Objective B: Support development projects by working with regional utility companies to include their grant programs in local initiatives. Package other economic development incentives to enhance the marketability of properties.

Measurement: A minimum of two (2) projects referred.

Result: BUDC staff referred at least six (6) projects to regional utility companies in 2019.

Additional Questions:

- 1. Have the board members acknowledged that they have read and understood the mission of BUDC?**

The Board discussed and approved the BUDC's mission statement at the March 26, 2019 Board meeting.

- 2. Who has the power to appoint the management of BUDC?**

The Board of Directors appoints the management of BUDC to the positions of President, Executive Vice-President, Vice-President, Treasurer, Assistant Treasurer and Secretary.

- 3. If the Board appoints management, do you have a policy you follow when appointing the management of BUDC?**

The Board follows the BUDC By-Laws when appointing management.

- 4. Briefly describe the role of the Board and the role of management in the implementation of the mission.**

Management works closely with the Chair, Vice-Chair and Committee Chairs in formulating an on-going work plan for management to carry out the strategic goals related to the mission of the organization. Board members review and approve individual projects, initiatives and transactions to ensure that they are consistent with BUDC's mission. Board members also review and approve the annual budget to ensure resources are allocated appropriately to meet the BUDC's mission.

- 5. Has the Board acknowledged that they have read and understood the responses to each of these questions?**

Yes, these questions and responses were discussed and approved by the Board at the March 26, 2019 Board meeting.

Buffalo Urban Development Corporation (BUDC)

2020 Mission Statement and Performance Measurements

Date Approved: 3/31/2020

BUDC Mission Statement:

The mission of Buffalo Urban Development Corporation (BUDC) is to support the urban economic development efforts of the region through acquisition, remediation and management of distressed properties, and to engage in related real estate development activities for the purpose of attracting and/or retaining new and existing businesses to the City as part of the region. The mission of BUDC also includes supporting the revitalization of downtown Buffalo by serving as the lead management entity for Buffalo Building Reuse Project (BBRP) initiatives, working in collaboration with the City of Buffalo; including the coordination of financial assistance for downtown adaptive re-use projects and public right-of-way improvements.

BUDC Performance Measurements:

Goal: To reclaim abandoned and distressed land and buildings for future development.

Objective A: Continue to establish the Northland Beltline ("Northland") as the prime urban area for reclamation, by implementing the redevelopment strategy and continuing to engage in appropriate planning processes for future development.

Measurement: Assemble any additional properties that become available which are needed to enhance Northland.

Measurement: Obtain City of Buffalo Planning Board approval for various phases of Northland redevelopment as they occur.

Measurement: Obtain State Historic Preservation Office (SHPO) approval to maximize the preservation of structures that will contribute to the redevelopment of Northland and the select demolition of structures that are an impediment to the redevelopment.

Measurement: Complete all remaining components of Phase 2 renovation at 683 Northland ("Northland Central"), including the "Red Shed" and Retech Systems related spaces.

Measurement: Manage all compliance and milestones related to the financing for Northland Central; including Historic Preservation Tax Credits, Brownfield Cleanup Program Tax Credits, New Market Tax Credits, and bridge loan financing.

Measurement: Negotiate and execute any lease agreement amendments with the Economic Development Group Inc. (NWTC), EWI (BMW), SparkCharge, Retech Systems, and Manna Culinary Group for Northland Central.

- New Measurement:** Negotiate and execute a lease with Rodriguez Construction Group and two (2) other potential tenants at Northland Central.
- Measurement:** Secure SHPO and National Park Service Part 3 approval for Phase 1 and 2 work at Northland Central.
- Measurement:** Complete any further remedial investigation and implement the Soil Management Plan (SMP) for Northland Central, under the NYS Brownfield Cleanup Program.
- Measurement:** Continue effective M/WBE Utilization and Workforce Participation programs for remaining Northland Central construction.
- Measurement:** Continue to implement the Restore NY IV & V Grant initiatives, including the final completion of renovations at 612 Northland and Phase 1 renovations at 541 East Delavan.
- Measurement:** Continue the implementation of the Historic Preservation Mitigation measures agreed to with the State Historic Preservation Office, according to the Memorandum of Agreement (MOA).
- Measurement:** Continue to work with the NYSDEC regarding Superfund investigation and remediation at the 537 E. Delavan site.
- Measurement:** If funding becomes available, begin renovations or other actions necessary to bring other space within Northland Beltline to a “ready-to-lease” condition.
- Measurement:** Continue the Community Outreach Program, with at least one additional Public Meeting and two additional Stakeholder Advisory Committee meetings, and additional community outreach, as appropriate such as newsletters, social media and individual outreach.
- Measurement:** Continue to implement the green infrastructure plan for 537 E. Delavan.
- New Measurement:** Finalize the procurement process and execute a contract with the consultant team for the Community Solar and Microgrid project. Initiate the pre-development planning, analysis, and financing phases of the project.
- Measurement:** Continue to work with energy stakeholders to solicit funding from Eaton Corporation to create an Energy Experience Center at Northland Central, and get construction of same underway.
- New Measurement:** Finalize the procurement process and execute a contract with the consultant team for the tax credit, legal, and accounting services needed to determine the feasibility of moving forward with a renovation project at 631 Northland.

Objective B: Secure funds to continue to advance the Northland Beltline projects.

New Measurement: Develop and execute a \$2M Grant Distribution Agreement (GDA) with Empire State Development (ESD) for the Northland Community Solar project.

Measurement: Close-out all documentation related to the \$6.7M GDA with ESD for Northland Central.

Measurement: Close-out all documentation related to the \$10.3M GDA with ESD for Northland Central.

Measurement: Draw-down all remaining funds related to the \$6M GDA with ESD for the WNY Workforce Training Center.

Measurement: Draw-down all remaining funds related to the \$25M GDA with ESD for Phase 2 of Northland Central.

Measurement: Continue a grant agreement relationship with Local Initiatives Support Corporation (LISC) for additional funding related to Northland Corridor redevelopment.

Measurement: Identify additional funding sources (i.e. grants and tax credits) and income opportunities for future phases of Northland Beltline projects.

New Objective C: Continue to transition Northland Corridor management responsibilities to the Northland Project Manager.

New Measurement: Complete the Northland Brownfield Opportunity Area Application for designation and submit to NYSDOS.

New Measurement: Further Development of the Northland Small Business Networking Series. At least three (3) additional events in 2020.

New Measurement: Reach a decision on the future hosting of an Urban Manufacturing Alliance National Gathering in 2020 or 2021, and solicit sponsors if the event moves forward.

New Measurement: Work with LISC to implement the Northland Corridor Delavan Grider Community Enhancement Project.

New Measurement: Complete required annual and bi-annual compliance reports for ECIDA and NTCIC/Tax Credit Investors.

Objective D: Prepare land and buildings for development through remediation, select demolition, infrastructure upgrades/construction, site improvements, and amenity construction.

Measurement: Assemble appropriate properties throughout the City to increase inventory for future brownfield projects.

Measurement: Number of acres remediated to shovel-ready condition.

Measurement: Number of building square feet rehabilitated to leasable condition.

Goal: To attract and/or retain new and existing businesses to the City and region.

Objective A: Market BUDC properties as an urban alternative for new construction of light manufacturing, distribution and office facilities.

Measurement: Assist in a minimum of four (4) prospects interested in purchasing land and/or buildings.

Measurement: A minimum of six (6) “earned” media appearances and five hundred (500) website page and social media views.

Measurement: Maintain infrastructure amenities to enhance the marketability of the BLCP properties.

Objective B: Support the economic development efforts of the City of Buffalo Office of Strategic Planning (OSP) with the task of expanding or relocating businesses of a diverse nature in the City.

Measurement: Assist in identifying parcels of land in or added to marketable inventory.

Measurement: Number of businesses contacted, as directed by OSP.

Objective C: Support the economic development efforts of the City by maintaining procurement practices that encourage the participation of local (50%), minority (25%), and women-owned (5%) businesses.

Measurement: All informal bids, formal bids, request for proposals, and requests for qualifications will include the City’s participation goals listed above.

Goal: To support the revitalization of downtown Buffalo.

Objective A: Serve as lead management entity for BBRP/Race for Place initiatives.

Measurement: A minimum of twenty (25) companies contacted.

Objective B: Coordinate financial assistance for adaptive re-use projects.

Measurement: A minimum of two (2) projects assisted.

Objective C: Manage lending program as an incentive for adaptive re-use and/or new construction projects.

Measurement: A minimum of two (2) loans approved and closed.

New Measurement: Implement approved loan modifications for the Downtown Loan Program.

Objective D: Assist coordination of public right-of-way and public space improvements.

Measurement: A minimum of two (2) city blocks and one (1) public space improved.

New Measurement: Identify funding and develop waterfront public realm strategy and continue waterfront stakeholder coordination efforts.

Measurement: Develop a draft Flower District / Ellicott Corridor Concept Plan.

New Measurement: Facilitate a strategy to improve downtown infrastructure maintenance and sustainability with the six partners.

New Measurement: Coordinate with the six partners to develop strategy for a capital campaign to solicit private funding for public realm improvements.

Objective E: Coordinate additional phases of Queen City Pop Up (QCPU).

Measurement: A minimum of six (6) temporary retailers and two (2) permanent retailers added to the downtown market area.

Measurement: Coordinate at least two (2) technical assistance training sessions for QCPU retailers.

Measurement: Maintain a webpage and directory for/of QCPU participants.

New Objective F: Coordinate the publication, marketing, and online distribution of the new Race for Place Plan.

Measurement: A minimum of five hundred (500) copies distributed and two (2) “earned” media appearances.

Objective G: Build awareness of Downtown programs, tools, and incentives.

Measurement: At least two (2) presentations to business associations and professional/community groups on BBRP.

New Measurement: Finalize a list of recommendations from Race for Place outreach and focus groups.

Objective H: Promote the construction of additional units of downtown housing.

Measurement: The announcement of two hundred fifty (250) units to be constructed.

Objective I: Coordinate the resolution or redevelopment of targeted problem properties within the BBRP boundaries.

Measurement: A minimum of three (3) problem properties addressed.

Objective J: Coordinate a series of Innovative Focus Group sessions to gain community input on upcoming smart city technologies and related infrastructure improvements.

Measurement: Organize four (4) sessions with the community.

New Goal: To transform LaSalle Park into Ralph C. Wilson Centennial Park, and a world class waterfront park and recreational amenity that will serve both neighborhood residents, regional citizens and visitors.

New Objective A: Assist the City of Buffalo and other partners with the management of the design and due diligence phases of the project.

New Measurement: Negotiate and execute contracts with Michael Van Valkenburgh Associates for Schematic Design, Design Development, and Construction Documents.

New Measurement: Manage the design team and the design process to ensure that the project proceeds on schedule and within budget.

New Measurement: Negotiate and execute contracts for required due diligence investigations, SEQRA, NEPA and other regulatory approvals.

New Objective B: Assist the City of Buffalo and other partners with the overall management of the project.

New Measurement: Solicit, negotiate and execute contracts for a third-party project management company to assist BUDC, the City of Buffalo and other partners with the implementation and overall management of the project, including design, regulatory approvals, and construction.

New Measurement: Manage the contract and deliverable for the project management team contracted to provide assistance.

New Objective C: Assist the City of Buffalo and other partners with identifying, securing and managing funding for the implementation of the project.

New Measurement: Work with the Ralph C. Wilson Foundation to apply for and manage grants that they have committed for the design and implementation of the project.

New Measurement: Work with other partners, including Buffalo Niagara Waterkeeper and the Ralph C. Wilson Foundation, to identify additional funding sources to implement and construct the project.

New Measurement: Preparer, submit, execute and manage grant applications and agreements that are secured for the project.

New Objective D: Assist the City of Buffalo and other partners with ensuring effective and sustainable long-term maintenance and operations of the park.

New Measurement: Work with the City of Buffalo and the design and project management team to ensure that the final design of the park is sustainable from a maintenance and operations perspective.

New Measurement: Assist the Ralph C. Wilson Foundation, the City of Buffalo and other project partners to identify and secure funding and a governance structure to ensure sustainable long-term maintenance and operations of the park.

Goal: To effectively manage property, development projects and initiatives.

Objective A: Engage in all aspects of productive property management including marketing, leasing, maintenance, etc.

Measurement: Keep property related costs within budget.

Objective B: Support development projects by working with regional utility companies to include their grant programs in local initiatives. Package other economic development incentives to enhance the marketability of properties.

Measurement: A minimum of two (2) projects referred.

Additional Questions:

- 1. Have the board members acknowledged that they have read and understood the mission of BUDC?**

The Board discussed and approved the BUDC's mission statement at the March 31, 2020 Board meeting.

- 2. Who has the power to appoint the management of BUDC?**

The Board of Directors appoints the management of BUDC to the positions of President, Executive Vice-President, Vice-President, Treasurer, Assistant Treasurer and Secretary.

- 3. If the Board appoints management, do you have a policy you follow when appointing the management of BUDC?**

The Board follows the BUDC By-Laws when appointing management.

- 4. Briefly describe the role of the Board and the role of management in the implementation of the mission.**

Management works closely with the Chair, Vice-Chair and Committee Chairs in formulating an on-going work plan for management to carry out the strategic goals related to the mission of the organization. Board members review and approve individual projects, initiatives and transactions to ensure that they are consistent with BUDC's mission. Board members also review and approve the annual budget to ensure resources are allocated appropriately to meet the BUDC's mission.

- 5. Has the Board acknowledged that they have read and understood the responses to each of these questions?**

Yes, these questions and responses were discussed and approved by the Board at the March 31, 2020 Board meeting.

BUFFALO URBAN DEVELOPMENT CORPORATION

AMENDED AND RESTATED PROCUREMENT POLICY

A. Scope and Purpose.

Pursuant to Section 2824 of the Public Authorities Law, the Buffalo Urban Development Corporation ("BUDC") is required to establish and adopt a procurement policy. This Amended and Restated Procurement Policy ("Policy") shall also be applicable to all procurements undertaken by any existing subsidiary or affiliated organizations of BUDC and such other subsidiaries and affiliates as may hereafter be established by BUDC.

B. Procurement Procedures.

1. Solicitation Procedures for the Purchase of Goods and Services.

- a. Up to \$10,000 per instance – Documented verbal quotes or written/fax/email quotes from at least two vendors.
- b. Greater than \$10,000 to \$25,000 per instance – Written/fax/email quotes from at least three vendors.
- c. Greater than \$25,000 to \$100,000 per instance – Formal written Request for Proposal (RFP) submitted to at least three vendors and posted at the BUDC website.
- d. Greater than \$100,000 per instance – Formal written Request for Proposal (RFP) submitted to at least three vendors, posted at the BUDC website and publicly noticed in the NYS Contract Reporter.
- e. Notwithstanding the foregoing, if it is reasonably anticipated that cumulative procurements pursuant to subsections (a) or (b) above will cost between \$25,000 and \$100,000 per calendar year for a single vendor or service, BUDC shall comply with the provisions of subsection (c) above; or if such cumulative procurements are reasonably anticipated to cost over \$100,000 per calendar year, BUDC shall comply with the provisions of subsection (d) above.

2. Exceptions. Alternative proposals or quotations shall not be required for procurements made through or with respect to:

- a. New York State or Erie County contracts.
- b. State Finance Law Section 175-b (from agencies for the blind or severely handicapped).

- c. Correction Law Section 186 (articles manufactured in correctional institutions).
- d. Emergency Procurements – an emergency exists if the delay caused by soliciting quotes would endanger public health, welfare or property. Approval of the President after consultation with the officers of BUDC is necessary, which shall be documented in the procurement file and shall include a description of the facts giving rise to the emergency and the basis for selecting the particular vendor.
- e. Time Sensitive Economic Development Opportunity – An opportunity is time-sensitive when a vendor must be retained quickly to avoid a delay that would adversely impact an economic development project or initiative of BUDC. Such time-sensitive situations include, but are not limited to: the possible loss of grant funding; the termination, default or withdrawal of an existing vendor; the need to respond to a court order or regulatory directive; or some other compelling need for goods or services. Approval of the President after consultation with the officers of BUDC is necessary, which shall be documented in the procurement file and shall also include a description of the facts relating to the time-sensitive opportunity and the basis for selecting the particular vendor.
- f. Sole Source Procurements – A “sole source” means a situation where (i) there is only one possible source in the marketplace for the goods or services, (ii) no other goods and/or services provide substantially equivalent or similar benefits, and (iii) considering the benefits, the cost to BUDC is reasonable and in the best interests of BUDC. Approval of the President after consultation with the officers of BUDC is necessary, which shall be documented in the procurement file along with an explanation of the basis for the procurement qualifying as a sole source procurement.
- g. Single Source Procurements – A “single source” means a situation where, even though two or more vendors are available to supply the required goods or services, BUDC determines that: (i) one particular vendor has unique knowledge or expertise with respect to the required goods, services or project, rendering the use of competitive procedures impractical; and (ii) considering the benefits, the cost to BUDC is reasonable. Approval of the President after consultation with the officers of BUDC is necessary, which shall be documented in the procurement file along with an explanation of the basis for concluding that a single

source procurement was in the best interests of BUDC and the manner in which BUDC identified the selected vendor.

- h. Utilities and Affiliate Transactions – The purchase of utilities and inter-affiliate or subsidiary transactions are excepted from alternative proposal/quotation requirements.
 - i. Unavailability of the minimum number of vendors required under Section B, as applicable, that are able or willing to respond to a solicitation.
 - j. Resolution Waiving Solicitation Requirements – The BUDC Board of Directors may adopt a resolution prospectively waiving solicitation requirements upon the Board's determination that solicitation would be impractical and such waiver is in the best interests of BUDC.
3. Basis for the Award of Contracts.

It is the general policy of BUDC to award contracts to the lowest responsible dollar offeror who meets the specifications therefor. BUDC may award contracts to other than the lowest responsible dollar offeror under circumstances that BUDC determines justify an award to other than the lowest responsible dollar offeror. In making any such determination, BUDC shall consider relevant factors including, without limitation:

- a. The vendor is an MBE or WBE firm, or relative to other vendors for the specific procurement has demonstrated the ability to meet or exceed applicable M/WBE and/or minority or workforce participation requirements;
- b. Delivery, quality and quantity requirements;
- c. Past vendor performance and/or experience;
- d. Which proposal is most advantageous to BUDC, considering other factors in addition to price;

- e. Unavailability of the minimum number of vendors required under Section B, as applicable, that are able or willing to respond to a solicitation; and
 - f. Any procurement excepted from the alternative proposal/quotation requirements as set forth in subsection 2 of this Section B, and the procurement of professional services in Section E of this Policy.
4. Documentation; Procurement Tracking Form.

Each procurement made under this Policy shall be documented on a separate Procurement Tracking Form, the form of which is attached hereto as Schedule A and made a part hereof. An annual procurement report shall be presented to the Audit & Finance Committee.

5. Contents of Requests for Proposals (RFP).

For all procurements under this Policy that require an RFP, the following information shall be included in the solicitation:

- a. Goods being sought or the scope of services desired;
- b. The projected term of the contract;
- c. Criteria to be used in evaluating proposals and the requirements that must be fulfilled;
- d. Schedule of relevant dates;
- e. Insurance requirements;
- f. M/WBE goals; and
- g. Designation of the BUDC representative to whom communications regarding the RFP should be directed.

6. Contents of Requests for Qualifications (RFQ).

For all procurements under this Policy that require an RFQ, the following information shall be included in the solicitation:

- a. The scope of services desired;

- b. Criteria to be used in evaluating qualifications and the requirements that must be fulfilled;
- c. Insurance requirements, if applicable;
- d. M/WBE goals; and
- e. Designation of the BUDC representative to whom communications regarding the RFQ should be directed.

C. Erie County Businesses and Minority & Women Owned Enterprises.

It is the goal of BUDC to provide opportunities for the purchase of goods and services from (i) business enterprises located in Erie County and (ii) certified minority and/or women-owned business enterprises. To that end, BUDC will utilize available lists of M/WBE businesses certified by Erie County and/or State of New York and use its best efforts to solicit proposals from such businesses by notifying them of opportunities to submit proposals for goods or services when practical. In addition, where the procurement of a specific good or service is to be accomplished using funds other than the funds of BUDC or its affiliates, BUDC shall comply with all M/WBE goals and other M/WBE requirements applicable to such funding.

D. Effect on Other Procurement Requirements.

Where the procurement of a specific good or service is to be accomplished using funds other than the funds of BUDC and such funding sources specify different or more restrictive procurement requirements than are provided for in this Policy, the procurement requirements of the funding source will supersede the requirements of this Policy.

In those instances where BUDC is a recipient of federal funds which it will use to pay for goods or services, the procurement provisions set forth in 2 C.F.R. §200.318 et seq. shall apply, including procurement requirements applicable to goods or services that exceed \$150,000 in value (as such amount is adjusted in accordance with 48 C.F.R. Section 2.101). For procurements using federal funds, BUDC shall include in its contract with the vendor or contractor the applicable contract provisions set forth in Appendix II to Part 200 of Title 2 of the Code of Federal Regulations, or any successor regulation or appendix.

E. Professional Services.

Contracts for professional services involve the application of specialized expertise, the use of professional judgment, or a high degree of creativity. Professional services include services which require special education and/or training, license to practice or are creative in nature. Examples are: lawyers, doctors, accountants, and engineers. Furthermore, professional service contracts often involve a relationship of personal trust and confidence. Procurement of professional services in an amount up to \$25,000 is not subject to the solicitation procedures contained in Sections B(1)(a) and (b) of this Policy. Procurement of professional services in an amount greater than \$25,000

shall be made through a written Request for Proposal (RFP) or a Request for Qualifications (RFQ) process.

F. Procurement of Insurance.

Procurement of Insurance Brokerage services is subject to this Policy as a professional service. Notwithstanding the foregoing, actual insurance policies procured are not subject to the requirements of this Policy.

G. Procurement Lobbying.

BUDC shall follow the applicable provisions of the New York Procurement Lobbying Law (State Finance Law §§ 139-j, 139-k)) for any contract or other agreement for an article of procurement involving an estimated annualized expenditure in excess of \$15,000.

H. Reporting Requirements.

Procurements are intended to be made for no greater than the fair market value of the asset procured. In the event circumstances exist in which the acquisition of an asset is made where the contract price to be paid by BUDC exceeds the fair market value of the asset, BUDC shall include in its annual report required by Section 2800(2) of the Public Authorities Law a detailed explanation of the justification for making the purchase and a certification by the President and Chief Financial Officer of BUDC that they have reviewed the terms of the acquisition and determined that it complies with applicable law and this Policy.

I. Approval Thresholds.

The following approval thresholds shall apply to the procurement of all goods and services, except those procurements made under Section B(2)(d) and (e):

1. The President and Executive Vice President of BUDC are each authorized to procure goods and services in an amount up to \$10,000. Prior to procuring such goods or services, the President or Executive Vice President shall confer with the Treasurer to confirm that the proposed expenditure is within budgetary limits. The President or Executive Vice President shall report the procurement of goods and services at the next Board of Directors meeting following the date of procurement.
2. The Audit and Finance Committee, Downtown Committee and Real Estate Committee, as applicable, are each authorized to approve the procurement of goods and services greater than \$10,000, but not in excess of \$25,000. Prior to procuring such goods or services, the President and applicable committee chair shall confer with the Treasurer to confirm that the proposed expenditure is within budgetary limits. The President or Executive Vice President shall report the procurement of goods and

services authorized by the applicable committee at the next BUDC Board of Directors meeting following the date of procurement.

3. The procurement of goods and services in an amount greater than \$25,000 shall require the approval of the BUDC Board of Directors. By resolution, the Board may delegate to BUDC executive staff or a committee of the Board the authority to procure goods or services in an amount greater than \$25,000 without Board approval.

J. Annual Review.

This Policy shall be annually reviewed and approved by BUDC's Board of Directors.

Adopted: 7/7/2009

Amended & Adopted: 6/8/2010

Re-adopted: 3/29/2011

Re-adopted: 3/27/2012

Re-adopted: 2/26/2013

Amended and Adopted: 3/31/2015

Re-adopted: 3/29/2016

Re-adopted: 3/28/2017

Amended & Adopted: 3/27/2018

Re-adopted: 3/26/2019

Re-adopted: 3/31/2020

SCHEDULE A
Procurement Tracking Form

Buffalo Urban Development Corporation

95 Perry Street | Buffalo, NY 14203 | Phone: 716-856-6525 | Fax: 716-856-6754

Procurement Tracking Form

Original Solicitation Date: _____

Procurement Category: ☐ Goods/Services

Procurement Description: _____ ☐ Professional Services

Approving Party (§ I, 1-3): ☐ President ☐ Executive Vice President ☐ BUDC Committee ☐ Board of Directors

Vendor Selected: _____

Is Vendor an M/WBE? ☐ Yes ☐ No If Yes, Specify type: _____ Contract Price: _____

Date Awarded: _____ Source of Funds: _____

If A Procurement Exception Applies, Please Explain (§ B(2)(a-j)):

(e.g., Emergency, Time Sensitive Opportunity, Sole Source, Single Source, etc.)

Reporting Procedure (§ I, 1-3)	
Procurement Report Delivered to:	<input type="radio"/> Board of Directors <input type="radio"/> N/A
Date of Report (Meeting):	

Quotations/Proposals Received:			
#	Vendor	Type of Solicitation (§ B(1)(a-d))	Amount
1		<input type="radio"/> RFP/RFQ/Written Proposal <input type="radio"/> Written <input type="radio"/> Verbal	
2		<input type="radio"/> RFP/RFQ/Written Proposal <input type="radio"/> Written <input type="radio"/> Verbal	
3		<input type="radio"/> RFP/RFQ/Written Proposal <input type="radio"/> Written <input type="radio"/> Verbal	
4		<input type="radio"/> RFP/RFQ/Written Proposal <input type="radio"/> Written <input type="radio"/> Verbal	
5		<input type="radio"/> RFP/RFQ/Written Proposal <input type="radio"/> Written <input type="radio"/> Verbal	
6		<input type="radio"/> RFP/RFQ/Written Proposal <input type="radio"/> Written <input type="radio"/> Verbal	

Was Lowest Cost Proposal Selected? ☐ Yes ☐ No

If No, Please Explain (§ B(3)(a-h)):

BUFFALO URBAN DEVELOPMENT CORPORATION

Property Disposition Guidelines

The Buffalo Urban Development Corporation ("BUDC") is required by Section 2896 of the Public Authorities Law to adopt by resolution comprehensive guidelines regarding the use, awarding, monitoring and reporting of contracts for the disposal of Property (as defined herein). The following guidelines (the "Guidelines") are adopted pursuant to such requirement and are applicable with respect to the use, awarding, monitoring and reporting of all Property Disposition Contracts which are (i) entered into by BUDC or (ii) solicited or awarded by BUDC on behalf of any subsidiary of BUDC (a "BUDC Subsidiary").

ARTICLE I **DEFINITIONS**

1. "Contracting Officer" shall mean the officer of BUDC who shall be appointed by resolution of the Board of Directors of BUDC to be responsible for the disposition of Property.
2. "Dispose" or "disposal" or "disposition" shall mean the transfer of title or any other beneficial interest in Property from BUDC or a BUDC Subsidiary to any unrelated third party.
3. "Property" shall mean personal property in excess of Five Thousand Dollars (\$5,000.00) in value, real property, or any other legally transferable interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.
4. "Property Disposition Contracts" shall mean written agreements for the sale, lease, transfer or other disposition of Property from BUDC or a BUDC Subsidiary to any unrelated third party.
5. "Real Property" shall mean real property and interests therein.

ARTICLE II **APPOINTMENT AND DUTIES OF CONTRACTING OFFICER**

A. Appointment

The Contracting Officer shall be an officer of BUDC appointed by the Board of Directors

who is responsible for the supervision and direction over the custody, control and disposition of Property and responsible for BUDC's compliance with and enforcement of these Guidelines. The Vice President of BUDC shall be the Contracting Officer for purposes of these Guidelines.

B. Duties

The duties of the Contracting Officer shall include the following:

1. Maintaining adequate inventory controls and accountability systems for all Property under BUDC's control.
2. Periodically conducting an inventory of Property to determine which Property may be disposed of.
3. Preparing an annual written report of all Property. Each report shall include a list of all Real Property, a full description of all real and personal property disposed of during the reporting period, the price received and the name of the purchaser for all Property sold during each reporting period. Each report shall be completed and delivered to the New York State Comptroller, the Director of the Budget, the Commissioner of General Services and the New York State Legislature no later than ninety (90) days following the completion of BUDC's fiscal year.
4. Disposing of Property as promptly as possible in accordance with these Guidelines, as directed by BUDC.

ARTICLE III
PROPERTY DISPOSITION REQUIREMENTS

A. Method of Disposition

1. Subject to such exceptions and/or requirements set forth in these Guidelines, in the event that BUDC or a BUDC Subsidiary determines to dispose of any of its Property, BUDC shall endeavor to dispose of such Property for at least the fair market value of the Property. The disposition of Property may be made by sale, exchange, or transfer, for cash, credit or other Property, with or without warranty, and upon such terms and conditions as are determined by BUDC to be appropriate and reasonable and consistent with these Guidelines.
2. No disposition of Real Property, or any interest in Real Property, may be made unless an appraisal of the value of such Real Property has been made by an independent appraiser and included in the record of the transaction. In addition, no disposition of any personal property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued with reference to an active market for similar property, shall be made without an independent appraisal.

B. Award and Approval of Property Disposition Contracts

1. **Compliance with Guidelines; Approval Requirements.** All dispositions of Property shall be conducted in accordance with these Guidelines by or under the supervision of the Contracting Officer. Any proposed dispositions of real property shall be presented to the BUDC Real Estate Committee for consideration, and if approved by said committee, shall be submitted to the BUDC Board of Directors for approval or other appropriate action.

2. Disposition by Public Bid.

(a) All Property Disposition Contracts may be made only after publicly advertising for bids, unless the criteria set forth in Article III(B)(3) below has been satisfied for such contracts to be made by negotiation or public auction.

(b) Whenever public advertising for bids is required, (i) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions, as shall permit full and free competition consistent with the value and nature of the Property; (ii) all bids shall be publicly disclosed at the time and place stated in the advertisement; and (iii) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to BUDC and New York State, price and other factors considered.

(c) Any public bid for the disposition of Property may be rejected, refused, or declined by BUDC or the Contracting Officer on any basis or ground allowable at law.

3. **Disposition by Negotiated Sale/Public Auction.** The following dispositions are exempt and excepted from the public bidding requirements set forth above in Article III(B)(2) and may be consummated through a negotiated sale or by public auction:

(a) **Below Market Dispositions.** BUDC may dispose of Property for less than the fair market value of the Property under the circumstances set forth in Article III(B)(5) of these Guidelines.

(b) **Disposition of Certain Personal Property.** BUDC may dispose of personal property where such personal property has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality or similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of through public advertisement and bidding, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation.

(c) **Disposition of Low FMV Property.** BUDC may dispose of Property the fair market value of which does not exceed Fifteen Thousand Dollars (\$15,000.00).

(d) **Disposition Following Receipt of Unacceptable Bid Prices.** BUDC may dispose of Property where the bid prices received by BUDC after public advertising are not

commercially reasonable (either as to all or some part of the Property) as determined by BUDC in its sole discretion.

(e) Disposition to New York State. BUDC may dispose of Property to New York State or any political subdivision of New York State.

(f) Disposition Authorized by Law. BUDC may dispose of Property where such disposition is otherwise authorized by law.

4. Reporting Requirements Regarding Negotiated Dispositions.

(a) Preparation of Written Statements. The Contracting Officer shall prepare a written statement explaining the circumstances of each negotiated disposition of Property involving any of the following:

- (i) the negotiated disposition of personal property which has an estimated fair market value in excess of Fifteen Thousand Dollars (\$15,000.00);
- (ii) the negotiated disposition of Real Property that has an estimated fair market value in excess of One Hundred Thousand Dollars (\$100,000.00);
- (iii) the negotiated disposition of Real Property that will be disposed of by lease, if the estimated annual rent over the term of the lease is in excess of Fifteen Thousand Dollars (\$15,000.00); or
- (iv) the negotiated disposition of Real Property or real and related personal property where the same will be disposed of by exchange, regardless of value, or any Property any part of the consideration for which is Real Property.

(b) Submission of Written Statements. Written statements prepared pursuant to Article III(B)(4) shall be submitted to the New York State Comptroller, the Director of the Budget, the Commissioner of General Services and the State Legislature no later than ninety (90) days prior to the date on which the disposition of Property is expected to take place. The Contracting Officer shall maintain a copy of all written statements at BUDC's principal office.

5. Disposal of Property for Less Than Fair Market Value.

(a) No asset owned, leased or otherwise in the control of BUDC may be sold, leased or otherwise alienated for less than its fair market value unless such disposition meets one of the following requirements:

(i) The transferee is a government or other public entity, and the terms and conditions of the disposition require that ownership and use of the asset will remain with the government or any other public entity.

(ii) The purpose of the disposition is within BUDC's corporate purpose, mission or its governing statute.

(b) In the event that BUDC seeks to dispose of an asset for less than its fair market value and neither of the circumstances set forth in Section 5(a)(i) and (ii) are applicable, then BUDC shall provide written notification of the proposed disposition to the Governor, the Speaker of the Assembly and the temporary President of the Senate, and such proposed disposition shall be subject to approval or denial by the Governor, the Senate or the Assembly in accordance with the provisions set forth in the Section 2897 (7) of the Public Authorities Law.

(c) In the event a below fair market value disposition is proposed, the following information shall be provided to the BUDC Board of Directors and to the public:

(i) A full description of the asset;

(ii) An appraisal of the fair market value of the asset and any other information establishing the fair market value that may be sought by the Board;

(iii) A description of the purpose of the disposition and a reasonable statement of the kind and amount of the benefit to the public resulting from the disposition, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the disposition, the benefits, if any, to the communities in which the asset is situated as are required by the disposition;

(iv) A statement of the value to be received compared to the fair market value;

(v) The names of any private parties participating in the disposition, and if different than the statement required by paragraph (iv) above, a statement of the value to the private party; and

(vi) The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

(d) Before authorizing the disposition of any property for less than fair market value, the BUDC Board of Directors shall consider the information described in 5(c) above and make a written determination that there is no reasonable alternative to the proposed below market disposition that would achieve the same purpose as the proposed disposition.

ARTICLE IV
GENERAL PROVISIONS

A. Annual Review and Submission of Guidelines

These Guidelines shall be annually reviewed and approved by the BUDC Board of Directors. On or before the 31st day of March of each year, BUDC shall file with the New York State Comptroller a copy of the most recently reviewed and adopted guidelines, including the name of the Contracting Officer, and shall post the Guidelines on BUDC's website. Guidelines posted on BUDC's website shall be maintained at least until the Guidelines for the following year are posted on BUDC's website.

B. Effect of Awarded Contracts

These Guidelines are intended for the guidance of the officers, directors and employees of BUDC and its Subsidiaries only. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof, or be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, these Guidelines. Without limiting the generality of the preceding sentence, any deed, bill of sale, lease, or other instrument executed by or on behalf of BUDC or a BUDC Subsidiary, purporting to transfer title or any other interest in Property shall be conclusive evidence of compliance with these Guidelines insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of compliance with these Guidelines prior to the closing.

C. Effective Date; Amendments.

These Guidelines shall be effective upon the affirmative vote of the Board of Directors of the Corporation and may be amended upon affirmative vote of a majority of the Board of Directors.

Effective Date: November 30, 2006

Amended: March 2, 2010

Re-Adopted: March 29, 2011

Re-Adopted: March 27, 2012

Re-adopted: February 26, 2013

Re-adopted: February 25, 2014

Re-adopted: March 31, 2015

Re-adopted: March 29, 2016

Re-adopted: March 28, 2017

Re-adopted: March 27, 2018

Re-adopted: March 26, 2019

Re-adopted; March 31, 2020

BUFFALO URBAN DEVELOPMENT CORPORATION

**BUFFALO BROWNFIELD RESTORATION CORP.
BBRC LAND COMPANY I LLC
RIVERBEND LLC
BUFFALO LAKESIDE COMMERCE PARK I LLC
NORDEL I LLC
NORDEL II LLC
683 WTC, LLC
683 NORTHLAND LLC
KING CROW, LLC
714 NORTHLAND LLC**

2019 ANNUAL REPORT
(For purposes of Section 2800(2) of the Public Authorities Law)

Purpose of the Annual Report:

As a local development corporation established by the City of Buffalo, the Buffalo Urban Development Corporation (BUDC) is required to comply with New York State's Public Authorities Law. Under this Law, BUDC is required to submit a comprehensive annual report that includes information on:

1. Operations and accomplishments
2. Financial Reports
3. Mission Statement & Performance Measurements
4. Bonds and notes outstanding
5. Compensation (for those earning \$100,000 +)
6. Projects undertaken during the year
7. Property Report
8. Code of Ethics
9. An assessment of internal control structure and effectiveness
10. Legislation that forms the statutory basis of the authority
11. Board structure
12. By-Laws
13. Listing of material changes in operations and programs
14. Four-year Financial Plan
15. Board Performance Evaluations
16. Assets/Services brought or sold without competitive bidding
17. Description of material pending litigation

In compliance with the Public Authorities Law, the following required information is presented for the fiscal year ended December 31, 2019.

1. Operations & Accomplishments:

A report on the 2019 operations and accomplishments of the BUDC and its affiliates is posted on BUDC's website at <http://www.buffalourbandevelopment.com/budc-corporate-reports>.

2. Financial Reports:

i) Audited Financial Statements:

The audited financial statements for the BUDC will be posted on its website at <http://www.buffalourbandevelopment.com/budc-corporate-reports>. The financial statement certification is included on page 8.

The financial statements are audited on an annual basis, by BUDC's external auditors Freed Maxick CPAs, P.C. In their opinion, the financial statements present fairly, in all material respects, the financial position of BUDC as of December 31, 2019 and the changes in net assets and its cash flows for the years then ended in conformity with accounting principals generally accepted in the United States of America.

ii) Grants & Subsidy Programs:

BUDC and its affiliates are recipients of certain Federal, State, and Local grant programs that are utilized for land development projects. Details of the various grants are outlined in BUDC's audited financial statements.

iii) Operating & Financial Risks:

The following outline some of the operating and financial risks that impact BUDC:

- Liquidity – A significant portion of BUDC's assets consist of land and buildings held for sale or lease which are not readily convertible to cash. Since BUDC relies upon land sales to fund operations, a reduction in the amount of cash derived from land sales could cause BUDC difficulty in funding operations.
- Recovery of Land held for sale – BUDC has capitalized a large proportion of its development costs as "Land and Improvements held for sale". If BUDC has difficulty selling the underlying parcels due to local economic conditions, it may not be able to recover the amount recorded on the financial statements.
- Environmental – Since BUDC and its affiliates may assume title to properties with environmental contamination, it is exposed to the related potential clean-up costs, litigation and other liabilities.
- Regulatory – BUDC is subject to various regulations including those imposed by the NYS Authority Budget Office. These regulations may increase the cost of compliance or impact the financial position of the Corporation. In 2017, BUDC also closed on tax credit financing for the Western New York Workforce Training Center involving New Markets and Historic Tax Credits. Changes to regulations governing these and Brownfield Tax Credits could impact the overall funding of the project.
- Funding – As a not-for-profit local development corporation, BUDC has limited sources of operating funds and relies heavily on grant funding from New York State for certain projects. BUDC management is always cognizant of the fact that a change in the legislative climate of the State could have a significant effect on future grant opportunities.

BUDC mitigates a portion of the above risks by prudent financial management, external legal guidance and comprehensive insurance coverage.

iv) Current bond ratings:

BUDC does not issue bonds on its own behalf and therefore is not rated by municipal bond rating agencies.

v) Long-term liabilities including leases and employee benefit plans:

BUDC has long-term liabilities related loans and notes payable as described in Section 4.

3. Mission Statement & Performance Measurements:

BUDC's Mission Statement & Performance Measurements Report for 2019 is included in Attachment 1. This document was reviewed and approved by the Board at the March 31, 2020 Board meeting.

4. Schedule of Bonds and Notes Outstanding:

In 2006, BUDC issued \$675,000 in promissory notes in connection with the expansion of its Buffalo Lakeside Commerce Park remediation and redevelopment. During 2007, \$150,000 of these notes were repaid while in 2008 an additional \$267,619 of these notes were repaid, leaving a balance of \$257,381 outstanding at December 31, 2019. In 2017, 683 Northland LLC borrowed amounts totaling \$13,730,000 related to the Northland Workforce Training Center project as part of a transaction to syndicate certain tax credits. 683 Northland LLC also entered into two agreements for bridge financing in 2017 totaling \$30,000,000, all of which was outstanding at December 31, 2019. See Attachment 2 for detail of BUDC's loans and notes payable.

5. Compensation Schedule:

See Attachment 3 for a list of BUDC employees who had a salary exceeding \$100,000 during 2019. Attachment 3A is a summary of benefits provided to those staff per the New York State Public Authorities Reporting Information System (PARIS). Biographies for these individuals are posted on BUDC's website at <http://www.buffalourbandevelopment.com/budc-contact-us>. Salaries and benefit information for other BUDC staff are also reported under the PARIS system.

None of the directors of the Buffalo Urban Development Corporation or its affiliates receive any compensation for their services as directors. None of the officers of the Buffalo Urban Development Corporation or its affiliates receive any compensation for their services as officers beyond their compensation as employees.

6. Projects Undertaken by the Corporation during fiscal year 2019:

See above Operations and Accomplishments report posted at <http://www.buffalourbandevelopment.com/budc-corporate-reports> for a listing of various initiatives accomplished in 2019. Buffalo Urban Development Corporation does not provide project financing, therefore, no such project details are included in this section.

7. Listing of certain Property of the Corporation:

Attachment 4 provides information regarding the real property holdings of BUDC and its affiliates.

8. Code of Ethics:

The Corporation's Code of Ethics is posted on BUDC's website at <http://www.buffalourbandevelopment.com/budc-corporate-policies>.

9. Assessment of the Effectiveness of Internal Control Structure and Procedures:

Management's Assessment of the Effectiveness of Internal Controls of BUDC is posted on BUDC's website at <https://www.buffalourbandevelopment.com/budc-corporate-reports>.

BUDC's external auditors have conducted tests of the effectiveness of its internal controls over financial reporting and their report is included in the audited financial statements posted on BUDC's website at <https://www.buffalourbandevelopment.com/budc-corporate-reports>.

10. Legislation that forms the Statutory Basis of the Authority:

BUDC

BUDC is a local development corporation which was formed and empowered to conduct certain projects pursuant to Not-For-Profit Corporation Law § 1411. Distinguished from IDAs (which exist as public benefit corporations), LDCs are established as charitable corporations that are empowered to construct, acquire, rehabilitate and improve for use by others, industrial or manufacturing plants in the territory in which its operations are principally to be conducted ("Benefited Territory") and to make loans. LDCs can provide financial assistance for the construction, acquisition, rehabilitation, improvement, and maintenance of facilities for others in its Benefited Territory. Specific LDC powers include the ability to: (i) disseminate information and furnish advice, technical assistance and liaison services to Federal, State and local authorities; (ii) to acquire by purchase, lease, gift, bequest, devise or otherwise, real or personal property; and (iii) to borrow money and to issue negotiable bonds, notes and other obligations. LDCs are empowered to sell, lease, mortgage or otherwise dispose of or encumber facilities or any real or personal property or any interest therein.

A copy of this specific legislation can be found at the following address:

[http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=\\$\\$NPC1411\\$\\$@TXNPC01411+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW](http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=$$NPC1411$$@TXNPC01411+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW)

Buffalo Brownfields Restoration Corporation (BBRC)

BBRC is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law of the State of New York and is a Type B corporation as defined in Section 201 of the Not-for-Profit Corporation Law. A copy of this legislation can be found at the following address:

<http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=@LLNPC+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW>.

11. Description of the Authority and its Board Structure:

i) Names of Committees and Committee Members:

Buffalo Urban Development Corporation operates a Real Estate Committee, Audit & Finance Committee, Governance Committee, Downtown Committee, and Loan Committee. A description of the committees and a listing of committee members is posted on the BUDC website at <http://www.buffalourbandevelopment.com/budc-board-committees>.

ii) Lists of Board Meetings & Attendance:

A list of the 2019 Board meetings and Board attendance is outlined on Attachment 5.

iii) Description of major authority units, subsidiaries:

BUDC's Corporate Chart is included in Attachment 6.

iv) Number of Employees:

BUDC had four full-time employees in 2019. It also utilized employees of the Erie County Industrial Development Agency (ECIDA) to provide financial, administrative, and property management services on a fee basis.

v) Organizational Chart:

BUDC's organizational chart is posted on BUDC's website at: <http://www.buffalourbandevelopment.com/budc-contact-us>.

12. Bylaws:

The Bylaws for BUDC are posted on its website at

http://www.buffalourbandevelopment.com/documents/budc_corporate_policies/BUDCBY-Laws_Feb_2012.pdf.

13. Listing of Material Changes in Operations and Programs:

There was one material change in BUDC operations and programs in 2019, as indicated in Section 1 (Operations & Accomplishments) in the section titled Waterfront / Ralph C. Wilson, Jr. Centennial Park Project. This project will be described in greater detail at the end of this section.

BUDC continued to make significant strides in the Northland Beltline Corridor redevelopment area. More specifically, the Phase II renovation of 683 Northland (Northland Central) was substantially completed in September 2019, allowing for the opening of Buffalo Manufacturing Works (BMW) as the second anchor tenant.

The Northland Central project is the complete rehabilitation of a vacant, 240,000 square foot industrial complex at 683 Northland Avenue in the City of Buffalo, which houses the Northland Workforce Training Center (NWTC), BMW, SparkCharge, and Manna Restaurant. The over \$100 million Project is a signature initiative of Governor Andrew Cuomo's "Buffalo Billion" Investment Plan, and is part of a larger regional plan

to promote smart growth, workforce development, and economic development goals. Through the efforts of Mayor Byron W. Brown, this site was identified long ago as an area that could ignite significant development on Buffalo's east side.

The NWTC is an approximately 80,000 square foot facility that includes administrative space, classrooms, and industrial shops/labs designed to train and graduate new highly-skilled members of the local workforce to meet the requirements of the 21st century advanced manufacturing and electric utility industries. The NWTC was created through an adaptive reuse of a portion of the historic industrial structure at Northland Central (the former Niagara Machine & Tool Works) and was financed through a partnership between Empire State Development (ESD), the New York Power Authority (NYPA), and the City of Buffalo (City).

With technical support by the University at Buffalo's Regional Institute, ESD developed a business plan for the NWTC which was targeted to best provide workforce training opportunities to the traditionally most under-represented groups in the City's workforce. The instructional staff/curricula components of the NWTC are provided by two SUNY institutions (SUNY Erie and Alfred State College). ESD also selected Economic Development Group (EDG), (a not-for-profit consortium of Catholic Charities, Goodwill Industries, Buffalo Niagara Manufacturing Alliance, and the Buffalo Urban League) to operate the NWTC and to provide access for wrap-around services for the students.

The NWTC was the initial anchor for Northland Central and the Northland Beltline Corridor. As mentioned, the second major anchor at Northland Central is Buffalo Manufacturing Works (BMW), which relocated in 2019 from their previous location on Main Street to a state-of-the-art 55,000 square foot space within the building, adjacent to the NWTC. Buffalo Manufacturing Works provides technical assistance and access to specialty equipment to assist local manufacturers in their efforts to innovate. BMW was fully-operational in Northland Central by September of 2019.

BMW's move to Northland Central also involved a co-location with Insyte Consulting, which creates a holistic suite of service providers for the benefit of local manufacturers. BMW's already-established STEM education Additive Manufacturing Learning Lab was also relocated and expanded in its new home at Northland Central, with an on-going goal of training 200-300 students and teachers per year. These efforts will continue to complement efforts at the NWTC and other aligned efforts (e.g., Burgard High School's Advanced Manufacturing Program) on Buffalo's East Side to help create a pool of skilled talent to help drive the local manufacturing economy.

In addition to the NWTC and BMW, there was approximately 80,000 additional square feet of space available to advanced manufacturing and other companies wishing to locate to Northland Central. The majority of that available space featured high-bay (40') light-industrial space and below-market electrical rates. BUDC is pleased to report that as of December 2019 the majority of that space has been leased to two manufacturing companies, SparkCharge and Retech Systems. The proximity to the NWTC and BMW

provides other companies leasing space in the complex with access to specialist manufacturing equipment, technical assistance and a trained workforce.

Northland Central is the anchor to the overall Northland Beltline Corridor redevelopment plan, which when fully built-out will include the re-use of an additional 300,000 square feet of industrial space, construction of street and right-of-way improvements along Northland Avenue, public open space and public art. These investments in existing assets/infrastructure will increase development density in the City's core, encourage walkability and multi-modal transportation, connect disadvantaged communities with employment clusters, and attract private investment to further foster a vibrant, sustainable community in line with the Region's established smart growth principles. The Northland Beltline Corridor is continuing to evolve as an innovation hub focused on workforce training, advanced manufacturing, and energy, with a focus on encouraging job training and employment for East Side residents.

The combined project at Northland Central will exceed \$100 million. In addition to the grant funding from ESD, NYPA and the City of Buffalo, additional financing is being provided by Citibank and Key Bank, through the use of Historic Preservation Tax Credits and New Market Tax Credits allocated through the National Trust Community Investment Corporation and Building America Community Development Entity. Key Bank is providing bridge financing.

In addition to the further development at Northland Central in 2019, BUDC had two other construction projects that proceeded in the corridor during the year. In two different cycles, BUDC was awarded Restore NY funding from ESD to enhance development in the Northland Beltline Corridor. These funds are being used to renovate 15,000 and 40,000 square foot buildings on the former Houde Manufacturing site. The 15,000 square foot building was completed in 2019, and is now the temporary home for Albright Knox Art Gallery, as they undertake a three year renovation of their main Gallery on Elmwood. The 40,000 square foot building is in the first phase of "core and shell" improvements to bring this long-abandoned structure back to life.

As mentioned earlier, as an extension of BUDC's role supporting downtown infrastructure and development activity, BUDC applied to the Ralph C. Wilson, Jr. Foundation for grant funds to assist the City of Buffalo to become more engaged in downtown waterfront planning and development activities. In 2019, the Foundation awarded BUDC a \$2.8 million dollar grant to enhance both BUDC's and the City's capacity to manage such development activities and to successfully implement the design and construction of Ralph C. Wilson, Jr. Centennial Park.

In May of 2019, the Foundation awarded BUDC with an additional \$3.9 million to cover costs associated with the schematic design, design development, site development, and due diligence work related to the Centennial Park project. The Board approved a contract with Michael Van Valkenburgh Associates (MVVA) to provide landscape design services for the park transformation. The Board approved a contract with Wendel Companies to provide due diligence services for the park project.

14. Four-Year Financial Plan:

A copy of the four-year financial plan is posted on BUDC's website at <http://www.buffalourbandevelopment.com/budc-corporate-reports>.

15. Board Performance Evaluations:

The BUDC Board of Directors conducted a Board Performance Evaluation for 2019 and forwarded the results to the Authority Budget Office. The results of the survey are not subject to disclosure under Article six of the Public Officers Law.

16. Assets/Services bought or sold without competitive bidding:

Attachment 7 is a Procurement Report that will be filed under the PARIS system. The report outlines the assets and services purchased through competitive and non-competitive bidding for those procurements in excess of \$5,000.

17. Description of material pending litigation:

The audited financial statements for BUDC outline any material pending litigation. The audited financial statements are posted on BUDC's website at <http://www.buffalourbandevelopment.com/budc-corporate-reports>.

Certification Pursuant to Section 2800(3) of the Public Authorities Law

Pursuant to Section 2800 (3) of the Public Authorities Law, each of the undersigned officers of Buffalo Urban Development Corporation, does hereby certify with respect to the annual financial report of the Corporation (the "Annual Financial Report") posted on BUDC's website at <http://www.buffalourbandevelopment.com/budc-corporate-reports> that based on the officer's knowledge:

1. The information provided in the Annual Financial Report is accurate, correct and does not contain any untrue statement of material fact;
2. Does not omit any material fact which, if omitted, would cause the financial statements contained in the Annual Financial Report to be misleading in light of the circumstances under which such statements are made; and
3. Fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in such financial statements.

Peter M. Cammarata
President

Date

Mollie Profic
CFO

Date

Buffalo Urban Development Corporation (BUDC)

2019 Mission Statement and Performance Measurements (w/ Results)

Date Approved: 3/26/2019

BUDC Mission Statement:

The mission of Buffalo Urban Development Corporation (BUDC) is to support the urban economic development efforts of the region through acquisition, remediation and management of distressed properties, and to engage in related real estate development activities for the purpose of attracting and/or retaining new and existing businesses to the City as part of the region. The mission of BUDC also includes supporting the revitalization of downtown Buffalo by serving as the lead management entity for Buffalo Building Reuse Project (BBRP) initiatives, working in collaboration with the City of Buffalo; including the coordination of financial assistance for downtown adaptive re-use projects and public right-of-way improvements.

BUDC Performance Measurements:

Goal: To reclaim abandoned and distressed land and buildings for future development.

Objective A: Continue to establish the Northland Beltline (“Northland”) as the prime urban area for reclamation, by implementing the redevelopment strategy and continuing to engage in appropriate planning processes for future development.

Measurement: Assemble any additional properties that become available which are needed to enhance Northland.

Result: Acquired 714 Northland. This property has a long-term tenant and provides additional parking for the campus. Continued to work with the City on the swap of key commercial properties for vacant residential properties. Continued to work with Plesh Industries to swap vacant land for potential campus parking areas.

Measurement: Obtain City of Buffalo Planning Board approval for various phases of Northland redevelopment as they occur.

Result: No further projects required Planning Board approval.

Measurement: Obtain State Historic Preservation Office (SHPO) approval to maximize the preservation of structures that will contribute to the redevelopment of Northland and the select demolition of structures that are an impediment to the redevelopment.

Result: No further SHPO approvals were required for the advancement of projects in 2019.

Measurement: Complete construction of Buffalo Manufacturing Works (BMW) and Phase 2 renovation of 683 Northland (“Northland Central”).

Result: BMW work was completed for their opening in the fall of 2019. All other Phase 2 work is scheduled to be completed by March of 2020.

Measurement: Manage all compliance and milestones related to the financing for Northland Central; including Historic Preservation Tax Credits, Brownfield Cleanup Program Tax Credits, New Market Tax Credits, and bridge loan financing.

Result: Compliance milestones were managed as the projects advanced. Compliance documents have been advanced as quickly as the milestones have been reached.

Measurement: Negotiate and execute any lease agreement amendments with the Economic Development Group Inc. and BMW for Northland Central.

Result: A lease agreement amendment was executed with Economic Development Group for the expansion space in 2019.

New Measurement: Execute State funding agreement with Northland Workforce Training Center (NWTC) for Phase 2.1 construction at Northland Central and complete design and construction.

Result: N/A. This funding was included as part of the lease agreement stated above.

New Measurement: Negotiate and execute a lease with Thinking Robot Studios (TRS) and two (2) other potential tenants at Northland Central.

Result: TRS decided not to lease space at Northland Central, but SparkCharge and Reteck Systems leases were negotiated and executed.

New Measurement: Complete tenant build-outs for any new tenants at Northland Central.

Result: As of March 2020, this work is on-going.

New Measurement: Negotiate and execute a lease with a food service provider for the restaurant space at Northland Central.

Result: A lease was negotiated with Manna and they began operations in late fall of 2019.

New Measurement: Secure SHPO and National Park Service Part 3 approval for Phase 1 and 2 work at Northland Central.

Result: The SHPO and National Park Service approvals are pending.

Measurement: Complete any further remedial investigation and implement the Soil Management Plan (SMP) for Northland Central, under the NYS Brownfield Cleanup Program.

Result: A small amount of remedial investigation continues into the spring of 2020, related to further vapor intrusion well placement and testing. Implementation of the SMP will begin when this work is finalized.

Measurement: Continue effective M/WBE Utilization and Workforce Participation programs for all Northland Central construction.

Result: This is an on-going measurement, but results for 683 Northland were 42% and 60% for 612 Northland.

New Measurement: Continue to implement the Restore NY IV & V Grant initiatives, including the completion of renovations at 612 Northland, Phase 1 renovations at 541 East Delavan, and partial demolition of 777 Northland.

Result: 612 Northland renovations were completed under the Restore NY IV grant. Renovations at 541 E. Delavan are on-going under the Restore NY V grant. The partial demolition of 777 Northland was dropped as part of Restore V.

Measurement: Continue to coordinate with the City of Buffalo on all aspects of the Northland Avenue streets improvements project until completion.

Result: The project has been completed. Final payments and reimbursements are being processed.

Measurement: Continue the implementation of the Historic Preservation Mitigation measures agreed to with the State Historic Preservation Office, according to the Memorandum of Agreement (MOA).

Result: All further work at 612 Northland and 541 E. Delavan will be reviewed by our historical architect consultant and remain true to the MOA.

New Measurement: Continue to work with the NYSDEC regarding Superfund investigation and remediation at the 537 E. Delavan site.

Result: We are working with and monitoring the Superfund work at 537 E. Delavan. It continues in the investigative stage.

Measurement: If funding becomes available, begin renovations or other actions necessary to bring other space within Northland Beltline to a “ready-to-lease” condition.

Result: N/A. No additional funding became available in 2019.

Measurement: Continue the Community Outreach Program, with at least one additional Public Meeting and two additional Stakeholder Advisory Committee meetings, and additional community outreach, as appropriate such as newsletters, social media and individual outreach.

Result: One public meeting and two stakeholder meetings were held in 2019. Extensive individual outreach was completed by Art Hall and Sandy

White. An additional Northland Newsletter was published and social media outreach continued.

New Measurement: Complete design and construction of the Entrepreneurial Center at Northland Central.

Result: The design of the Building which was to house the Entrepreneurial Center was completed in 2019 and construction will be completed in March 2020. Currently the location of the Center is being discussed for another part of the east side and the building may have a different tenant.

New Measurement: Prepare and begin to implement a green infrastructure plan for 537 E. Delavan.

Result: A portion of this plan was implemented with the landscaping improvements included in the renovation of 612 Northland for the Albright Knox Art Gallery occupancy.

New Measurement: Prepare and begin to implement a community solar and district energy plan for the Northland Corridor.

Result: A Request for Proposals for this plan was issued in late 2019 and a consultant team will be chosen in the spring of 2020.

New Measurement: Continue to work with energy stakeholders to solicit funding from Eaton Corporation to create an Energy Experience Center at Northland Central, and assist in developing a community solar and district energy plan for the Northland Corridor.

Result: A preliminary commitment for funding has been obtained from Eaton Corporation and other funding sources are being pursued. This includes both the Energy Experience Center and the district energy plan.

New Measurement: Complete building condition analysis and begin to implement, if appropriate, the renovation of 631 Northland.

Result: The building condition analysis has been completed, but no renovation was started in 2019

Objective B: Secure funds to continue to advance the Northland Beltline projects.

Measurement: Draw-down all remaining funds related to the \$6.7M Grant Distribution Agreement (GDA) with Empire State Development (ESD).

Result: All remaining funds for this grant have been drawn-down.

Measurement: Draw-down all remaining funds related to the \$10.3M GDA with ESD for Northland Central.

Result: Almost all remaining funds for this grant have been drawn-down.

Measurement: Draw-down all remaining funds related to the \$6M GDA with ESD for the WNY Workforce Training Center.

Result: Almost all remaining funds for this grant have been drawn-down.

New Measurement: Draw-down all remaining funds related to the \$25M GDA with ESD for Phase 2 of Northland Central.

Result: All remaining funds for this grant have been drawn-down.

New Measurement: Execute a grant agreement with LISC for the \$50,000 Northland Economic Development Grant and implement the related scope of work.

Result: The grant agreement with LISC was executed and the scope of work implemented.

Measurement: Identify additional funding sources (i.e. grants and tax credits) and income opportunities for future phases of Northland Beltline projects.

Result: A Request for Proposals was issued in late 2019 to help identify funding sources for the renovation of 631 Northland. A consultant will be chosen in spring of 2020. National Grid's economic development programs continue to be a funding source for on-going Northland development phases.

Objective C: Prepare land and buildings for development through remediation, select demolition, infrastructure upgrades/construction, site improvements, and amenity construction.

New Measurement: Assemble appropriate properties throughout the City to increase inventory for future brownfield projects.

Result: No additional properties were assembled throughout the City in 2019, but various acquisition opportunities were discussed with the Real Estate Committee.

Measurement: Number of acres remediated to shovel-ready condition.

Result: One additional acre at Northland Central.

Measurement: Number of building square feet rehabilitated to leasable condition.

Result: Approximately 100,000 square feet in 2019.

Goal: To attract and/or retain new and existing businesses to the City and region.

Objective A: Market BUDC properties as an urban alternative for new construction of light manufacturing, distribution and office facilities.

Measurement: Assist in a minimum of four (4) prospects interested in purchasing land and/or buildings.

Result: Assisted three prospects at Buffalo Lakeside Commerce Park (BLCP) and one at 308 Crowley.

Measurement: A minimum of six (6) “earned” media appearances and five hundred (500) website page and social media views.

Result: At least ten earned media appearances were related to the land sale agreements at BLCP and 308 Crowley.

Measurement: Maintain infrastructure amenities to enhance the marketability of the BLCP properties.

Result: Maintenance contracts were maintained to continue to hand the BUDC properties at BLCP and Northland.

Objective B: Support the economic development efforts of the City of Buffalo Office of Strategic Planning (OSP) with the task of expanding or relocating businesses of a diverse nature in the City.

Measurement: Assist in identifying parcels of land in or added to marketable inventory.

Result: At least three parcels in other areas of the City were identified to the Real Estate Committee as potentially being added to the marketable inventory.

Measurement: Number of businesses contacted, as directed by OSP.

Result: At least six in 2019.

Objective C: Support the economic development efforts of the City by maintaining procurement practices that encourage the participation of local (50%), minority (25%), and women-owned (5%) businesses.

Measurement: All informal bids, formal bids, request for proposals, and requests for qualifications will include the City’s participation goals listed above.

Result: The City’s participation goals were included in all BUDC solicitations.

Goal: To support the revitalization of downtown Buffalo.

Objective A: Serve as lead management entity for BBRP initiatives.

Measurement: A minimum of twenty (20) companies contacted.

Result: At least fifty (50) companies contacted.

Objective B: Coordinate financial assistance for adaptive re-use projects.

Measurement: A minimum of two (2) projects assisted.

Result: Four (4) projects assisted.

Objective C: Manage lending program as an incentive for adaptive re-use and/or new construction projects.

Measurement: A minimum of two (2) loans approved and closed.

Result: No loans were approved in 2019. Several are in the immediate pipeline for early in 2020.

Measurement: Finalize modifications to the BBRP Loan Program for Loan Committee review and approval, and NYBDC use.

Result: BUDC has developed recommendations and the BUDC Loan Committee is in the process of reviewing for approval.

Objective D: Assist coordination of public right-of-way and public space improvements.

Measurement: A minimum of two (2) city blocks and one (1) public space improved.

Result: BUDC is in the process of coordinating public improvements to the entertainment district, Erie Street public spaces and underpass areas. Construction will begin in 2020.

New Measurement: Develop a draft waterfront implementation strategy.

Result: BUDC is working with waterfront stakeholders to facilitate regular waterfront coordination meetings and continues to pursue funding for the design of public realm improvements.

New Measurement: Develop a draft Flower District / Ellicott Corridor Concept Plan.

Result: BUDC is in the process of completing the Ellicott Corridor Plan. Anticipated completion is the spring of 2020.

Objective E: Coordinate additional phases of Queen City Pop Up (QCPU).

Measurement: A minimum of six (6) temporary retailers and two (2) permanent retailers added to the downtown market area.

Result: Nine (9) temporary and one permanent retailers were added.

Measurement: Coordinate at least two (2) technical assistance training sessions for QCPU retailers.

Result: Four technical assistance trainings were coordinated (website development, marketing & merchandising, social media, and media relations).

Measurement: Maintain a webpage and directory for/of QCPU participants.

Result: BUDC is in the process of developing a directory that will be located on the recently updated website.

Objective F: Coordinate the publication, marketing, and distribution of an updated State of Downtown Report.

Measurement: A minimum of five hundred (500) copies distributed and two (2) “earned” media appearances.

Result: Vice President Brandye Merriweather coordinated the roll-out of the new downtown development strategy (Buffalo’s Race for Place), which was unveiled at the 2020 State of the City address.

Objective G: Build awareness of BBRP programs, tools, and incentives.

Measurement: At least two (2) presentations to business associations and professional/community groups on BBRP.

Result: Ms. Merriweather made five (5) presentations in 2019 including the International Downtown Association, the WNY @ Work Radio Show, It Takes a Village Action Organization, and the Buffalo Niagara Area Realtors.

Measurement: Finalize a list of recommendations for additional BBRP tools and incentives, based on current market conditions.

Result: BUDC finalized recommendations outlined in Buffalo’s Race for Place plan, these include public/private funding for infrastructure and “smart cities” technology.

Objective H: Promote the construction of additional units of downtown housing.

Measurement: The announcement of two hundred fifty (250) units to be constructed.

Result: Approximately 220 residential units announced.

Objective I: Coordinate the resolution or redevelopment of targeted problem properties within the BBRP boundaries.

Measurement: A minimum of three (3) problem properties addressed.

Result: Numerous BBRP problem properties were discussed in 2019, with strategies pending.

Objective J: Explore additional strategies and best practices for addressing problem properties.

Measurement: Finalize draft of the “white paper” entitled City of Buffalo Problem Property Strategy Report, for review by the City of Buffalo and final publication.

Result: BUDC is in the process of coordinating strategies with the City of Buffalo.

Goal: To effectively manage property, development projects and initiatives.

Objective A: Engage in all aspects of productive property management including marketing, leasing, maintenance, etc.

Measurement: Keep property related costs within budget.

Result: Incorporating various challenges brought forward by the ever-increasing stable of Northland Corridor properties, property related costs were held within budget.

Objective B: Support development projects by working with regional utility companies to include their grant programs in local initiatives. Package other economic development incentives to enhance the marketability of properties.

Measurement: A minimum of two (2) projects referred.

Result: BUDC staff referred at least six (6) projects to regional utility companies in 2019.

Additional Questions:

- 1. Have the board members acknowledged that they have read and understood the mission of BUDC?**

The Board discussed and approved the BUDC's mission statement at the March 26, 2019 Board meeting.

- 2. Who has the power to appoint the management of BUDC?**

The Board of Directors appoints the management of BUDC to the positions of President, Executive Vice-President, Vice-President, Treasurer, Assistant Treasurer and Secretary.

- 3. If the Board appoints management, do you have a policy you follow when appointing the management of BUDC?**

The Board follows the BUDC By-Laws when appointing management.

- 4. Briefly describe the role of the Board and the role of management in the implementation of the mission.**

Management works closely with the Chair, Vice-Chair and Committee Chairs in formulating an on-going work plan for management to carry out the strategic goals related to the mission of the organization. Board members review and approve individual projects, initiatives and transactions to ensure that they are consistent with BUDC's mission. Board members also review and approve the annual budget to ensure resources are allocated appropriately to meet the BUDC's mission.

- 5. Has the Board acknowledged that they have read and understood the responses to each of these questions?**

Yes, these questions and responses were discussed and approved by the Board at the March 26, 2019 Board meeting.

		Run Date: 03/09/2020 Status: UNSUBMITTED Certified Date: N/A
Annual Report for Buffalo Urban Development Corporation Fiscal Year Ending: 12/31/2019		

Current Debt

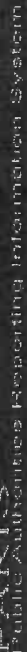
Question	Response
1. Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period?	Yes
2. If yes, has the Authority issued any debt during the reporting period?	Yes

New Debt Issuances

Type of Debt: Authority Debt - Other

Program :

Project	Amounts	Bond Closing Date	Issue Process	True Interest Cost	Interest type	Term (Yrs)	Cost Of Issuance
Workforce Training Center	Refunding \$0.00	12/28/2017	Competitive	5.06%	Variable	4	\$0.00
	New \$4,621,118.00						
	Total \$4,621,118.00						



Run Date: 03/09/2020

Status: UNSUBMITTED

Certified Date: N/A

Schedule of Authority Debt

Type of Debt	Statutory Authorization(\$)	Outstanding Start of Fiscal Year(\$)	New Debt Issuances(\$)	Debt Retired (\$)	Outstanding End of Fiscal Year(\$)
State Obligation					
State Obligation	State Guaranteed				
State Obligation	State Supported				
State Obligation	State Contingent Obligation				
State Obligation	State Moral Obligation				
Other State-Funded	Other State-Funded				
Authority Debt - General Obligation	Authority Debt - General Obligation				
Authority Debt - Revenue	Authority Debt - Revenue				
Authority Debt - Other	Authority Debt - Other				
Conduit					
Conduit	Conduit Debt				
	Conduit Debt - Pilot Increment Financing				
TOTALS		0.00	39,367,905.00	4,621,118.00	0.00
					43,989,023.00

Buffalo Urban Development Corporation
Compensation Schedule
Year Ended: December 31, 2019

The following employees had a salary greater than \$100,000 in 2019:

Name	Title	Salary	Performance Compensation	Payroll Taxes*	Benefits	Total
Peter Cammarata	President	\$ 139,313	-	10,342	24,033	\$ 173,688
David Stebbins	Executive Vice President	\$ 134,543	-	10,273	28,769	\$ 173,585

* Represents Employer's Share of FICA taxes (Social Security & Medicare) & NYS Unemployment Insurance taxes

Annual Report for Buffalo Urban Development Corporation
Fiscal Year Ending: 12/31/2019

Run Date: 03/09/2020
Status: UNSUBMITTED
Certified Date: N/A

Name	Title	Severance Package	Payment for Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these Benefits	Other
David	Directors													
Penman, Dennis	Board of Directors												X	
Pridgen, Darius	Board of Directors												X	
Slater, Craig	Board of Directors												X	
Stepniak, Steven	Board of Directors												X	
Whyte, Maria	Board of Directors												X	

Staff

Name	Title	Severance Package	Payment for Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these Benefits	Other
Cammarata, Peter	President												X	
Stebbins, David	Executive Vice President												X	

Buffalo Urban Development Corporation
Property Report
Year Ended: December 31, 2019

Table 1. This is a listing of all real property owned by BUDC, or through its affiliates or subsidiaries, at December 31, 2019

BUDC Facility	Address or SBL of Property	Full Description of Property	Estimated FMV of Property	Note: The FMV is estimated using an average per acre value based on a sampling of non-current appraisals. Negotiated "final sale" value may vary.
Buffalo Lakeside Commerce Park 115.35 Acres Most Being Marketed Buffalo, New York	80 Ship Canal Parkway	2.01 acres of vacant land	\$ 70,350	
	134 Ship Canal Parkway	2.15 acres of vacant land	\$ 75,250	
	158 Ship Canal Parkway	2.15 acres of vacant land	\$ 75,250	
	193 Ship Canal Parkway	9.59 acres of vacant land	\$ 335,650	
	200 Ship Canal Parkway	5.86 acres of vacant land	\$ 206,100	
	255 Ship Canal Parkway	20.36 acres of vacant land	\$ 712,600	
	280 Ship Canal Parkway	0.42 acre of vacant land	\$ 14,700	
	310 Ship Canal Parkway	10.84 acres of vacant land (5.33 Useable)	\$ 241,650	
	15 Laborer's Way	4.92 acres of vacant land	\$ 172,200	
	24 Laborer's Way	5.40 acres of vacant land	\$ 189,000	
	51 Laborer's Way	5.32 acres of vacant land	\$ 186,200	
	70 Laborer's Way	18.11 acres of vacant land (10.17 Useable)	\$ 435,350	
	87 Laborer's Way	4.67 acres of vacant land	\$ 163,450	
	125 Laborer's Way	5.47 acres of vacant land	\$ 191,450	
	126 Laborer's Way	18.08 acres of vacant land (6.00 Useable)	\$ 330,800	
Northland Corridor 37.03 Acres Some Being Marketed Buffalo, New York	537 East Delavan Avenue	10.52 acres of land w/ 75,000 s.f. of vacant buildings	\$ 150,000	
	577 Northland Avenue	0.68 acre of greenspace	\$ 22,600	
	631 Northland Avenue	2.63 acres of land w/ a 35,000 s.f. vacant building	\$ 590,000	
	644 Northland Avenue	0.25 acre of parking	\$ 3,800	
	655 Northland Avenue	1.28 acres of parking and greenspace	\$ -	
	664 Northland Avenue	0.85 acre of parking and greenspace	\$ 6,400	
	683 Northland Avenue	7.27 acres of land w/ 235,000 s.f. of occupied buildings	\$ 12,800,000	
	688 Northland Avenue	1.65 acres of parking and greenspace	\$ 27,400	
	690 Northland Avenue	0.18 acre of parking	\$ 2,600	
	714 Northland Avenue	1.81 acres of land w/ an 18,000 s.f. occupied building	\$ 425,000	
	741 Northland Avenue	4.94 acres of land w/ a 92,000 s.f. derelict building	\$ 600,000	
	767 Northland Avenue	0.18 acre of vacant land	\$ 2,700	
	777 Northland Avenue	4.14 acres of land w/ a 81,000 s.f. derelict building	\$ 50,000	
	126 Dutton Avenue	0.36 acre of vacant land	\$ 5,500	
Other Not Marketed, Buffalo	128 Dutton Avenue	0.29 acre of vacant land	\$ 6,200	
	1322 South Park Avenue	0.06 acre of vacant land	\$ 2,100	
	308 Crowley Avenue	7.24 acres of land w/ a 315,374 s.f. derelict building	\$ 181,000	

Table 2. The following is a listing of personal property (with a fair market value ("FMV") in excess of \$5,000) and all real property that was disposed of during 2019.

Address and Location of Property	Full Description of Property	Estimated FMV of Property	Name & Address of Purchaser	Date of Sale	Price Received by BUDC Related Entity (BBRC)

Table 3. The following is a listing of all real property that was acquired during 2019.

Address and Location of Property	Full Description of Property	Estimated FMV of Property	Name & Address of Seller	Date of Purchase	Price Paid by BUDC Related Entity (714 Northland LLC)
714 Northland Avenue	1.81 acres of land w/ an 18,000 s.f. occupied building	\$ 425,000	PCD, Inc. 19 Bramblewood Ln., E. Amherst, NY, 14061	02/28/19	\$ 425,000

2019 BUDC Board Meeting Attendance List

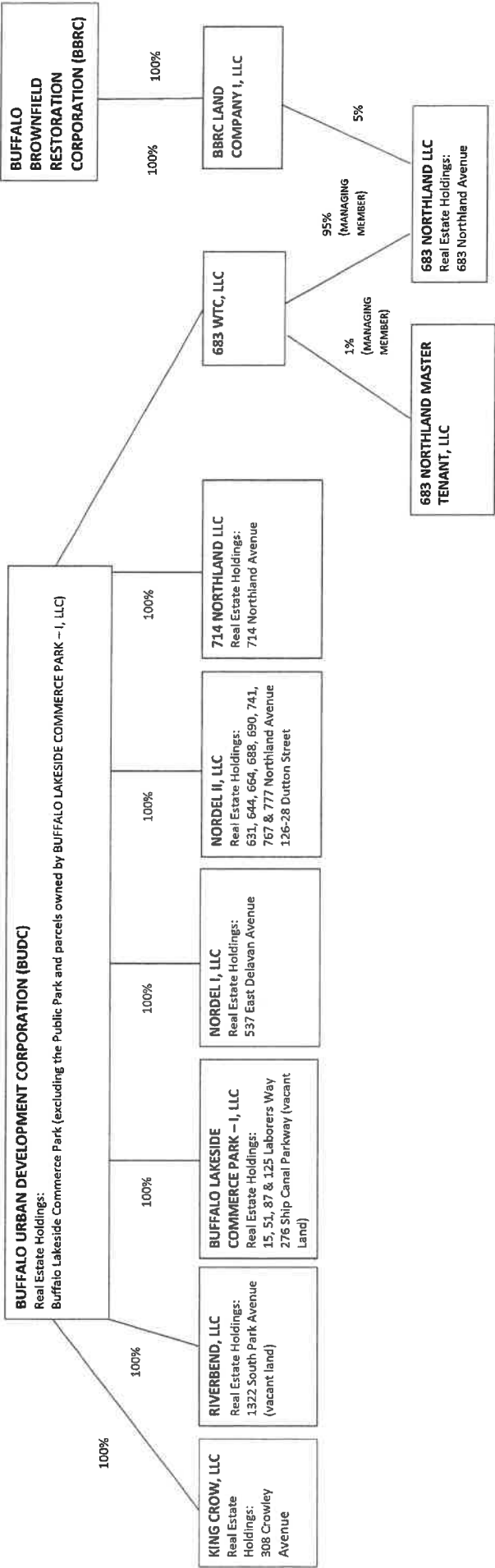
X = Attended

Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
	1/11/19	2/26/19	3/26/19	4/30/19	5/28/19	6/25/19	7/30/19	8/27/19	9/24/19	10/29/19	11/26/19	No meeting	
Hon. Byron Brown	X	X	X			X	X	X		X	X		
Trina Burruss	X	X	X	X	X	X	X	X	X	X			
James Comerford	X	X	X	X	X	X	X	X	X	X	X		
Janique Curry	X	X	X		X	X	X	X	X	X			
Dennis Elsenbeck	X	X	X	X				X	X	X	X		
Michael Finn							X						Term began 7/30/19
Darby Fishkin	X	X		X			X	X	X	X	X		
Dottie Gallagher		X	X					X	X		X		
Thomas Halligan	X	X	X	X	X	X	X		X	X	X		
Thomas Hersey, Jr.	X				X	X	X	X		X	X		
Thomas Kucharski	X	X	X			X	X	X	X	X	X		
Amanda Mays	X	X	X	X	X	X			X		X		
Brendan Mehaffy	X	X	X	X	X	X				X	X		
emberley Minkel	X	X			X	X	X	X	X	X	X		
David Nasca		X		X	X	X	X	X	X	X	X		
Dennis Penman	X	X		X	X	X	X			X			
Rev. Darius Pridgen			X	X	X	X	X			X	X		
Craig Slater	X		X	X	X	X	X		X	X	X		
Steven Stepniak	X												Term ended 1/11/19
Maria Whyte	X	X	X	X	X		X	X	X	X	X		

NOTE:

The January 11, 2019 board meeting listed above was a Special Meeting of the Board of Directors. BUDC did not have a quorum for its January 29, 2019 board meeting.

BUFFALO URBAN DEVELOPMENT CORPORATION
Corporate Structure Chart
As of December 31, 2019



NOTES:

1. The BBRC Board of Directors is comprised of all of the members of BUDC's Real Estate Committee, along with two independent (non-BUDC affiliated) directors.
2. BUDC and BBRC are 501(c)(3) tax-exempt organizations.
3. BUFFALO LAKESIDE COMMERCE PARK (BLCP) PROPERTY OWNERS ASSOCIATION, INC. (the "Association") is an indirect affiliate of BUDC because BUDC's ownership of BLCP property entitles its designees to serve as Directors of the Association. The Association is a 501(c)(4) tax-exempt organization.

		Procurement Report for Buffalo Urban Development Corporation Fiscal Year Ending: 12/31/2019		Run Date: 03/09/2020 Status: UNSUBMITTED Certified Date : N/A	
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Procurement Information:

Question	Response	URL (if Applicable)
1. Does the Authority have procurement guidelines?	Yes	http://www.buffalourbandevelopment.com/budc-corporate-policies
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	No	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	Yes	

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2019

Run Date: 03/09/2020
Status: UNSUBMITTED
Certified Date : N/A

Procurement Transactions Listing:

1.	Vendor Name	34 Group, Inc.	Address Line1	500 Seneca Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 3-7
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	5/1/2019	State	NY
	End Date	6/30/2020	Postal Code	14204
	Fair Market Value		Plus 4	
	Amount	\$437,510.61	Province/Region	
	Amount Expended For Fiscal Year	\$194,676.64	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Construction management for 541 East Delevan project.

2.	Vendor Name	AW Miller Technical Sales, Inc.	Address Line1	P.O. Box 69
	Type of Procurement	Commodities/Supplies	Address Line2	7661 Seneca Street
	Award Process	Authority Contract - Competitive Bid	City	EAST AURORA
	Award Date	5/1/2018	State	NY
	End Date	12/31/2019	Postal Code	14052
	Fair Market Value		Plus 4	
	Amount	\$1,071,000.00	Province/Region	
	Amount Expended For Fiscal Year	\$66,625.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland Workforce Training Center training equipment.



Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2019

Run Date: 03/09/2020
Status: UNSUBMITTED
Certified Date : N/A

3.	Vendor Name	Acadia Insurance	Address Line1	P.O. Box 9010
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	WESTBROOK
	Award Date	9/20/2019	State	ME
	End Date	9/20/2020	Postal Code	04098
	Fair Market Value		Plus 4	
	Amount	\$10,289.15	Province/Region	
	Amount Expended For Fiscal Year	\$10,289.15	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	NorDel property and liability insurance.

4.	Vendor Name	Alleghany Educational System, Inc.	Address Line1	320 East 3rd Avenue
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	TARENTUM
	Award Date	9/1/2018	State	PA
	End Date	12/31/2019	Postal Code	15084
	Fair Market Value		Plus 4	
	Amount	\$44,940.84	Province/Region	
	Amount Expended For Fiscal Year	\$23,310.84	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	Northland Workforce Training Center training equipment.

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2019

Run Date: 03/09/2020
Status: UNSUBMITTED
Certified Date : N/A

5.	Vendor Name	Apollo Dismantling Services, LLC	Address Line1	4511 Hyde Park Boulevard
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	NIAGARA FALLS
	Award Date	7/22/2019	State	NY
	End Date	12/31/2019	Postal Code	14305
	Fair Market Value		Plus 4	
	Amount	\$525,500.00	Province/Region	
	Amount Expended For	\$447,059.70	Country	United States
	Fiscal Year		Procurement Description	Demolition services at 541 East Delevan.
	Explain why the Fair Market Value Is Less than the Amount			

6.	Vendor Name	AutomationDirect.com, Inc.	Address Line1	P.O. Box 402417
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	ATLANTA
	Award Date	7/1/2019	State	GA
	End Date	12/31/2019	Postal Code	30384
	Fair Market Value		Plus 4	
	Amount	\$21,948.37	Province/Region	
	Amount Expended For	\$21,948.37	Country	United States
	Fiscal Year		Procurement Description	Northland Workforce Training Center training equipment.
	Explain why the Fair Market Value Is Less than the Amount			

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7. Vendor Name	BCDesigns Com, LLC	Address Line1	293 East Delevan Avenue
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	4/23/2018	State	NY
End Date	11/1/2019	Postal Code	14208
Fair Market Value		Plus 4	
Amount	\$45,050.00	Province/Region	
Amount Expended For Fiscal Year	\$22,525.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Public art display at 577 Northland.

8. Vendor Name	Belknap Heating & Cooling, Inc.	Address Line1	8655 Transit Road
Type of Procurement	Design and Construction/Maintenance	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	EAST AMHERST
Award Date	7/26/2019	State	NY
End Date	1/31/2020	Postal Code	14051
Fair Market Value		Plus 4	
Amount	\$48,590.00	Province/Region	
Amount Expended For Fiscal Year	\$43,731.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	612 Northland HVAC.

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9.	Vendor Name	Blue Cross Blue Shield	Address Line1	Payment Process Center
Type of Procurement	Other Professional Services		Address Line2	PO Box 644366
Award Process	Authority Contract - Competitive Bid		City	PITTSBURGH
Award Date	2/1/2019		State	PA
End Date	1/1/2020		Postal Code	15264
Fair Market Value			Plus 4	
Amount	\$14,273.06		Province/Region	
Amount Expended For Fiscal Year	\$14,273.06		Country	United States
Explain why the Fair Market Value is Less than the Amount			Procurement Description	Health insurance policies for BUDC staff.

10.	Vendor Name	Buffalo Business First	Address Line1	14016 Collections Center Drive
Type of Procurement	Other		Address Line2	
Award Process	Non Contract Procurement/Purchase Order		City	CHICAGO
Award Date			State	IL
End Date			Postal Code	60693
Fair Market Value			Plus 4	
Amount			Province/Region	
Amount Expended For Fiscal Year	\$9,595.00		Country	United States
Explain why the Fair Market Value is Less than the Amount			Procurement Description	Targeted ad campaigns in Business First, a local weekly business publication.

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11. Vendor Name	Bynum Brothers, LLC	Address Line1	324 Glenwood Avenue
Type of Procurement	Design and Construction/Maintenance	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	10/2/2017	State	NY
End Date	9/30/2019	Postal Code	14208
Fair Market Value		Plus 4	
Amount	\$228,130.00	Province/Region	United States
Amount Expended For Fiscal Year	\$31,983.10	Country	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Roof installation at 612 Northland.

12. Vendor Name	Colony Insurance Co.	Address Line1	8720 Stony Point Parkway
Type of Procurement	Other Professional Services	Address Line2	Suite 400
Award Process	Authority Contract - Competitive Bid	City	RICHMOND
Award Date	2/28/2019	State	VA
End Date	2/28/2020	Postal Code	23285
Fair Market Value		Plus 4	
Amount	\$19,295.75	Province/Region	United States
Amount Expended For Fiscal Year	\$19,295.75	Country	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	714 Northland property and liability insurance policies.

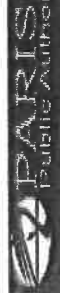
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13.	Vendor Name	Davis Ulmer Sprinkler Company, Inc.	Address Line1	P.O. box 412007
Type of Procurement	Design and Construction/Maintenance	Address Line2		
Award Process	Authority Contract - Non-Competitive Bid	City	BOSTON	
Award Date	6/6/2019	State	MA	
End Date		Postal Code	02241	
Fair Market Value	\$5,926.92	Plus 4		
Amount	\$5,926.92	Province/Region		
Amount Expended For	\$5,926.92	Country	United States	
Fiscal Year		Procurement Description		
Explain why the Fair Market Value Is Less than the Amount				714 Northland sprinkler.

14.	Vendor Name	Deltex Electric, Inc.	Address Line1	220 Elk Street
Type of Procurement	Design and Construction/Maintenance	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	BUFFALO	
Award Date	6/1/2018	State	NY	
End Date	1/31/2020	Postal Code	14210	
Fair Market Value		Plus 4		
Amount	\$183,907.00	Province/Region		
Amount Expended For	\$96,368.30	Country	United States	
Fiscal Year		Procurement Description		
Explain why the Fair Market Value Is Less than the Amount				Restore electrical service to 612 Northland.



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15.	Vendor Name	Erie County Industrial Development Agency	Address Line1	95 Perry Street
	Type of Procurement	Staffing Services	Address Line2	Suite 403
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$198,219.57	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	Administration fee for the 683 Northland project, staff reimbursement, and rent.

16.	Vendor Name	Evansion Insurance Company	Address Line1	10 Parkway North
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	DEERFIELD
	Award Date	6/20/2019	State	IL
	End Date	11/28/2020	Postal Code	60015
	Fair Market Value		Plus 4	
	Amount	\$18,391.83	Province/Region	
	Amount Expended For Fiscal Year	\$18,391.83	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	General liability insurance for King Crow LLC (308 Crowley) and for NorDel I.

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17.	Vendor Name	First Mercury Insurance	Address Line1	2660 Telegraph Road
Type of Procurement	Other Professional Services	Address Line2		
Award Process	Authority Contract - Competitive Bid	City		SOUTHFIELD
Award Date	7/1/2019	State		MI
End Date	7/1/2021	Postal Code		48033
Fair Market Value		Plus 4		
Amount	\$104,020.00	Province/Region		
Amount Expended For	\$104,020.00	Country		United States
Fiscal Year		Procurement Description		Umbrella insurance policy for NorDel I.
Explain why the Fair Market Value is Less than the Amount				

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18.	Vendor Name	Fox Fence, Inc.	Address Line1	2637 Lockport Road
Type of Procurement	Design and Construction/Maintenance	Address Line2		
Award Process	Authority Contract - Competitive Bid	City		NIAGARA FALLS
Award Date	2/20/2018	State		NY
End Date	10/1/2018	Postal Code		14305
Fair Market Value		Plus 4		
Amount	\$7,426.45	Province/Region		
Amount Expended For	\$7,426.45	Country		United States
Fiscal Year		Procurement Description		(1) New fence installation along the south boundary of 537 East Delevan to accommodate Northland's road and removal of the old fence; (2) Additional Phase I fencing on the north side of 644 Northland behind the electrical substation.
Explain why the Fair Market Value is Less than the Amount				

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19.	Vendor Name	Freed Maxick CPAs, P.C.	Address Line1	P.O. Box 8000
	Type of Procurement	Financial Services	Address Line2	Dept. 644
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	10/31/2017	State	NY
	End Date	3/31/2020	Postal Code	14267
	Fair Market Value		Plus 4	
	Amount	\$83,283.30	Province/Region	
	Amount Expended For	\$83,283.30	Country	United States
	Fiscal Year		Procurement Description	
	Explain why the Fair Market Value is Less than the Amount			Audit and tax consulting services for BUDC and 683 Northland, LLC.

20.	Vendor Name	Frey Electric Construction, Inc.	Address Line1	100 Pearce Avenue
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	TONAWANDA
	Award Date	5/9/2018	State	NY
	End Date	12/31/2019	Postal Code	14150
	Fair Market Value		Plus 4	
	Amount	\$398,312.72	Province/Region	
	Amount Expended For	\$124,975.03	Country	United States
	Fiscal Year		Procurement Description	
	Explain why the Fair Market Value is Less than the Amount			683 Northland Workforce Training Center A/V installation.

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21. Vendor Name	Gilbane Building Company	Address Line1	79 Perry Street
Type of Procurement	Design and Construction/Maintenance	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	1/13/2017	State	NY
End Date	3/31/2020	Postal Code	14203
Fair Market Value		Plus 4	
Amount	\$85,470,118.64	Province/Region	
Amount Expended For Fiscal Year	\$33,480,492.88	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Construction management services for Phases I and II for 683 Northland.

22. Vendor Name	Global Industries, Inc.	Address Line1	P.O. Box 970
Type of Procurement	Commodities/Supplies	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	MARLTON
Award Date	4/23/2018	State	NJ
End Date	12/31/2019	Postal Code	08053
Fair Market Value		Plus 4	
Amount	\$29,891.40	Province/Region	
Amount Expended For Fiscal Year	\$29,891.40	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Furniture for the Northland Workforce Training Center.



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23.	Vendor Name	Grainger	Dept. 887221556
Type of Procurement	Commodities/Supplies	Address Line1	
Award Process	Authority Contract - Competitive Bid	Address Line2	
Award Date	8/1/2019	City	PALATINE
End Date	3/31/2020	State	IL
Fair Market Value		Postal Code	60038
Amount	\$15,904.64	Plus 4	
Amount Expended For Fiscal Year	\$15,904.64	Province/Region	
Explain why the Fair Market Value is Less than the Amount		Country	United States
		Procurement Description	Northland Workforce Training Center training equipment.

24.	Vendor Name	Guy Hughson Technologies LLC	16730 Powerline Road
Type of Procurement	Commodities/Supplies	Address Line1	
Award Process	Authority Contract - Competitive Bid	Address Line2	
Award Date	7/1/2019	City	HOLLEY
End Date	9/30/2019	State	NY
Fair Market Value		Postal Code	14470
Amount	\$24,204.40	Plus 4	
Amount Expended For Fiscal Year	\$24,204.40	Province/Region	
Explain why the Fair Market Value is Less than the Amount		Country	United States
		Procurement Description	Northland Workforce Training Center training equipment.

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25.	Vendor Name	HLM Landscaping & Snow Removal	Address Line1	29 Shoshone Street
Type of Procurement	Design and Construction/Maintenance	Address Line2	City	BUFFALO
Award Process	Authority Contract - Competitive Bid		State	NY
Award Date	10/30/2019		Postal Code	14214
End Date	4/30/2020		Plus 4	
Fair Market Value			Province/Region	
Amount	\$125,000.00		Country	United States
Amount Expended For Fiscal Year	\$85,866.67		Procurement Description	Snow removal for the Northland beltline campus.
Explain why the Fair Market Value is Less than the Amount				

26.	Vendor Name	Haas Factory Outlet, Division of NYMAT Machine Tool Corp.	Address Line1	2650 Baird Road
Type of Procurement	Commodities/Supplies	Address Line2	City	FAIRPORT
Award Process	Authority Contract - Non-Competitive Bid		State	NY
Award Date	6/1/2019		Postal Code	14450
End Date	9/30/2019		Plus 4	
Fair Market Value	\$11,852.25		Province/Region	
Amount	\$11,852.25		Country	United States
Amount Expended For Fiscal Year	\$11,852.25		Procurement Description	Northland Workforce Training Center training equipment.
Explain why the Fair Market Value is Less than the Amount				



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27.	Vendor Name	Hemel Engineering Products, Inc.	Address Line1	6520 Lockport Road
Type of Procurement	Commodities/Supplies	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	NIAGARA FALLS	
Award Date	7/1/2019	State	NY	
End Date	9/30/2019	Postal Code	14305	
Fair Market Value		Plus 4		
Amount	\$28,590.00	Province/Region		
Amount Expended For Fiscal Year	\$28,590.00	Country	United States	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland Workforce Training Center training equipment.	

28.	Vendor Name	Hurwitz & Fine, P.C.	Address Line1	1300 Liberty Building
Type of Procurement	Legal Services	Address Line2		
Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO	
Award Date	1/3/2005	State	NY	
End Date		Postal Code	14202	
Fair Market Value		Plus 4		
Amount	\$249,656.58	Province/Region		
Amount Expended For Fiscal Year	\$249,656.58	Country	United States	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services for BUDC and 683 Northland, LLC.	



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29.	Vendor Name	Illinois Union Insurance Co.	Address Line1	525 W. Monroe Street
Type of Procurement	Other Professional Services		Address Line2	Suite 400
Award Process	Authority Contract - Competitive Bid		City	CHICAGO
Award Date	4/6/2019		State	IL
End Date	4/6/2020		Postal Code	60661
Fair Market Value			Plus 4	
Amount	\$19,648.76		Province/Region	
Amount Expended For	\$19,648.76		Country	United States
Fiscal Year			Procurement Description	NorDel II property insurance policy.
Explain why the Fair Market Value is Less than the Amount				

30.	Vendor Name	Industrial Appraisal Company	Address Line1	Two Gate Center, 603 Stanwix Street
Type of Procurement	Other Professional Services		Address Line2	Suite 1500
Award Process	Authority Contract - Competitive Bid		City	PITTSBURGH
Award Date	1/1/2019		State	PA
End Date	6/30/2019		Postal Code	15222
Fair Market Value			Plus 4	
Amount	\$10,950.00		Province/Region	
Amount Expended For	\$10,950.00		Country	United States
Fiscal Year			Procurement Description	Inventory and tagging of equipment at 683 Northland.
Explain why the Fair Market Value is Less than the Amount				



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31.	Vendor Name	Invest Buffalo Niagara	Address Line1	257 West Genesee
Type of Procurement	Other Professional Services		Address Line2	Suite 600
Award Process	Non Contract Procurement/Purchase Order		City	BUFFALO
Award Date			State	NY
End Date			Postal Code	14202
Fair Market Value			Plus 4	
Amount			Province/Region	
Amount Expended For Fiscal Year	\$20,000.00		Country	United States
Explain why the Fair Market Value is Less than the Amount			Procurement Description	Annual contribution resulting in in-kind marketing services.

32.	Vendor Name	Jackson Welding Supply Co., Inc.	Address Line1	4 Pixley Industrial Parkway
Type of Procurement	Commodities/Supplies		Address Line2	
Award Process	Authority Contract - Competitive Bid		City	ROCHESTER
Award Date	3/1/2019		State	NY
End Date	12/31/2019		Postal Code	14624
Fair Market Value			Plus 4	
Amount	\$244,552.42		Province/Region	
Amount Expended For Fiscal Year	\$244,552.42		Country	United States
Explain why the Fair Market Value is Less than the Amount			Procurement Description	Northland Workforce Training Center training equipment.

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33.	Vendor Name	Kathleen M. Kinan, Architect	Address Line1	289 Lexington Avenue
Type of Procurement	Design and Construction/Maintenance	Address Line2	City	BUFFALO
Award Process	Authority Contract - Non-Competitive Bid	State	NY	
Award Date	5/31/2017	Postal Code	14222	
End Date	3/31/2020	Plus 4		
Fair Market Value	\$43,465.59	Province/Region		
Amount	\$43,465.59	Country	United States	
Amount Expended For Fiscal Year	\$43,465.59	Procurement Description	Project management and design services for 612 Northland.	
Explain why the Fair Market Value Is Less than the Amount				

34.	Vendor Name	Kinsale Insurance Company	Address Line1	2221 Edward Holland Drive
Type of Procurement	Other Professional Services	Address Line2	Suite 600	
Award Process	Authority Contract - Competitive Bid	City	RICHMOND	
Award Date	1/1/2019	State	VA	
End Date	1/1/2020	Postal Code	23230	
Fair Market Value		Plus 4		
Amount	\$20,112.53	Province/Region		
Amount Expended For Fiscal Year	\$20,112.53	Country	United States	
Explain why the Fair Market Value Is Less than the Amount		Procurement Description	General liability and umbrella insurance policies for NorDel II.	

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35.	Vendor Name	Krueger International, Inc.	Address Line1	P.O. Box 2045768100
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	DALLAS
	Award Date	4/23/2018	State	TX
	End Date	12/31/2019	Postal Code	75320
	Fair Market Value		Plus 4	
	Amount	\$13,701.00	Province/Region	
	Amount Expended For Fiscal Year	\$13,701.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Office furniture for the Northland Workforce Training Center.

36.	Vendor Name	Lamb & Webster	Address Line1	601 West Main Street
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	SPRINGVILLE
	Award Date	7/25/2019	State	NY
	End Date	8/31/2019	Postal Code	14141
	Fair Market Value		Plus 4	
	Amount	\$16,145.23	Province/Region	
	Amount Expended For Fiscal Year	\$16,145.23	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Maintenance vehicle for 683 Northland.



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37.	Vendor Name	Landscape Associate of WNY, Inc.	Address Line1	P.O. Box 623
Type of Procurement	Design and Construction/Maintenance		Address Line2	
Award Process	Authority Contract - Competitive Bid		City	SANBORN
Award Date	4/30/2019		State	NY
End Date	11/30/2019		Postal Code	14132
Fair Market Value			Plus 4	
Amount	\$8,275.00		Province/Region	
Amount Expended For	\$9,222.50		Country	United States
Fiscal Year			Procurement Description	Northland campus landscaping.
Explain why the Fair Market Value is Less than the Amount				

38.	Vendor Name	Lincoln Life & Annuity Company of NY	Address Line1	P.O. Box 7247-0347
Type of Procurement	Other		Address Line2	
Award Process	Authority Contract - Competitive Bid		City	PHILADELPHIA
Award Date	2/1/2019		State	PA
End Date	1/1/2020		Postal Code	19170
Fair Market Value			Plus 4	
Amount	\$8,897.35		Province/Region	
Amount Expended For	\$8,897.35		Country	United States
Fiscal Year			Procurement Description	Dental, AD&D, group term life, and long-term disability insurance policies for BUDC employees.
Explain why the Fair Market Value is Less than the Amount				

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39.	Vendor Name	Liro Engineers, Inc.	Address Line1	690 Delaware Avenue
Type of Procurement	Consulting Services	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	BUFFALO	
Award Date	6/17/2017	State	NY	
End Date		Postal Code	14209	
Fair Market Value		Plus 4		
Amount	\$139,713.94	Province/Region		
Amount Expended For Fiscal Year	\$139,713.94	Country	United States	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Contracts for: (1) 683 Northland Phase I environmental consulting \$381,772.25; (2) 308 Crowley Phase I environmental site assessment \$1,200; (3) 714 Northland Phase I environmental site assessment \$1,150.	

40.	Vendor Name	Louis Del Prince & Sons, Inc.	Address Line1	580 Cayuga Road
Type of Procurement	Design and Construction/Maintenance	Address Line2		
Award Process	Authority Contract - Non-Competitive Bid	City	CHEEKTOWAGA	
Award Date	7/1/2019	State	NY	
End Date	7/3/2019	Postal Code	14225	
Fair Market Value	\$6,650.00	Plus 4		
Amount	\$6,650.00	Province/Region		
Amount Expended For Fiscal Year	\$6,650.00	Country	United States	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	612 Northland emergency concrete demolition.	

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41.	Vendor Name	MRA International, Inc.	Address Line1	295 Morris Avenue
	Type of Procurement	Commodities/Supplies	Address Line2	P.O. Box 3337
	Award Process	Authority Contract - Competitive Bid	City	LONG BRANCH
	Award Date	6/1/2019	State	NJ
	End Date	12/31/2019	Postal Code	07740
	Fair Market Value		Plus 4	
	Amount	\$14,980.00	Province/Region	
	Amount Expended For	\$14,980.00	Country	United States
	Fiscal Year		Procurement Description	Northland Workforce Training Center training equipment.
	Explain why the Fair Market Value is Less than the Amount			

42.	Vendor Name	MSC Industrial Supply Company	Address Line1	P.O. Box 953635
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	SAINT LOUIS
	Award Date	9/1/2018	State	MO
	End Date	3/31/2020	Postal Code	63195
	Fair Market Value		Plus 4	
	Amount	\$208,035.68	Province/Region	
	Amount Expended For	\$126,528.11	Country	United States
	Fiscal Year		Procurement Description	Lab equipment for the Northland Workforce Training Center.
	Explain why the Fair Market Value is Less than the Amount			

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43.	Vendor Name	Mancuso Management, Inc.	Address Line1	56 Harvester Avenue
Type of Procurement	Other Professional Services	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	BATAVIA	
Award Date	8/1/2015	State	NY	
End Date	7/31/2020	Postal Code	14020	
Fair Market Value		Plus 4		
Amount	\$109,400.00	Province/Region		
Amount Expended For	\$64,736.26	Country	United States	
Fiscal Year		Procurement Description		Contractual property management services plus reimbursement of direct costs associated with Northland property.
Explain why the Fair Market Value is Less than the Amount				

44.	Vendor Name	Markel Insurance Co.	Address Line1	4521 Highwoods Parkway
Type of Procurement	Other Professional Services	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	GLEN ALLEN	
Award Date	7/1/2019	State	VA	
End Date	7/1/2021	Postal Code	23060	
Fair Market Value		Plus 4		
Amount	\$78,233.16	Province/Region		
Amount Expended For	\$78,233.16	Country	United States	
Fiscal Year		Procurement Description		General liability insurance policy for NorDel I.
Explain why the Fair Market Value is Less than the Amount				

Procurement Report for Buffalo Urban Development Corporation

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45.	Vendor Name	Meier Supply Co., Inc.	Address Line1	275 Broome Corporate Parkway
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	CONKLIN
	Award Date	6/1/2019	State	NY
	End Date	12/31/2021	Postal Code	13748
	Fair Market Value		Plus 4	
	Amount	\$7,784.18	Province/Region	
	Amount Expended For	\$7,784.18	Country	United States
	Fiscal Year		Procurement Description	Northland Workforce Training Center training equipment.
	Explain why the Fair Market Value is Less than the Amount			

46.	Vendor Name	Michael Van Valkenburgh Associates, Inc.	Address Line1	231 Concord Avenue
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	CAMBRIDGE
	Award Date	5/28/2019	State	MA
	End Date	12/31/2019	Postal Code	02138
	Fair Market Value	\$1,750,000.00	Plus 4	
	Amount	\$1,750,000.00	Province/Region	
	Amount Expended For	\$890,561.11	Country	United States
	Fiscal Year		Procurement Description	Centennial Park schematic design.
	Explain why the Fair Market Value is Less than the Amount			

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47.	Vendor Name	Mt Hawley Insurance Co. via RT Specialty	Address Line1	9025 N. Lindbergh Drive
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	PEORIA
	Award Date	3/20/2019	State	IL
	End Date	9/20/2019	Postal Code	61615
	Fair Market Value		Plus 4	
	Amount	\$9,339.30	Province/Region	
	Amount Expended For Fiscal Year	\$9,339.30	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	NorDel excess liability insurance policy.

48.	Vendor Name	National Fuel	Address Line1	P.O. Box 371835
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	PITTSBURGH
	Award Date		State	PA
	End Date		Postal Code	15250
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$36,306.46	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	Natural gas service for 683 Northland properties.

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49.	Vendor Name	National Fuel Resources, Inc.	Address Line1	P.O. Box 371810
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	PITTSBURGH
	Award Date		State	PA
	End Date		Postal Code	15250
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$40,554.24	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	683 Northland gas wholesale costs during construction.

50.	Vendor Name	National Grid	Address Line1	PO Box 11742
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	NEWARK
	Award Date		State	NJ
	End Date		Postal Code	07101
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$88,006.13	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Electrical utility service for Northland Corridor and Buffalo Lakeside Commerce Park.



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51.	Vendor Name	National Union Fire Insurance Co. via RT Specialty	Address Line1	625 Liberty Avenue
Type of Procurement	Other Professional Services	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	PITTSBURGH	
Award Date	6/20/2019	State	PA	
End Date	11/28/2020	Postal Code	15222	
Fair Market Value		Plus 4		
Amount	\$7,926.73	Province/Region		
Amount Expended For Fiscal Year	\$7,926.73	Country	United States	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Umbrella insurance policy for King Crow LLC and commercial umbrella insurance policy for NorDel I.	

52.	Vendor Name	Niagara Construction Co., Inc.	Address Line1	126 East Niagara Street
Type of Procurement	Design and Construction/Maintenance	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	TONAWANDA	
Award Date	2/26/2018	State	NY	
End Date	1/31/2020	Postal Code	14150	
Fair Market Value		Plus 4		
Amount	\$265,954.00	Province/Region		
Amount Expended For Fiscal Year	\$138,279.30	Country	United States	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	General construction work at 612 Northland.	

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53.	Vendor Name	Pepe Construction Services, LLC	Address Line1	4085 Seneca Street
Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 1	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO	
Award Date	2/19/2018	State	NY	
End Date	12/31/2019	Postal Code	14224	
Fair Market Value		Plus 4		
Amount	\$96,520.34	Province/Region		
Amount Expended For	\$14,531.09	Country	United States	
Fiscal Year		Procurement Description		
Explain why the Fair Market Value is Less than the Amount				Masonry repair and construction services for 612 Northland.

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54.	Vendor Name	Philadelphia Insurance Company	Address Line1	PO Box 70251
Type of Procurement	Other Professional Services	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	PHILADELPHIA	
Award Date	12/31/2018	State	PA	
End Date	12/31/2019	Postal Code	19176	
Fair Market Value		Plus 4		
Amount	\$21,871.00	Province/Region		
Amount Expended For	\$21,871.00	Country	United States	
Fiscal Year		Procurement Description		
Explain why the Fair Market Value is Less than the Amount				Insurance policy for BUDC directors and officers.

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55.	Vendor Name	Prentice Office Environments	Address Line1	472 Franklin Street
Type of Procurement	Commodities/Supplies	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	BUFFALO	
Award Date	7/1/2019	State	NY	
End Date	9/30/2019	Postal Code	14202	
Fair Market Value		Plus 4		
Amount	\$31,964.92	Province/Region		
Amount Expended For Fiscal Year	\$31,964.92	Country	United States	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland Workforce Training Center office furniture.	

56.	Vendor Name	RSUI Indemnity Co.	Address Line1	945 E. Paces Ferry Road NE
Type of Procurement	Other Professional Services	Address Line2	Suite 1800	
Award Process	Authority Contract - Competitive Bid	City	ATLANTA	
Award Date	12/31/2019	State	GA	
End Date	12/31/2020	Postal Code	30326	
Fair Market Value		Plus 4		
Amount	\$13,939.00	Province/Region		
Amount Expended For Fiscal Year	\$13,939.00	Country	United States	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Excess liability insurance policy for directors and officers.	

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57.	Vendor Name	RTS Solutions, Inc.	Address Line1	85 Schmitt Boulevard
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	FARMINGDALE
	Award Date	9/1/2019	State	NY
	End Date	12/31/2019	Postal Code	11735
	Fair Market Value		Plus 4	
	Amount	\$31,786.00	Province/Region	
	Amount Expended For Fiscal Year	\$31,786.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland Workforce Training Center AV equipment.

58.	Vendor Name	Rexel USA, Inc.	Address Line1	505 Duke Road
	Type of Procurement	Commodities/Supplies	Address Line2	Suite 400
	Award Process	Authority Contract - Competitive Bid	City	CHEEKTOWAGA
	Award Date	10/1/2019	State	NY
	End Date	3/31/2020	Postal Code	14225
	Fair Market Value		Plus 4	
	Amount	\$34,195.62	Province/Region	
	Amount Expended For Fiscal Year	\$34,195.62	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland Workforce Training Center equipment.



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59.	Vendor Name	Rodriguez Construction Group, Inc.	Address Line1	760 Seneca Street
Type of Procurement	Design and Construction/Maintenance		Address Line2	Suite 150
Award Process	Authority Contract - Competitive Bid		City	BUFFALO
Award Date	7/23/2019		State	NY
End Date	1/31/2020		Postal Code	14210
Fair Market Value			Plus 4	
Amount	\$305,202.00		Provincial/Region	
Amount Expended For Fiscal Year	\$310,149.50		Country	United States
Explain why the Fair Market Value is Less than the Amount			Procurement Description	612 Northland exterior improvements.

60.	Vendor Name	Roessel Technologies	Address Line1	199 LaGrange Avenue
Type of Procurement	Commodities/Supplies		Address Line2	
Award Process	Authority Contract - Competitive Bid		City	ROCHESTER
Award Date	7/1/2019		State	NY
End Date	12/31/2019		Postal Code	14613
Fair Market Value			Plus 4	
Amount	\$18,867.78		Provincial/Region	
Amount Expended For Fiscal Year	\$18,867.78		Country	United States
Explain why the Fair Market Value is Less than the Amount			Procurement Description	Northland Workforce Training Center training equipment.

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61.	Vendor Name	SJB Services, Inc.	Address Line1	5167 South Park Avenue
Type of Procurement	Design and Construction/Maintenance	Address Line2	City	HAMBURG
Award Process	Authority Contract - Competitive Bid	State	Postal Code	NY 14075
Award Date	9/28/2017	Province/Region	Country	United States
End Date	3/31/2020	Procurement Description	Construction testing for Phase I and Phase II at 683 Northland.	
Fair Market Value				
Amount	\$41,037.75			
Amount Expended For Fiscal Year	\$41,037.75			
Explain why the Fair Market Value is Less than the Amount				

62.	Vendor Name	Sandra White/Mustard Seed World Consulting Group	Address Line1	334 East Ullica Street
Type of Procurement	Consulting Services	Address Line2	City	BUFFALO
Award Process	Authority Contract - Competitive Bid	State	Postal Code	NY 14208
Award Date	3/1/2015	Province/Region	Country	United States
End Date		Procurement Description	Marketing services for Northland Corridor project.	
Fair Market Value				
Amount	\$24,000.00			
Amount Expended For Fiscal Year	\$19,135.00			
Explain why the Fair Market Value is Less than the Amount				

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63.	Vendor Name	Simoncelli Electric	Address Line1	3740 California Road
Type of Procurement	Design and Construction/Maintenance	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	ORCHARD PARK	
Award Date	1/29/2019	State	NY	
End Date	6/20/2019	Postal Code	14127	
Fair Market Value		Plus 4		
Amount	\$8,487.50	Province/Region		
Amount Expended For	\$8,487.50	Country	United States	
Fiscal Year		Procurement Description		683 Northland equipment installation.
Explain why the Fair Market Value is Less than the Amount				

64.	Vendor Name	T&R Seasonal Services, Inc.	Address Line1	6413 W. Quaker Road
Type of Procurement	Design and Construction/Maintenance	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	ORCHARD PARK	
Award Date	11/2/2017	State	NY	
End Date	10/31/2020	Postal Code	14127	
Fair Market Value		Plus 4		
Amount	\$46,923.00	Province/Region		
Amount Expended For	\$46,647.37	Country	United States	
Fiscal Year		Procurement Description		Landscaping and snowplowing services at Buffalo Lakeside Commerce Park.
Explain why the Fair Market Value is Less than the Amount				

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65.	Vendor Name	The Hartford Insurance	Address Line1	P.O. Box 660916
Type of Procurement	Other Professional Services	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	DALLAS	
Award Date	12/31/2018	State	TX	
End Date	12/31/2019	Postal Code	75266	
Fair Market Value		Plus 4		
Amount	\$18,877.56	Province/Region		
Amount Expended For Fiscal Year	\$18,877.56	Country	United States	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	BUDC umbrella insurance, commercial package (property, auto, liability), and Workers' Compensation insurance.	

66.	Vendor Name	The MJA Company	Address Line1	P.O. Box 501
Type of Procurement	Design and Construction/Maintenance	Address Line2		
Award Process	Authority Contract - Non-Competitive Bid	City	WILLIAMSVILLE	
Award Date	6/25/2019	State	NY	
End Date	12/31/2019	Postal Code	14231	
Fair Market Value	\$70,000.00	Plus 4		
Amount	\$65,200.00	Province/Region		
Amount Expended For Fiscal Year	\$65,200.00	Country	United States	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	612 Northland floor rehab.	

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67.	Vendor Name	Tinkertown, Inc.	Address Line1	833 Route 244
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	ALFRED STATION
	Award Date	7/1/2019	State	NY
	End Date	12/31/2019	Postal Code	14803
	Fair Market Value		Plus 4	
	Amount	\$25,943.31	Province/Region	
	Amount Expended For Fiscal Year	\$25,943.31	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland Workforce Training Center training equipment.

68.	Vendor Name	Try-Lock Roofing	Address Line1	440 Northwood Drive
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	TONAWANDA
	Award Date	3/15/2019	State	NY
	End Date	11/30/2019	Postal Code	14223
	Fair Market Value	\$7,220.00	Plus 4	
	Amount	\$7,220.00	Province/Region	
	Amount Expended For Fiscal Year	\$7,220.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	612 Northland roof maintenance.



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69.	Vendor Name	Uline		Address Line1	P.O. Box 88741
	Type of Procurement	Commodities/Supplies		Address Line2	
	Award Process	Authority Contract - Competitive Bid		City	CHICAGO
	Award Date	6/1/2019		State	IL
	End Date	12/31/2019		Postal Code	60680
	Fair Market Value			Plus 4	
	Amount	\$7,838.72		Province/Region	
	Amount Expended For	\$7,838.72		Country	United States
	Fiscal Year			Procurement Description	Northland Workforce Training Center training equipment.
	Explain why the Fair Market Value Is Less than the Amount				

70.	Vendor Name	Vogt Sprinkler Service Inc.		Address Line1	363 Delaware Road
	Type of Procurement	Design and Construction/Maintenance		Address Line2	
	Award Process	Authority Contract - Competitive Bid		City	BUFFALO
	Award Date	8/21/2019		State	NY
	End Date	3/31/2020		Postal Code	14217
	Fair Market Value			Plus 4	
	Amount	\$64,382.00		Province/Region	
	Amount Expended For	\$52,110.00		Country	United States
	Fiscal Year			Procurement Description	Sprinkler system at 612 Northland.
	Explain why the Fair Market Value Is Less than the Amount				

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71.	Vendor Name	W&W Paint & Glass	Address Line1	19 Hecla Street
Type of Procurement	Design and Construction/Maintenance	Address Line2	City	BUFFALO
Award Process	Authority Contract - Competitive Bid	State	Postal Code	NY 14216
Award Date	8/1/2018	Plus 4	Province/Region	United States
End Date	3/31/2020	Country	Procurement Description	612 Northland window and masonry work.
Fair Market Value				
Amount	\$519,338.89			
Amount Expended For	\$284,086.85			
Fiscal Year				
Explain why the Fair Market Value is Less than the Amount				

72.	Vendor Name	Watts Architecture & Engineering	Address Line1	95 Perry Street
Type of Procurement	Design and Construction/Maintenance	Address Line2	City	Suite 300 BUFFALO
Award Process	Authority Contract - Competitive Bid	State	Postal Code	NY 14203
Award Date	4/19/2016	Plus 4	Province/Region	United States
End Date		Country	Procurement Description	Design and engineering services for various Northland corridor projects.
Fair Market Value				
Amount	\$2,064,347.00			
Amount Expended For	\$1,077,922.11			
Fiscal Year				
Explain why the Fair Market Value is Less than the Amount				

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73.	Vendor Name	Wendel	Address Line1	375 Essjay Road
Type of Procurement	Design and Construction/Maintenance		Address Line2	Suite 200
Award Process	Authority Contract - Non-Competitive Bid		City	BUFFALO
Award Date	5/28/2019		State	NY
End Date	12/31/2020		Postal Code	14221
Fair Market Value	\$249,000.00		Plus 4	
Amount	\$249,000.00		Province/Region	
Amount Expended For Fiscal Year	\$76,087.22		Country	United States
Explain why the Fair Market Value Is Less than the Amount			Procurement Description	Centennial Park project due diligence.

74.	Vendor Name	Zirpoli Plumbing LLC	Address Line1	1715 South Park Avenue
Type of Procurement	Design and Construction/Maintenance		Address Line2	
Award Process	Authority Contract - Competitive Bid		City	BUFFALO
Award Date	7/1/2018		State	NY
End Date	1/31/2020		Postal Code	14220
Fair Market Value			Plus 4	
Amount	\$135,800.00		Province/Region	
Amount Expended For Fiscal Year	\$104,765.00		Country	United States
Explain why the Fair Market Value Is Less than the Amount			Procurement Description	Plumbing work for 612 Northland.



Procurement Report for Buffalo Urban Development Corporation

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75.	Vendor Name	Zurich American Corporation	Address Line1	1299 Zurich Way
Type of Procurement	Other	Address Line2		
Award Process	Authority Contract - Competitive Bid	City	SCHAUMBURG	
Award Date	9/10/2018	State	IL	
End Date	9/10/2019	Postal Code	60196	
Fair Market Value		Plus 4		
Amount	\$11,298.00	Province/Region		
Amount Expended For	\$11,298.00	Country	United States	
Fiscal Year		Procurement Description		
Explain why the Fair Market Value is Less than the Amount				883 Northland master tenant liability insurance.

Additional Comments

Buffalo Urban Development Corporation

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



Item 3.2

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors
FROM: Dennis Penman, Audit & Finance Chair & Mollie Profic, Treasurer
SUBJECT: Audit & Finance Committee Report
DATE: March 31, 2020

At the Audit & Finance Committee Meeting on March 19, 2020 the Committee reviewed the following items for Board consideration or action.

Item 3.2.1 is the 2019 Audited Financial Statements for 683 Northland Master Tenant, LLC. Freed Maxick representatives and Mollie Profic gave a detailed presentation of the Statements to the Committee. This document is presented to the Board for your information only.

Item 3.2.2 is the 2019 Audited Consolidated Financial Statements for BUDC. Freed Maxick representatives and Mollie Profic gave a detailed presentation of the Statements to the Committee. The Committee recommends that the Board approve the 2019 Audited Financial Statements.

Item 3.2.3 is the 2019 Audited Financial Statements for the Buffalo Brownfields Redevelopment Fund (BBRF) and is provided for your information only.

Item 3.2.4 is the 2019 Investment Report, which provides a summary of BUDC's investment activity in 2019. The Committee recommends that the Board approve the 2019 Investment Report.

Item 3.2.5 is the Investment and Deposit Policy. The Committee recommends the re-adoption of this document.

Item 3.2.6 is the memorandum requesting reimbursement of brownfield expenses for 2019. The Committee recommends that the Board approve the reimbursement of brownfield expenses related to Buffalo Lakeside Commerce Park, Riverbend, Northland, and 308 Crowley Street from the Buffalo Brownfields Redevelopment Fund (BBRF) in the amount of \$ 450,078.

In addition, the Audit & Finance Committee has reviewed the following items that do not require Board action:

- Audit & Finance Committee Self-Evaluation
- Audit & Finance Committee Charter Review
- Audit & Finance Committee Training Document
- 2019 Property Report
- Review of the Regionally Significant Project Fund Recap
- Review of Project Funding Sources
- Review of the BBRP/BUDC Loan Program Recap
- Management's Assessment of Internal Controls

REPORT TO THE MANAGING MEMBER

**683 NORTHLAND MASTER TENANT, LLC
(A LIMITED LIABILITY COMPANY)**

DECEMBER 31, 2019



March 18, 2020

To the Managing Member of
683 Northland Master Tenant, LLC
(A Limited Liability Company)
95 Perry Street, Suite 404
Buffalo, New York 14203

Dear Managing Member:

We are pleased to present this report related to our audit of the financial statements of 683 Northland Master Tenant, LLC (the Company) as of and for the year ended December 31, 2019. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for 683 Northland Master Tenant, LLC's financial reporting process.

This report is intended solely for the information and use of the Managing Member and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to 683 Northland Master Tenant, LLC.

Freed Maxick CPAs, P.C.

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated February 6, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication dated February 6, 2020 regarding the planned scope and timing of our audit and identified significant risks.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices</p> <p>Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Company. Following is a description of significant accounting policies or their application that were either initially selected or changed during the year:</p> <ul style="list-style-type: none">• In 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The new revenue recognition standard outlines a comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The standard must be applied retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company adopted this standard for the year ended December 31, 2019. Management evaluated the impact of this ASU and determined that there was not a significant impact on the financial statements.• In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230), Restricted Cash. The new restricted cash standard requires that amounts generally described as restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments are effective for fiscal years beginning after December 15, 2018. The standard must be applied retrospectively to each period presented. The Company has implemented the standard for the year ended December 31, 2019.

Area	Comments
Accounting Policies and Practices (Continued)	<ul style="list-style-type: none"> In 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expenses recognition in the income statements. The new standard is effective for fiscal years beginning after December 15, 2020.
	<p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>
	<p>Management's Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. There were no material estimates included in the financial statements.</p>
Basis of Accounting	<p>The financial statements were prepared on the assumption that the Company will continue as a going concern.</p>
Audit Adjustments	<p>Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by 683 Northland Master Tenant, LLC are shown in the attached "Summary of Recorded Audit Adjustments."</p>
Uncorrected Misstatements	<p>We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.</p>
Disagreements With Management	<p>We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.</p>
Consultations With Other Accountants	<p>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</p>
Significant Issues Discussed With Management	<p>No significant issues arising from the audit were discussed or the subject of correspondence with management.</p>
Significant Difficulties Encountered in Performing the Audit	<p>We did not encounter any significant difficulties in dealing with management during the audit.</p>
Letter Communicating Control Deficiencies in Internal Control Over Financial Reporting	<p>We have separately communicated the control deficiencies in internal control over financial reporting identified during our audit of the financial statements, and this communication is attached as Exhibit A.</p>

Area	Comments
Significant Written Communications Between Management and Our Firm	Copies of significant written communications between our firm and the management of the Company, including the representation letter to be provided to us by management, are attached as Exhibit B.

683 Northland Master Tenant, LLC
Year End: December 31, 2019
Summary of Recorded Audit Adjustments

Number	Date	Name	Account No	Debit	Credit
1	12/31/2019	Accounts Receivable	1200.000	45,995	
1	12/31/2019	Rent Revenue - BMW	5003.000		45,995

To properly record the straight line of rental revenue related to Buffalo Manufacturing Works sublease.

2	12/31/2019	Distributions	3000.000	105,026	
2	12/31/2019	Accrued Priority Return	2011.000		105,026

To accrue for the priority return payable for the year ended December 31, 2019.

3	12/31/2019	Legal Expense	6100.000	20,845	
3	12/31/2019	Insurance Expense	6120.000	33,000	
3	12/31/2019	Building Maintenance Expense	6200.000	4,148	
3	12/31/2019	Utilities Expense	6210.000	24,434	
3	12/31/2019	Due to 683 Northland, LLC	2009.000		82,427

To properly record operational expenses that were incorrectly captured on the Landlord entity.

4	12/31/2019	Accounts Receivable	1200.000	288,000	
4	12/31/2019	Deferred Rent Liability - NWTC	2601.000		288,000

To accrue for the priority return payable for the year ended December 31, 2019.



Exhibit A - Letter Communicating Control Deficiencies in Internal Control Over Financial Reporting

To Managing Member and Management
683 Northland Master Tenant, LLC
Buffalo, NY

In planning and performing our audit of the financial statements of 683 Northland Master Tenant, LLC (the Company) as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Therefore, material weaknesses may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in the Company's internal control to be a material weakness:

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Following are descriptions of other identified deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses:

Landlord and Master Tenant Transactions

Throughout our audit, we noted several transactions that were not recorded on the proper entity. The master lease agreement (MLA) governs the Landlord and Master Tenant structure and specifies what entity records certain transactions. Under the MLA, all operating expenses including insurance, legal, repairs and maintenance and utilities are to be recorded on the Master Tenant entity. Management should implement a process to assess the MLA and ensure activity is reflected on the books and records of the proper entity.

Management Response:

Management has implemented policies and procedures to review and analyze the Master Lease Agreement to ensure transactions are recorded on the proper entity moving forward.

Recording Rental Revenue in Accordance with U.S. GAAP

During testing of revenues, we noted rental revenue was not being recognized properly on a straight-line basis over the life of the lease for Buffalo Manufacturing Works. In order to be in compliance with U.S. GAAP, rental agreements with escalating rent should recognize revenue on a straight-line basis over the life of the lease agreement. Management implement a process to assess all agreements entered into and ensure transactions are being recorded in compliance with U.S. GAAP.

Management Response:

Management has implemented procedures surrounding any new sublease agreements to determine the proper recording of rental revenue under U.S. GAAP. Further, management will recognize revenue on a straight-line basis for all subleases currently in effect.

Accrued Priority Return

During our review of the Company's restated and amended operating agreement, we noted the priority return related to the investor member should be accrued for on an annual basis. No such accrual was made. Management should evaluate and record the priority return payable as defined by the restated and amended operating agreement on a yearly basis.

Management Response:

Management has implemented procedures to ensure the recording of the accrued priority return as defined by the restated and amended operating agreement.

This communication is intended solely for the information and use of management, the managing member and is not intended to be, and should not be, used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

Buffalo, New York
March 13, 2020

Exhibit B - Significant Written Communications Between Management and Our Firm

Engagement Letter – previously furnished
Representation Letter – see attached

683 Northland Master Tenant, LLC

March 13, 2020

Freed Maxick CPAs, P.C.
900 Liberty Building
424 Main Street
Buffalo, NY 14202

This representation letter is provided in connection with your audits of the financial statements of 683 Northland Master Tenant, LLC (the Company), which comprise the balance sheets as of December 31, 2019 and 2018, the related statements of operations and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of the date of the auditor's report:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated February 6, 2020, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions, including those with other organizations for which the nature and significance of their relationship with the company are such that exclusion would cause the reporting of the company's financial statements to be misleading or incomplete, including accounts receivable and payable, sale and purchase transactions, leasing and shared-service arrangements, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of the U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. The following specific representation has been drafted for when accounting services (such as maintaining depreciation schedules, computing the provision for income taxes, drafting the financial statements, assessing the impact of new accounting standards) have been performed as part of the audit:

With respect to services performed in the course of the audit:

- a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
9. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statement.
10. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

11. We have provided you with:
- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of stockholders, directors and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of allegations of fraud or suspected fraud affecting 683 Northland Master Tenant, LLC's financial statements involving:
- a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company's financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.
16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
17. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.

18. We have disclosed to you the identity of the Company's related parties and all the related-party relationships and transactions of which we are aware.
19. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect 683 Northland Master Tenant, LLC's ability to record, process, summarize and report financial data.
20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
22. As of December 31, 2019 \$114,444 are due to 683 Northland, LLC, \$254,935 are due to Buffalo Urban Development Corporation, and \$36,953 is due from 683 WTC, LLC.

683 Northland Master Tenant, LLC



Mollie Profic, Treasurer
Buffalo Urban Development Corporation, as Agent

**AUDITED
FINANCIAL STATEMENTS**

**683 NORTHLAND MASTER TENANT, LLC
(A LIMITED LIABILITY COMPANY)**

DECEMBER 31, 2019

**683 NORTHLAND MASTER TENANT, LLC
(A LIMITED LIABILITY COMPANY)**

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INDEPENDENT AUDITOR'S REPORT

To the Members of
683 Northland Master Tenant, LLC
(A Limited Liability Company)

Report on the Financial Statements

We have audited the accompanying financial statements of 683 Northland Master Tenant, LLC (A Limited Liability Company) which comprise the balance sheets as of December 31, 2019 and 2018 and the related statements of operations and members' equity and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 683 Northland Master Tenant, LLC as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Freed Maxick CPAs, P.C.

Buffalo, New York
March 13, 2020

683 NORTHLAND MASTER TENANT, LLC
(A LIMITED LIABILITY COMPANY)

BALANCE SHEETS
December 31,

ASSETS	2019	2018
Current assets:		
Cash - operating	\$ 16,394	\$ 2,832
Tenant receivables	361,614	11,500
Prepaid insurance	18,501	57,277
Total current assets	396,509	71,609
Reserves:		
Operating reserve	335,383	-
Asset management fee reserve	50,057	-
Total reserves	385,440	-
Accrued rental income	45,995	-
Tenant security deposits	39,450	5,000
Equipment, net	7,481	-
Prepaid rent - Master Lease Agreement	16,924,540	12,803,365
Total assets	\$ 17,799,415	\$ 12,879,974
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 32,428	\$ 14,803
Deferred rent liability - sublessee	288,000	-
Due to related parties	372,362	167,471
Total current liabilities	692,790	182,274
Tenant security deposits	39,450	5,000
Deferred rent liability - Master Lease Agreement	2,471,223	626,481
Deferred rent liability - sublessee	6,996,396	7,508,327
Distribution payable - priority return	105,026	24,630
Total liabilities	10,304,885	8,346,712
Members' equity	7,494,530	4,533,262
Total liabilities and members' equity	\$ 17,799,415	\$ 12,879,974

See accompanying notes.

683 NORTHLAND MASTER TENANT, LLC
(A LIMITED LIABILITY COMPANY)

STATEMENTS OF OPERATIONS
For the Years Ended December 31,

	<u>2019</u>	<u>2018</u>
Revenues:		
Rental revenue	\$ 754,631	\$ -
Additional rental revenue	167,996	216,644
Other income	4,565	9
Total revenues	<u>927,192</u>	<u>216,653</u>
Expenses:		
Rent expense	1,879,742	626,581
Payroll	129,470	25,350
Insurance expense	120,670	31,555
Utilities expense	111,798	73,771
Property management fee	41,493	10,800
Professional fees	46,936	2,825
Real estate taxes	22,473	-
Repairs and maintenance	18,400	1,992
Asset management fee	10,000	10,000
Miscellaneous expense	8,851	281
Total expenses	<u>2,389,833</u>	<u>783,155</u>
Loss from operations	(1,462,641)	(566,502)
Other expenses:		
Depreciation expense	<u>(1,870)</u>	<u>-</u>
Net loss	\$ <u>(1,464,511)</u>	\$ <u>(566,502)</u>

See accompanying notes.

683 NORTHLAND MASTER TENANT, LLC
(A LIMITED LIABILITY COMPANY)

STATEMENTS OF CHANGES IN MEMBERS' EQUITY
For the Years Ended December 31,

	INVESTOR MEMBER	MANAGING MEMBER	TOTAL
Members' equity - January 1, 2018	\$ 1,642	\$ 198,360	\$ 200,002
Members' capital contributions	4,924,392	-	4,924,392
Distributions	(24,630)	-	(24,630)
Net loss	<u>(560,837)</u>	<u>(5,665)</u>	<u>(566,502)</u>
Members' equity - December 31, 2018	\$ 4,340,567	\$ 192,695	\$ 4,533,262
Members' capital contributions	4,536,758	-	4,536,758
Distributions	(110,979)	-	(110,979)
Net loss	<u>(1,368,271)</u>	<u>(13,821)</u>	<u>(1,464,511)</u>
Members' equity - December 31, 2019	<u>\$ 7,398,075</u>	<u>\$ 178,874</u>	<u>\$ 7,494,530</u>
Percentage interest	<u>99.00%</u>	<u>1.00%</u>	<u>100%</u>

See accompanying notes.

683 NORTHLAND MASTER TENANT, LLC
(A LIMITED LIABILITY COMPANY)

STATEMENTS OF CASH FLOWS
For the Year Ended December 31,

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Net loss	\$ (1,464,511)	\$ (566,502)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	1,870	-
Decrease (increase) in assets:		
Tenant receivables	(350,114)	(11,500)
Prepaid insurance	38,776	(57,277)
Accrued rental income	(45,995)	-
Prepaid rent - Master Lease Agreement	1,844,742	626,481
Increase (decrease) in liabilities:		
Security deposit liability	34,450	5,000
Accounts payable	17,625	14,803
Due to related parties	204,891	167,471
Deferred rent liability - sublessee	(223,931)	(170,644)
Net cash provided by operating activities	<u>57,803</u>	<u>7,832</u>
Cash flows from investing activities:		
Equipment purchases	(9,351)	-
Net cash used by investing activities	<u>(9,351)</u>	<u>-</u>
Cash flows from financing activities:		
Members' contributions	4,536,758	4,924,392
Distributions	(30,583)	-
Payments of prepaid rent under the Master Lease Agreement	(4,121,175)	(12,603,363)
Proceeds from prepaid rent under sublease agreement	-	7,678,971
Net cash provided by financing activities	<u>385,000</u>	<u>-</u>
Net increase in cash	433,452	7,832
Cash and restricted cash - beginning of year	\$ 7,832	\$ -
Cash and restricted cash - end of year	<u>\$ 441,284</u>	<u>\$ 7,832</u>
Non-cash financing transactions:		
Non-cash distribution recorded as distribution payable	\$ 105,026	\$ 24,630

The following table provides a reconciliation of cash and restricted cash to the amounts reported within the balance sheets:

	<u>2019</u>	<u>2018</u>
Cash - operating	\$ 16,394	\$ 2,832
Tenant security deposits	39,450	5,000
Operating reserve	335,383	-
Asset management fee reserve	50,057	-
	<u>\$ 441,284</u>	<u>\$ 7,832</u>

See accompanying notes.

**683 NORTHLAND MASTER TENANT, LLC
(A LIMITED LIABILITY COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION

683 Northland Master Tenant, LLC (the Company) is a limited liability company formed pursuant to the laws of the State of New York on September 7, 2017. 683 Northland LLC, a related entity, was formed to facilitate the ownership, rehabilitation and operation of a commercial and industrial facility located at 683 Northland Avenue, City of Buffalo, known as the Niagara Machine & Tool Works Factory (the Property). 683 Northland LLC serves as lessor to the Company. The relationship between lessor and lessee is governed by a Master Lease Agreement dated December 28, 2017. The major activities of the Company are governed by the Master Tenant Amended and Restated Operating Agreement.

The Property is located in a historic district on the National Register of Historic Places and will receive an allocation of federal and state historic rehabilitation tax credits under Section 47 of the Internal Revenue Code of 1986, as amended, and New York credit for Rehabilitation of Historic Properties under Section 606(00) of New York State tax law. The Property is being developed in two phases; Phase 1 received an allocation of rehabilitation tax credits during the year ended December 31, 2018; Phase 2 received allocations for the year ending December 31, 2019 and expects final completion of the building and receipt of tax credits during the year ending December 31, 2020.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash: The statement of cash flows considers amounts available for current operations to be cash and includes amounts restricted for repayment of tenant security deposits and reserves.

Concentration of Credit Risk: The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

During the year ended December 31, 2019, two tenants represented 100% of rental revenue and accounts receivable (2018 – one tenant).

Tenant Receivables: Tenant receivables consists of receivables from tenants for rent and other charges, if applicable, recorded according to the terms of their sublease agreements. Tenant receivables do not bear interest. The Company holds tenant security deposits as collateral for tenant receivables. On a periodic basis, the Company evaluates its tenant receivables and establishes an allowance for doubtful accounts. There was no allowance for doubtful accounts for the years ended December 31, 2019 and 2018.

Revenue Income: The Company recognizes revenue on the date rent becomes due in accordance with the leases. Rental payments received in advance are deferred until earned. All leases between parties are operating leases.

Income Taxes: No provision or benefit has been made for income taxes in the accompanying financial statements since taxable income or loss of the Company is passed through to the respective members for reporting passes through to, and is reportable by, the members individually.

Operating Lease: The Company is obligated under a Master Lease Agreement (the Agreement) (Note 6), with a related entity, through 2037. Minimum rent is recognized over the term of the lease using the straight-line method. In addition to minimum rents, the lease requires payments for utilities, insurance, maintenance costs, real estate taxes, and all other operating expenses. Minimum rent due under the Agreement consists of base rent and prepaid rent. As of December 31, 2019, the Company paid \$16,924,540 in prepaid rent (\$12,803,365 – 2018).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates: In preparing financial statements in accordance with U.S. GAAP, management makes estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

Recently Adopted Accounting Principles: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The new revenue recognition standard outlines a comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The standard must be applied retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company adopted this standard for the year ended December 31, 2019. Management evaluated the impact of this ASU and determined that there was not a significant impact on the financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230)*, *Restricted Cash*. The new restricted cash standard requires that amounts generally described as restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments are effective for fiscal years beginning after December 15, 2018. The standard must be applied retrospectively to each period presented. The Company has implemented the standard for the year ended December 31, 2019.

Recently Issued Accounting Pronouncement: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 820)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2020. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is currently evaluating the impact the adoption of this guidance will have on the financial statements.

Reclassification: Certain 2018 amounts have been reclassified to conform to 2019 presentation.

Subsequent Events: These financial statements have not been updated for subsequent events occurring after March 13, 2020, which is the date these financial statements were available to be issued.

NOTE 3. TENANT SECURITY DEPOSITS

Tenant security deposits are maintained separate bank account from operating funds. They are tracked by name of the tenant internally by the Company and are segregated on the related balance sheets.

NOTE 4. RESERVES

Asset Management Fee Reserve: The Company was required to establish a reserve to fund the payment of asset management fees in the amount of \$60,000 upon receipt of the third capital contribution from the investor member. As of December 31, 2019, the reserve amounted to \$50,057 (\$0 – 2018). The remaining required funding of the asset management fee reserve has been reduced by the investor member.

683 NORTHLAND MASTER TENANT, LLC
(A LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RESERVES (CONTINUED)

Operating Reserve: The Company was required to establish an operating reserve to fund any operating deficits as approved by the investor member. An initial contribution of \$335,000 was to be deposited into the operating reserve upon receipt of the third capital contribution from the investor member which occurred during the year ended December 31, 2019. Funds are required to be held in a segregated, interest bearing account with a federally insured financial institution. As of December 31, 2019, the reserve amounted to \$335,383.

Replacement Reserve: The Company is required to establish a replacement reserve to fund any replacement costs as approved by the investor member. The reserve is to be funded annually in the amount of \$48,000 (subject to a 3% increase per year) from net cash flow in accordance with the allocation of profits and losses (Note 8). Funds are required to be held in a segregated, interest bearing account with a federally insured financial institution. As of December 31, 2019 and 2018, there was no net cash flow available to fund the replacement reserve.

NOTE 5. CAPITAL CONTRIBUTIONS

The Company consists of two members; 683 WTC, LLC and NTCIC HTC Community Fund II, LLC (NTCIC). 683 WTC, LLC is the managing member and a 1% owner. NTCIC is the investor member and has a 99% membership interest.

The managing member is required to contribute capital of \$198,360 according to the terms of the amended and restated operating agreement. As of December 31, 2019 and 2018, the managing member has made all required contributions.

The investor member is required to contribute capital of \$19,905,141 based upon the completion of requirements by the Company as defined in the amended and restated operating agreement. As of December 31, 2019, the investor member made required contributions in the amount of \$9,462,792 (\$4,926,034 – 2018). Total remaining required capital contributions amounted to \$10,442,349 as of December 31, 2019 (\$14,979,107 – 2018).

NOTE 6. TRANSACTIONS WITH AFFILIATES

The Company has a Master Lease Agreement (the Agreement) with the lessor, a related entity, to pay rental expense commencing on August 26, 2018, the day prior to the first date on which Phase I of the building was placed in service for purposes of the historical tax credits through 2037. For the year ended December 31, 2019, the Company recognized \$1,879,742 in rental expense (\$626,581 – 2018). The lease agreement includes scheduled rent increases over the term of the lease, which in accordance with U.S. GAAP will be recognized on a straight-line bases over the term of the lease.

Future minimum rental payments to be paid under the Master Lease Agreement are contractually due as follows:

2020	\$ 2,076,624
2021	486,684
2022	484,486
2023	492,423
2024	528,046
Thereafter	<u>8,014,088</u>
	<u>\$ 12,082,351</u>

683 NORTHLAND MASTER TENANT, LLC
(A LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. TRANSACTIONS WITH AFFILIATES (CONTINUED)

Due to Related Parties: The Company owes certain operating expenses paid by related parties directly to a third party on behalf of the Company. These amounts are recorded as due to related parties on the accompanying balance sheets.

NOTE 7. COMMERCIAL RENTAL REVENUE

Northland Workforce Training Center: The Company entered into a sublease agreement with the Economic Development Group, Inc. d.b.a. Northland Workforce Training Center, (NWTC), commencing on September 1, 2018, and extending through August 31, 2033. The agreement calls for payment of prepaid rent and additional rent. Rental income from the sublease agreement is being recognized on a straight-line basis, in accordance with U.S. GAAP, over the term of the lease. Prepaid rent in the amount of \$7,678,971 was due and paid during the year ended December 31, 2018; \$511,931 of rental income related to the prepaid rent was recognized during the year ended December 31, 2019 (\$170,653 – 2018). Starting in 2019, the Company is required to estimate additional rental income on a monthly basis and provide NWTC with a statement of actual additional rent incurred within 90 days of year end. Additional rental income under the sublease amounted to \$11,500 per month during the year ended December 31, 2018. During the year ended December 31, 2019, \$123,179 in additional rental income was recognized (\$46,000 – 2018).

Additionally, the Company entered into a second sublease agreement during 2019 for an additional space related to the Northland Workforce Training Center commencing October 1, 2019 and extending through July 31, 2026. The agreement calls for payment of prepaid rent in the amount of \$288,000. As of December 31, 2019, the prepaid rent had not yet been received and the entire amount of rent recognized is captured in tenants receivable. For the year ended December 31, 2019, the Company recognized \$10,258 in rental income based on the second sublease agreement.

Buffalo Manufacturing Works: The Company entered into a sublease agreement with Edison Welding Institute Inc. d/b/a Buffalo Manufacturing Works, commencing on July 1, 2019, and extending through June 30, 2034. For the year ended December 31, 2019, the Company recognized \$237,700 in rental income based on this agreement. There was no rental income for this sublease agreement for the year ending December 31, 2018.

Manna Culinary Group: The Company entered into a sublease agreement with Manna Culinary Group, Inc. commencing on September 30, 2019, and extending through October 31, 2024. Under the sublease agreement, base rent payments begin March 1, 2020. For the years ended December 31, 2019 and 2018, there was no rental income recognized for this sublease agreement.

Sparkcharge: The Company entered into a sublease agreement with Sparkcharge, Inc. commencing on March 1, 2020, and extending through February 28, 2023. For the years ended December 31, 2019 and 2018, there was no rental income recognized for this sublease agreement.

The following is a schedule of minimum future rental revenue on noncancelable leases with an initial term greater than one year:

2020	\$ 433,797
2021	462,386
2022	480,255
2023	460,666
2024	438,004
Thereafter	<u>4,873,190</u>
Total	<u>\$ 7,148,297</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. ALLOCATION OF PROFITS AND LOSSES

In accordance with the amended and restated operating agreement, operating profits and losses and credits, other than those arising from a capital transaction, will be allocated in the ratio 1% to the managing member and 99% to the investor member. Profits and losses arising from a capital transaction will be allocated to the members in various amounts as described in the amended and restated operating agreement depending on if the amounts are profits or losses and if the members' capital account balances are negative or positive.

All net cash flow available for distribution shall be paid annually as follows:

- (i) To the investor member in the amount of any unpaid adjusters;
- (ii) To the investor member in the amount of any outstanding special tax distribution;
- (iii) The investor member in the amount of any outstanding priority return for the fiscal year plus any outstanding priority return for any prior fiscal year;
- (iv) To fund the replacement reserve;
- (v) To the repayment of any subordinated loans (and accrued interest thereon) and any operating deficient loans; and
- (vi) The balance to the members in accordance with their percentage interests.

Profits arising from a capital transaction will be distributed in the following order: first to each member, an amount equal to their negative capital account basis based on their proportionate share of the anticipated distribution; second, any remaining profits are distributed in accordance with the members' capital accounts.

Losses arising from a capital transaction will be allocated in the following order: first to each member, an amount equal to their positive capital account basis based on their proportionate share of the anticipated distribution; second, any remaining losses are distributed in accordance with the members' capital accounts.

For distributions other than cash flow and distributions prior to dissolution or termination of the Company, assets and proceeds will be distributed in the following order:

- (i) To the payment of all matured debts and liabilities of the Company and all expenses of the Company incident to any Capital Transaction), excluding (i) debts and liabilities of the Company to members or any affiliates, and (ii) all unpaid fees owing to any developer entity;
- (ii) To the setting up of any reserves which the liquidator (or the managing member if the distribution is not pursuant to the liquidation of the Company) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company;
- (iii) To the payment to the investor member of any unpaid credit recovery loans and interest thereon;
- (iv) To the investor member in the amount of any outstanding priority return;
- (v) To the payment of any unpaid special tax distribution plus an amount equal, on an after-tax basis, to the local, state and federal taxes projected (at the applicable tax rate) to be imposed on the members of the investor member as a result of the capital transaction;
- (vi) To the repayment of any unpaid debts and liabilities (including unpaid fees) owed to the members or any affiliates by the Company for Company obligations; and
- (vii) The balance to the members in accordance with their percentage interests.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. ALLOCATION OF PROFITS AND LOSSES (CONTINUED)

The amended and restated operating agreement requires the distribution of cash based upon the net cash flow calculation. Distributable cash flow is calculated annually as defined by the amended and restated operating agreement. Based upon the calculation, there is no net cash flow available to be distributed for the year ending December 31, 2019 and 2018. However, according to the amended and restated operating agreement, any priority return not distributed shall accrue and remain payable until net cash flow becomes available. Under the amended and restated operating agreement, the priority return is based upon 1.5% of the portion of capital contributions attributable to federal historic tax credits and is pro-rated for any periods less than a full year. As of December 31, 2019, \$105,026 was accrued as payable to the investor member for the priority return (\$24,630 – 2018). During the year ended December 31, 2019, the investor member was paid \$30,583 for the 2018 accrued priority return.

NOTE 9. OPERATING DEFICIT GUARANTY

In accordance with the amended and restated operating agreement, the managing member will provide funds to the Company so as to allow them to cover accrued accounts payable on a 60-day current basis. Any funds advanced shall be provided in the form of an operating deficit loan. An operating deficit loan shall be treated as a subordinated loan and shall bear no interest. As of December 31, 2019 and 2018, no funds were loaned to the Company from the managing member.

NOTE 10. PROPERTY MANAGEMENT

The Company entered into a property management agreement with Mancuso Management Inc. (Mancuso) in December 2017. Under the agreement, Mancuso is to provide leasing and property management services. Under the agreement, the monthly management fee is calculated at 5% of rents billed or \$2,700, whichever is higher. The original agreement extended through August 2018 and can be extended for up to two additional one-year terms. The current extension ends August 2020. For the year ended December 31, 2019, \$41,493 of property management fees were incurred and paid (\$10,800 – 2018).

NOTE 11. RECONCILIATION OF TAXABLE LOSS

The reconciliation of financial statement net loss to the taxable loss of the Company for the year ended December 31, is as follows:

	<u>2019</u>	<u>2018</u>
Financial statement net loss	\$ (1,464,511)	\$ (566,502)
Add (subtract) nondeductible items per tax return:		
Book to Tax depreciation	(7,481)	-
Section 467 income	413,479	469,258
Section 467 expense	91,157	(333,420)
Asset management fee/guaranteed payments	<u>10,000</u>	<u>10,000</u>
Taxable loss	\$ <u><u>(957,356)</u></u>	\$ <u><u>(420,664)</u></u>

The Company files income tax returns in the U.S. Federal jurisdiction and New York State.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. PAYMENT IN LIEU OF TAXES (PILOT)

The Company entered into a 7 year agreement (the Agreement), through December 31, 2026, with the Erie County Industrial Development Agency (ECIDA), on behalf of the City of Buffalo (the City), the City of Buffalo School District (the School District), and County of Erie (the County), whereby the Company pays an annual PILOT payment to the City, the County and the School District. The Company is exempt from taxes until the tax fiscal year beginning in 2019. Beginning in 2019, the Company shall pay a payment in lieu of taxes composed of a land component, an existing improvements component, and a variable component. The variable component will be impacted by application of an annual payment factor. The payment factor will be 10% for the first two years of the Agreement, 20% for the next two years of the Agreement, and 30% for the final three years of the Agreement. The Company paid taxes amounting to \$20,643 for the year ended December 31, 2019. There were no payments made for the year ended December 31, 2018.

BUFFALO URBAN DEVELOPMENT CORPORATION
REPORT TO THE BOARD OF DIRECTORS

DECEMBER 31, 2019

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XXXXXX, 2020

To the Members of the Board of Directors
Buffalo Urban Development Corporation
95 Perry Street, Suite 403
Buffalo, New York 14203

Members of the Board:

We are pleased to present this report related to our audits of the financial statements of Buffalo Urban Development Corporation (BUDC), as of and for the year ended December 31, 2019. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for BUDC's financial reporting process.

This report is intended solely for the information and use of BUDC and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to be of service to BUDC.

Very truly yours,

Freed Maxick CPAs, P.C.

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditors Communications with Those Charge with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States, have been described to you in our arrangement letter dated January 6, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices</p> <p>Under generally accepted principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by BUDC. BUDC did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current year.</p> <p>Significant or Unusual Transactions</p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management's Judgments and Accounting Estimates</p> <p>Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Significant Accounting Estimates."</p>
Basis of Accounting	The financial statements were prepared on assumption that the entity will continue as a going concern.

Required Communications (Continued)

Audit Adjustments	We are not aware of nor have we proposed any audit adjustments as a result of our audit.
Uncorrected Misstatement	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed with or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Significant Written Communication Between Management and Our Firm	A copy of the representation letter provided to us by management is attached as Exhibit A.

Buffalo Urban Development Corporation
Summary of Significant Accounting Estimates
Year Ended December 31, 2019

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in BUDC's December 31, 2019 financial statements:

Estimate	Accounting Policy	Management's Estimation Process	Basis of our conclusions on Reasonableness of Estimate
Depreciation of Property, Plant & Equipment	Management depreciates property, plant and equipment over the estimated lives of the assets.	Useful lives were assigned based on BUDC's useful life policy. Management was consistent in calculating depreciation based on the useful lives assigned to each asset.	The methods and lives used to estimate depreciation expense appears reasonable.

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Recently Issued Accounting Standards

The GASB has issued several statements not yet implemented by BUDC. BUDC's management has not yet determined the effect these Statements will have on BUDC's financial statements. However, BUDC plans to implement all standards by the required dates. The Statements which might impact BUDC are as follows:

Summary of GASB Statement No. 87, *Leases*

This Statement issued in June 2017 will be effective for BUDC with its fiscal year ending December 31, 2020. This Statement better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

Summary of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*

This Statement issued in June 2018 will be effective for BUDC beginning with its fiscal year ending December 31, 2020. The primary objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of GASB Statement No. 89 are effective for financial periods beginning after December 15, 2019. Earlier application is encouraged.

Summary of GASB Statement No. 91, *Conduit Debt Obligations*

This Statement issued in May 2019 will be effective for BUDC beginning with its fiscal year ending December 31, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

The requirements of GASB Statement No. 91 are effective for financial periods beginning after December 15, 2020. Earlier application is encouraged.

**EXHIBIT A – SIGNIFICANT WRITTEN COMMUNICATION
BETWEEN MANAGEMENT AND OUR FIRM**

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**AUDITED
CONSOLIDATED FINANCIAL STATEMENTS**

**BUFFALO URBAN DEVELOPMENT
CORPORATION**

DECEMBER 31, 2019

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BUFFALO URBAN DEVELOPMENT CORPORATION
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FINANCIAL SECTION

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BUFFALO URBAN DEVELOPMENT CORPORATION

Management's Discussion and Analysis

December 31, 2019

(UNAUDITED)

Buffalo Urban Development Corporation (BUDC) is a not-for-profit corporation whose mission is to support the urban economic development efforts of the region through acquisition, remediation and management of distressed properties, and to engage in related real estate development activities for the purpose of attracting and/or retaining new and existing businesses to the City of Buffalo, New York (the City) as part of the region. The mission of BUDC also includes supporting the revitalization of the City by serving as the lead management entity for Buffalo Building Reuse Project (BBRP) initiatives, working in collaboration with the Mayor's Office of Strategic Planning, including the coordination of financial assistance for downtown adaptive re-use projects and public right-of-way improvements.

For financial reporting purposes, BUDC is classified as a governmental entity that is required to comply with accounting standards issued by the Governmental Accounting Standards Board (GASB) because a majority of its governing body are officials of local governments or appointed by officials of local governments. Under GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, BUDC is required to present management's discussion and analysis (MD&A) to assist readers in understanding BUDC's financial performance.

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of BUDC for the years ended December 31, 2019, 2018 and 2017. We encourage readers to consider the information presented here in conjunction with BUDC's audited financial statements.

In 2017, BUDC's financial reporting entity expanded as a result of a tax credit transaction to bring historic tax credits (HTC) and new markets tax credit (NMTC) funding to the development project at 683 Northland Avenue (the Project), the location of the Northland Workforce Training Center (Workforce Training Center). The financial reporting entity consists of (a) BUDC (the primary entity), (b) 683 WTC, LLC (WTC), of which BUDC is the sole member, and (c) 683 Northland LLC (683 Northland), of which WTC holds a 95% equity interest. All significant intercompany balances and transactions between the three entities are eliminated in the consolidated financial statements. WTC is also the managing member of 683 Northland Master Tenant, LLC (Master Tenant) and holds a 1% equity interest.

Basic Overview of the Financial Statements

Included in this Annual Report are the following financial statements:

- 1) **Statements of Net Position** – This statement shows the reader what BUDC owns (assets and deferred outflows) and what BUDC owes (liabilities and deferred inflows). The difference between BUDC's assets, deferred outflows, liabilities and deferred inflows (net position) can be one way to measure BUDC's financial position. Over time, increases or decreases in BUDC's net position is one indicator of whether its financial health is improving or deteriorating.
- 2) **Statements of Revenues, Expenses, and Changes in Net Position** – This statement reports BUDC's operating and nonoperating revenues by major source along with operating expenses. The difference between total revenues and expenses can be one way to measure BUDC's operating results for the year.
- 3) **Statements of Cash Flows** – This statement reports BUDC's cash flows from operating, noncapital financing, capital and related financing, and investing activities.

Financial Highlights

- BUDC's net position increased by 47% from \$53,357,000 in 2018 to \$78,604,000 in 2019 primarily due to grant revenue recognized for capital outlays related to Phase II of the Project at 683 Northland Avenue.
- BUDC experienced an increase in net position of \$24,746,000 in 2019 compared to an increase of \$18,595,000 in 2018 due mainly to Developer Fees of \$11,887,000 recognized by BUDC for the completion of Phases I and II of the Project at 683 Northland Avenue. In addition, 683 Northland recognized \$2,873,000 of rental income and tenant reimbursement income.
- BUDC's total assets increased by \$11,874,000 primarily due to \$31,151,000 of capital asset additions, the majority of which related to the Project at 683 Northland Avenue. The increase in capital assets was coupled with decreases in cash (\$4,065,000) and restricted cash (\$16,645,000).
- BUDC's total liabilities decreased \$13,373,000 as a result of a \$9,582,000 decrease in unearned grant revenue, a \$6,208,000 decrease in accounts payable, a \$4,924,000 decrease in deferred developer fees, and a \$5,066,000 increase in loans payable.

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Condensed Comparative Financial Statements:

1. Statements of Net Position:

The following table (Table 1) presents condensed comparative financial information and was derived from the audited consolidated statements of net position of BUDC.

Table 1
Consolidated Statements of Net Position at December 31, 2019, 2018 and 2017
(Amounts in thousands)

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2017</u>
Assets:					
Cash	\$ 247	\$ 4,312	\$ (4,065)	-94%	\$ 11,094
Receivables	10,781	9,563	1,218	13%	14,262
Restricted cash	5,235	21,880	(16,645)	-76%	3,411
Other current assets	8,135	8,295	(160)	-2%	473
Loans receivable	10,791	10,416	375	4%	10,416
Equity investment	198	198	-	0%	198
Capital assets, net	110,458	67,644	42,814	63%	6,594
Construction in process	2,697	14,365	(11,668)	-81%	15,334
Land and improvements held for sale	4,087	4,082	5	0%	3,997
Total assets	\$ 152,629	\$ 140,755	\$ 11,874	8%	\$ 65,779
Liabilities:					
Current liabilities	\$ 15,333	\$ 31,124	\$ (15,791)	-51%	\$ 19,147
Long-term liabilities	58,692	56,274	2,418	4%	13,919
Total liabilities	74,025	87,398	(13,373)	-15%	33,066
Net position:					
Net investment in capital assets	73,261	47,176	26,085	55%	8,198
Restricted	4,934	4,989	(55)	-1%	5,254
Unrestricted	409	1,192	(783)	-66%	19,261
Total net position	\$ 78,604	\$ 53,357	\$ 25,247	47%	\$ 32,713
Total liabilities and net position	\$ 152,629	\$ 140,755	\$ 11,874	8%	\$ 65,779

Cash – Cash decreased \$4,065,000 due primarily to capital outlays related to the Workforce Training Center and other development in the Northland Corridor.

Receivables – Receivables include grant and other receivables owed as a result of BUDC's development projects. The \$1,218,000 increase is primarily due to \$11,200,000 of grants awarded to BUDC during 2019, compared to \$10,000,000 of grant receipts during the year.

Restricted cash – Restricted cash includes amounts held by the Erie County Industrial Development Agency (ECIDA) on behalf of BUDC related to the Buffalo Brownfields Redevelopment Fund and the Regionally Significant Project Fund. Also included in restricted cash are amounts received from ESD held in segregated imprest accounts, which may be drawn down upon approval from ESD. The decrease of \$16,645,000 is mainly due to amounts released from these imprest accounts during the year.

Other current assets – Other current assets include prepaid expenses, developer fees receivable (BUDC) and interest receivable.

Loans receivable – Loans receivable increased \$375,000 in 2019, as one loan was funded as part of the Buffalo Building Reuse Project loan program.

Capital assets, net – Capital assets net of accumulated depreciation increased \$42,814,000 primarily due to the capitalization of portions of Phase II of the Project at 683 Northland Avenue.

Construction in process – Construction in process decreased \$11,668,000 in 2019 due to the capitalization of portions of Phase II of the Project at 683 Northland Avenue.

Land and improvements held for sale – Land and improvements held for sale represents property held at BLCF and 308 Crowley Avenue, and has been reduced to its net realizable value; estimated by management to be the fair value of the property when sold.

Current liabilities – The \$15,791,000 decrease in current liabilities was primarily due to recognition of \$9,582,000 of grant revenue to BUDC for Northland Corridor redevelopment and the Ralph C. Wilson, Jr. Centennial Park project, coupled with a \$6,208,000 decrease in accounts payable.

Long-term liabilities – Long-term liabilities increased \$2,418,000 due to increases in loans payable of \$5,066,000 and the deferred rent liability of \$2,276,000, along with a decrease in deferred developer fees (\$4,924,000).

2. Change in Net Position:

The following table (Table 2) presents condensed comparative financial information and was derived from BUDC's audited statements of revenues, expenses, and changes in net position.

Table 2
Change in Net Position for the Years ended December 31, 2019, 2018 and 2017
(Amounts in thousands)

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2017</u>
Revenue:					
Grants	\$ 20,800	\$ 26,253	\$ (5,453)	-21%	\$ 16,896
PILOT agreements	299	447	(148)	-33%	501
Loan interest and commitment fees	150	138	12	9%	126
Rental and other revenue	14,842	645	14,197	2201%	75
Total revenue	36,091	27,483	8,608	31%	17,598
Expenses:					
Development costs	\$ 2,580	\$ 594	\$ 1,986	334%	\$ 558
Adjustment to net realizable value	576	2,727	(2,151)	-79%	1,013
Salaries and benefits	509	437	72	16%	444
General and administrative	3,094	3,550	(456)	-13%	193
Management fee	134	115	19	17%	53
Depreciation	3,224	1,044	2,180	209%	5
Total expenses	10,117	8,467	1,650	19%	2,266
Operating income (loss)	25,974	19,016	6,958	37%	15,332
Interest income	19	13	6	46%	14
Interest expense	(1,172)	(359)	(813)	226%	-
Amortization expense	(75)	(75)	-	0%	-
In-kind revenue	-	-	-	0%	730
Change in net position	\$ 24,746	\$ 18,595	\$ 6,151	33%	\$ 16,076

3. Revenue and Expense Analysis:

Grants – Grant income includes income from ESD, NYPA and National Grid for projects along the Northland Corridor, from the Ralph C. Wilson, Jr. Foundation for work related to Ralph C. Wilson, Jr. Centennial Park, as well as from ECIDA for the BBRP. Grant income is recognized as the related grant expenses are incurred. In 2019, \$18,792,000 of grant revenue was recognized for Northland Corridor projects, \$1,900,000 for Centennial Park and \$100,000 for BBRP. The decrease of \$5,453,000 from 2018 reflects the usage of larger grants related to 683 Northland Avenue.

Rental and other revenue – Other revenue includes developer fees, rental income and other income. The increase of \$14,197,000 from 2018 was due to \$11,900,000 of developer fee revenue recognized by BUDC in 2019 related to Phases I and II of the Project at 683 Northland Avenue, along with \$2,946,000 of rental income.

Development costs – Development costs include those costs related to various BUDC projects but excludes certain BLCP and Northland development costs that are reflected in “adjustment to net realizable value” as discussed below. The increase of \$1,986,000 is the result of further development on the Northland properties.

Adjustment to net realizable value – The adjustment to net realizable value represents certain Northland and BLCP capitalized development costs. These costs are added to the book value of capital assets and land and improvements held for sale; however an offsetting adjustment is recorded to reduce the net book value to equal the estimated net realizable value of each property.

Salaries and benefits – Salaries and benefits increased by \$72,000 or 16% due to the hiring of a new Northland Project Manager in 2019, along with annual salary increases.

General and administrative – General and administrative costs decreased \$456,000 from \$3,550,000 in 2018 to \$3,094,000 in 2019. The main reason for this decrease was a grant from BUDC to Buffalo Brownfield Restoration Corporation (BBRC) of around \$2,000,000 in 2018. In addition, 683 Northland recognized general and administrative expenses of \$1,468,000.

Management fee – The management fee represents costs charged for certain ECIDA staff that spend a portion of their time performing financial, compliance, administrative and property management services on behalf of BUDC under a shared services agreement along with asset management fees charged to 683 Northland by NMTC and HTIC investors.

Depreciation – Depreciation expense increased \$2,180,000 from \$1,044,000 in 2018 to \$3,224,000 in 2019. The majority of depreciation expense (\$3,209,000) was related to the building and improvements at 683 Northland Avenue.

Interest expense – Interest expense relates mainly to loans payable by 683 Northland. The \$813,000 increase in interest expense from 2018 to 2019 reflects full utilization of construction bridge financing.

In-kind revenue – BUDC recognized \$730,000 of in-kind revenue in 2017 related to the cost of demolition at 537 East Delevan Avenue, that was funded by the City. No in-kind revenue was recognized in 2018 or 2019.

4. Budget Analysis:

Each year, BUDC prepares an operating budget and three-year forecast. BUDC's 2019 budget was presented and approved by the Board of Directors on October 30, 2018. The following table (Table 3) presents an analysis of BUDC's performance compared to the approved 2019 budget.

Table 3
Budget to Actual Analysis for the year ended December 31, 2019
(Amounts in thousands)

	<u>Actual</u>	<u>Original Budget</u>	<u>Actual to Budget</u>	
			<u>\$ Change</u>	<u>% Change</u>
Revenue:				
Grants	\$ 20,800	\$ 28,573	\$ (7,773)	-27%
PILOT agreements	299	419	(120)	-29%
Loan interest and commitment fees	150	49	101	206%
Other	14,842	5,559	9,283	167%
Total revenue	36,091	34,600	23,263	67%
Expenses:				
Development costs	\$ 2,580	\$ 471	\$ 2,109	448%
Adjustment to net realizable value	576	-	576	100%
Salaries and benefits	509	541	(32)	-6%
General and administrative	3,094	500	2,594	519%
Management fee	134	60	74	123%
Depreciation	3,224	4,931	(1,707)	-35%
Total expenses	10,117	6,503	3,614	56%
Operating income (loss)	25,974	28,097	(2,123)	-8%
Interest income	19	5	14	280%
Interest expense	(1,172)	(365)	(807)	221%
Amortization expense	(75)	-	(75)	100%
Change in net position	\$ 24,746	\$ 27,737	\$ (2,991)	-11%

Note: The original 2019 budget was not amended; therefore, only one budget column is presented.

Budget to Actual Analysis:

Overall, BUDC's change in net position trailed the budget by \$2,123,000. Grant revenue was \$7,773,000 below budget due to lower than anticipated recognition of ESD and NYPA grant revenue related to the Project at 683 Northland Avenue. Other revenue exceeded budget by \$9,283,000 due to recognition of developer fees for Phases I and II of the Project at 683 Northland Avenue. Development costs of \$2,580,000 were over budget by \$2,109,000. \$31,146,000 of costs incurred for Phase II of the Project were capitalized during 2019. General and administrative expenses of \$3,094,000 exceeded budget by \$2,594,000. 683

Northland recognized \$1,468,000 of non-capitalized costs related to work on the Project, and BUDC saw an increase due to the amortization of prepaid rent for the Workforce Training Center operator at 683 Northland Avenue.

5. Economic Factors Impacting BUDC:

BUDC has limited sources of operating funds that can support its ongoing operating costs. As a result, BUDC is reliant upon future land sales occurring at its BLCP business park and future revenues at the Northland Corridor redevelopment site to support operations.

6. Requests for Information:

This financial report is designed to provide a general overview of BUDC's finances. Questions concerning any of the financial information provided in this report should be addressed to the Treasurer of BUDC at (716) 856-6525. General information relating to BUDC can be found at its website www.buffalourbandevelopment.com.

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BUFFALO URBAN DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENTS OF NET POSITION
DECEMBER 31,

ASSETS	2019	2018
Current assets:		
Cash	\$ 246,940	\$ 4,312,129
Grants receivable	10,780,646	9,562,865
Restricted cash	5,234,585	21,880,344
Other current assets	8,135,225	8,293,592
Total current assets	<u>24,397,396</u>	<u>44,048,930</u>
Noncurrent assets:		
Loans receivable, net	10,791,400	10,416,400
Equity investment	198,360	198,360
Capital assets, net	110,457,922	67,644,301
Construction in process	2,697,320	14,365,384
Land and improvements held for sale, net	4,086,967	4,081,967
Total noncurrent assets	<u>128,231,969</u>	<u>96,706,412</u>
Total assets	<u>\$ 152,629,365</u>	<u>\$ 140,755,342</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 4,589,840	\$ 10,798,000
Unearned revenue	10,743,729	20,325,583
Total current liabilities	<u>15,333,569</u>	<u>31,123,583</u>
Noncurrent liabilities:		
Deferred rent liability	14,453,317	12,176,884
Deferred developer fees	-	4,924,392
Loans payable	43,981,202	38,915,462
Note payable	257,381	257,381
Total noncurrent liabilities	<u>58,691,900</u>	<u>56,274,119</u>
NET POSITION		
Net investment in capital assets (net of debt)	73,261,007	47,176,190
Restricted	4,933,990	4,989,392
Unrestricted	408,899	1,192,058
Total net position	<u>78,603,896</u>	<u>53,357,640</u>
Total liabilities and net position	<u>\$ 152,629,365</u>	<u>\$ 140,755,342</u>

See accompanying notes.

BUFFALO URBAN DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31,

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Grant revenue	\$ 20,799,635	\$ 26,252,678
Brownfield funds	298,920	446,764
Loan interest and commitment fees	149,707	137,914
Rental and other revenue	14,842,621	645,238
Total operating revenues	<u>36,090,883</u>	<u>27,482,594</u>
Operating expenses:		
Development costs	2,579,959	593,863
Adjustment to net realizable value	575,816	2,726,938
Salaries and benefits	509,655	437,323
General and administrative	3,093,725	3,550,172
Management fee	133,855	114,722
Depreciation	3,224,019	1,043,861
Total operating expenses	<u>10,117,029</u>	<u>8,466,879</u>
Operating income	25,973,854	19,015,715
Nonoperating revenues (expenses):		
Interest income	19,278	12,733
Amortization expense	(74,872)	(74,872)
Interest expense	(1,172,004)	(358,923)
Total nonoperating revenues (expenses)	<u>(1,227,598)</u>	<u>(421,062)</u>
Change in net position	24,746,256	18,594,653
Net position - beginning of year	53,357,640	32,713,692
Add: capital contributions	500,000	2,049,295
Net position - end of year	<u>\$ 78,603,896</u>	<u>\$ 53,357,640</u>

See accompanying notes.

**BUFFALO URBAN DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Amounts received from Brownfields funds	\$ 301,725	\$ 550,686
Grants received	9,998,000	35,942,268
Receipts from loans and commitment fees	149,707	137,914
Disbursements of loans	(375,000)	-
Rental and other revenue	16,734,453	4,890,245
Payments to employees, suppliers, and other	(6,020,050)	(6,674,368)
Net cash provided by operating activities	<u>20,788,835</u>	<u>34,846,745</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(45,915,225)	(50,232,126)
Proceeds from loans	5,065,740	25,453,754
Capital contributions	500,000	2,049,294
Net cash used by capital and related financing activities	<u>(40,349,485)</u>	<u>(22,729,078)</u>
Cash flows from investing activities:		
Change in restricted cash	16,645,759	(18,469,513)
Interest earned	19,278	12,733
Interest paid	(1,169,576)	(443,073)
Net cash provided (used) by investing activities	<u>15,495,461</u>	<u>(18,899,853)</u>
Net decrease in cash and cash equivalents	(4,065,189)	(6,782,186)
Cash and cash equivalents - beginning of year	<u>4,312,129</u>	<u>11,094,315</u>
Cash and cash equivalents - end of year	<u>\$ 246,940</u>	<u>\$ 4,312,129</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 25,973,854	\$ 19,015,715
Adjustment to reconcile income from operations to net cash provided by operating activities:		
Depreciation expense	3,224,019	1,043,861
Decrease (increase) in grants receivable	(1,217,781)	4,698,939
Decrease (increase) in other current assets	85,869	(45,130)
Increase in loans receivable	(375,000)	-
Increase in accounts payable and accrued expenses	403,295	844,798
Increase (decrease) in unearned revenue	(9,581,854)	4,990,651
Increase in deferred rent liability	2,276,433	4,297,911
Net cash provided by operating activities	<u>\$ 20,788,835</u>	<u>\$ 34,846,745</u>
Non-cash transactions:		
Capital asset purchases not yet disbursed	\$ 2,882,573	\$ 7,681,476
Grants received but not yet earned	10,743,729	20,325,583

See accompanying notes.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Buffalo Urban Development Corporation (BUDC) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the BUDC's accounting policies are described below.

A. REPORTING ENTITY

The Buffalo Urban Development Corporation (BUDC) was incorporated to facilitate partnership with the private sector in the development of the City of Buffalo (the City). Funding was initially received from the City, however the City has not allocated direct funding to BUDC for several years and future allocations are not expected. Funding is received primarily from land sales, grant funding, and loan repayments. In 2005, an agreement between BUDC, Erie County Industrial Development Agency (ECIDA), the City, and Erie County (the County) established the Buffalo Brownfields Redevelopment Fund (the Fund). The Fund dedicates certain payments received in lieu of real estate taxes (PILOT) for future eligible project costs. The fund is administered by ECIDA and reimburses BUDC for eligible project costs incurred. The activity of the Fund is included in these financial statements.

The financial reporting entity consists of (a) the primary entity which is BUDC, (b) 683 WTC, LLC, (WTC) of which BUDC is the sole member, and (c) 683 Northland LLC, (Northland) in which 683 WTC, LLC has a 95% equity interest.

In accordance with accounting standards, BUDC is not considered a component unit of another entity.

B. BASIS OF PRESENTATION

Revenues from grants, Brownfields fund, rental payments and interest on loans are reported as operating revenues. All expenses related to operating BUDC are reported as operating expenses. Certain other transactions are reported as nonoperating activities including BUDC's interest income from deposits.

When both restricted and unrestricted resources are available for use, it is BUDC's policy to use restricted resources first, then unrestricted resources as they are needed.

C. CONSOLIDATED FINANCIAL STATEMENT PRESENTATION

The consolidated financial statements include the accounts of BUDC, WTC, and Northland. All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements. These consolidated financial statements have been prepared in conformity with GAAP.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

BUDC is considered a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of BUDC are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred; regardless of when the cash transaction takes place.

Nonexchange transactions, in which BUDC gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenue from grants is recognized in the year in which all eligibility requirements have been satisfied.

E. CASH AND RESTRICTED CASH

BUDC's cash consists of cash on hand and demand deposits. Certain assets are classified on the balance sheet as restricted because their use is limited.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

F. LOANS RECEIVABLE

Loans receivable are presented net of an allowance for uncollectible accounts. BUDC maintains an allowance for estimated uncollectible accounts which is based on an analysis of the loan portfolio and reflects an amount that, in management's judgment, is adequate to provide for potential loan losses. Loans are written off when, in management's judgment, no legal recourse is available to collect the amount owed.

Interest on loans receivable is accrued as required by the terms of the agreement; management considers that collection is probable based on the current economic condition of the borrower. Accrual of interest ceases when management adjusts a loan reserve to 50% or more of the loan's outstanding balance.

G. PREPAID EXPENSES

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. These amounts are included in other current assets and amounted to \$7,280,781 and \$7,920,241 for December 31, 2019 and 2018, respectively.

H. CAPITAL ASSETS

Capital assets are recorded at acquisition cost and depreciated over the estimated useful lives of the respective assets using the straight-line method. The cost of repairs, maintenance and minor replacements are expensed as incurred, whereas expenditures that materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in income. Contributed capital assets are recorded at fair value at the date received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the BUDC are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Furniture and equipment	\$1,000	Straight-line	3-10 years
Buildings and improvements	\$1,000	Straight-line	5-40 years

I. INSURANCE

BUDC is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks has not yet exceeded commercial insurance coverage for the past three years.

J. NET POSITION

Equity is classified as net position and displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and related debt.
- b. *Restricted* - Consists of net positions with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Included in this classification are the Buffalo Brownfields Redevelopment Fund and a loan fund.
- c. *Unrestricted* - The net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by BUDC.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

K. INCOME TAXES

BUDC is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and the income realized will not be subject to New York State corporate franchise tax.

L. STATEMENT OF CASH FLOWS

For the purposes of the statement of cash flows, BUDC considers all cash, other than restricted cash, which includes cash and demand accounts.

M. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

N. ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended December 31, 2019, BUDC has evaluated the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 84, *Fiduciary Activities*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, and Statement No. 90, *Majority Equity Interests-an Amendment of GASB Statements No. 14 and 61*, which became effective for the fiscal year ended December 31, 2019, and determined that they have no significant impact on BUDC's financial statements.

The following are GASB Statements that have been issued recently and are currently being evaluated, by BUDC, for their potential impact in future years.

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2020.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending December 31, 2020.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2021.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2021.

O. RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform with current year presentation.

NOTE 2. CASH AND INVESTMENTS

BUDC's investment policies are governed by State statutes. In addition, the BUDC has its own written investment policy. BUDC monies must be deposited in Federal Deposit Insurance Corporation (FDIC)-insured commercial banks or trust companies located within the State. BUDC is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the United States Treasury and its agencies, repurchase agreements and obligations of the State and its localities.

Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State and its municipalities and school districts and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

As of December 31, 2019 and 2018, BUDC's aggregate bank deposits were considered fully collateralized.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Investment and Deposit Policy

BUDC follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of BUDC's Treasurer.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. BUDC's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

BUDC's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. BUDC's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with BUDC's investment and deposit policy, all deposits of BUDC including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Corporation (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. BUDC restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by the State of New York and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

NOTE 3. LOANS RECEIVABLE

BUDC has an agreement with New York Business Development Corporation to provide loans to facilitate the development and adaptive reuse of vacant or underutilized buildings in certain designated areas. The loan agreement provides for \$9,000,000 in total funding from five participating lending banks, with interest rates determined by the banks. The balance of the loans outstanding were \$1,125,000 and \$750,000 at December 31, 2019 and 2018, respectively. Interest payments are due monthly and principal is due at maturity.

In 2017, BUDC made a loan in the amount of \$9,666,400 to Northland NMTC Investment Fund, LLC (NMTC). Interest accrues at the rate of one percent per annum (1%) and is due quarterly. Interest only payments from the date of first advance, which was December 28, 2017 through December 31, 2024 are payable quarterly. Principal and interest shall be paid commencing December 31, 2024 through December 31, 2042. NMTC pledges its entire interest in BACDE NMTC Fund 16, LLC and NTCIC-Northland, LLC. The following is a summary of the loans receivable. BUDC's policy is to present loans receivable net of an allowance for uncollectible loans. Management has determined that no allowance for these loans was necessary in 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Total loans receivable	\$ <u>10,791,400</u>	\$ <u>10,416,400</u>

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital asset activity for the BUDC for the year ended December 31, 2019 was as follows:

	Balance 01/01/19	Increases	Decreases	Balance 12/31/19
Non-depreciable capital assets				
Land	\$ 815,503	\$ 29,439	\$ -	\$ 844,942
Construction work in progress	14,365,384	33,981,754	45,649,818	2,697,320
Idle buildings and improvements	3,135,116	2,375,650	-	5,510,766
Total non-depreciable capital assets	18,316,003	36,386,843	45,649,818	9,053,028
Depreciable capital assets:				
Buildings and improvements	59,177,505	41,540,801	-	100,718,306
Furniture and equipment	5,578,724	2,091,750	4,042	7,666,432
Less: accumulated depreciation	1,062,547	3,224,019	4,042	4,282,524
Total depreciable assets, net	63,693,682	40,408,532	-	104,102,214
Total capital assets, net	\$ 82,009,685	\$ 76,795,375	\$ 45,649,818	\$ 113,155,242

Capital asset activity for the BUDC for the year ended December 31, 2018 was as follows:

	Balance 01/01/18	Increases	Decreases	Balance 12/31/18
Non-depreciable capital assets				
Land	\$ 515,623	\$ 299,880	\$ -	\$ 815,503
Construction work in progress	15,334,049	14,365,384	15,334,049	14,365,384
Idle buildings and improvements	6,073,927	857,176	3,795,987	3,135,116
Total non-depreciable capital assets	21,923,599	15,522,440	19,130,036	18,316,003
Depreciable capital assets:				
Buildings and improvements	-	59,177,505	-	59,177,505
Furniture and equipment	23,569	5,555,155	-	5,578,724
Less: accumulated depreciation	18,688	1,043,859	-	1,062,547
Total depreciable assets, net	4,881	63,688,801	-	63,693,682
Total capital assets, net	\$ 21,928,480	\$ 79,211,241	\$ 19,130,036	\$ 82,009,685

Land, buildings, and improvements related to the Northland Corridor amounted to \$9,053,028 and \$18,316,003 at December 31, 2019 and 2018. BUDC intends to return these properties to productive use, assist with revitalizing the surrounding neighborhood, and provide employment opportunities for nearby residents by creating a new manufacturing hub on the City's east side. Once completed, BUDC expects to lease the property to local businesses, government agencies, and nonprofit organizations.

Due to the extensive amount of revitalization, pollution remediation (Note 14), and other related activities, the anticipated costs of certain Northland properties exceed the expected fair value of the properties based on current estimates. Adjustments to net realizable value total \$575,816 and \$2,699,549 for the years ended December 31, 2019 and 2018, respectively.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5. LAND HELD FOR DEVELOPMENT AND SALE

In 2002, on behalf of the City, BUDC agreed to undertake a multi-phase Brownfield reclamation and redevelopment project at the former Hanna Furnace site and land surrounding the Union Ship Canal, now known as Buffalo Lakeside Commerce Park (BLCP). BUDC accepted 104 acres of tax foreclosed property from the City, demolished derelict structures, and constructed approximately 5,000 linear feet of roads and infrastructure. Funding for this work was provided by the State, the City, and the County. With additional funding from the State, BUDC purchased 130 acres of land to add to the BLCP and constructed additional roads and infrastructure. Between 2004 and 2008 there were multiple BLCP parcels sold to local businesses.

In 2018, BUDC purchased approximately 7 acres of property at 308 Crowley Street in the City of Buffalo for the purpose of remediation and redevelopment. The property includes a derelict building which will undergo select demolition.

Land and improvements held for sale are recorded at net realizable value based on assessment of the fair value of each project as follows:

	<u>2019</u>	<u>2018</u>
BLCP	\$ 9,167,122	\$ 9,085,843
308 Crowley	90,299	85,299
Less adjustment to net realizable value (BLCP)	<u>5,170,454</u>	<u>5,089,175</u>
Total land held for development and sale	<u>\$ 4,086,967</u>	<u>\$ 4,081,967</u>

NOTE 6. GRANTS RECEIVABLE AND UNEARNED REVENUE

In 2014, BUDC was awarded a grant amounting to \$6,700,000 from Empire State Development (ESD) for the acquisition, planning, environmental review, and site review of properties defined as the Northland Corridor Redevelopment Project (Project).

In 2016, BUDC was awarded a \$10,300,000 grant from ESD for the demolition, remediation, renovation, construction, and site/street improvements for various Northland properties and Western New York Workforce Training Center project (Training Center). In 2018, BUDC was awarded \$31,000,000 from ESD for further construction and site improvements. In 2019, BUDC was awarded \$4,167,781 in grants from various sources for further construction and site improvements.

In 2017, BUDC was awarded a \$3,200,000 grant from the City's Community Development Block Grant funds for the Project and Training Center. In addition BUDC was awarded a \$1,912,028 grant from ESD for the Project. In 2018, BUDC also was awarded grants in the amount of \$550,000 from National Grid for the Project in the prior year.

In 2019, BUDC was awarded two grants from the Ralph C. Wilson, Jr. Foundation totaling \$6,700,000 for project coordination and advancing the transformation of Ralph C. Wilson, Jr. Centennial Park into a world-class park and recreational amenity for the City and the Western New York Region.

The following is a summary of grants receivable and unearned grant revenue:

	<u>2019</u>	<u>2018</u>
Grants receivable:		
ESD	\$ 6,212,914	\$ 8,964,365
National Grid	500,000	550,000
Ralph C Wilson Jr. Foundation	3,850,000	-
National Fuel	48,500	48,500
NYSERDA	119,232	-
Other	50,000	-
	<u>\$ 10,780,646</u>	<u>\$ 9,562,865</u>

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unearned revenue:

ESD	\$ 4,359,368	\$ 17,166,064
National Grid	250,000	550,000
Ralph C Wilson Jr. Foundation	4,792,800	-
NYPA	1,200,236	2,511,019
National Fuel	-	98,500
NYSERDA	119,232	-
Other	22,093	-
	<u>\$ 10,743,729</u>	<u>\$ 20,325,583</u>

NOTE 7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following is a summary of accounts payable and accrued expenses:

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 4,425,757	\$ 8,838,277
Accrued payroll	57,368	50,556
Accrued interest	93,715	88,913
Accrued developer fee	-	1,817,354
Other accrued expenses	13,000	2,900
	<u>\$ 4,589,840</u>	<u>\$ 10,798,000</u>

NOTE 8. DEFERRED RENT LIABILITY

Northland has a Master Lease Agreement (the Agreement) with the master tenant member to receive rental income commencing August 26, 2018, the day prior to the first date on which Phase I of the Building was placed in service for purposes of the historical tax credits, through the year ended December 31, 2037. Northland recognized \$1,879,742 and \$626,581 in rental revenue related to the Agreement for the years ended December 31, 2019 and 2018, respectively. The lease agreement includes scheduled rent increases over the term of the lease, which in accordance with U.S. GAAP, will be recognized on a straight-line basis over the term of the lease. Northland will reduce the deferred rent liability by \$1,879,742 over each of the next 5 years and through the remainder of the life of the lease agreement.

Future minimum rental receipts to be received under the Master Lease Agreement are contractually due as follows as of December 31, 2019:

2020	\$ 2,076,624
2021	486,684
2022	484,486
2023	492,423
2024	528,046
Thereafter	8,014,088
	<u>\$ 12,082,351</u>

NOTE 9. NOTE PAYABLE

In connection with the purchase of property related to BLCP, BUDC issued a non-interest bearing note payable in an amount equal to the greater of \$525,000 (\$13,125 per acre) or a percentage of the resale price of the developed property. At December 31, 2019 and 2018, the note payable amounted to \$257,381, which represents the remaining 19.61 acres of land at \$13,125 per acre. No payments are required until any portion of the property is sold.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10. LOANS AND NOTE PAYABLE

Mortgage Payable

During 2017, Northland borrowed amounts totaling \$13,730,000 related to the Northland Corridor project from BACDE NMTC Fund 16, LLC and NTCIC-NORTHLAND, LLC. BUDC is a guarantor on the loan agreement. Interest accrues at the rate of 1.33776% and is due quarterly. The loans are collateralized by the building. Interest only payments from the date of agreement, December 28, 2017 through December 31, 2024 are payable quarterly. Principal and interest are due quarterly, commencing December 31, 2024, until the maturity date of December 28, 2052. Under the mortgage agreements, Northland shall pay BACDE NMTC Fund 16, LLC an annual asset management fee of \$45,000 through 2025 and NTCIC-NORTHLAND, LLC an annual asset management fee of \$10,000 through 2026. There was no amount outstanding as of December 31, 2019 and 2018.

Bridge Loan

Northland entered into two bridge loan agreements with KeyBank on December 28, 2017, in the amounts of \$20,000,000 (Loan A) and \$10,000,000 (Loan B). BUDC, WTC and BBRC Land Company I, LLC are guarantors on the loan agreement. The loan is collateralized by security interest in all assets of WTC, BBRC Land Company I, LLC and Northland, assignment of rents by Northland, and assignment of construction contracts and architect's agreements. These bridge loan agreements mature on June 30, 2021. The balance outstanding totaled \$30,000,000 and \$25,378,882 at December 31, 2019 and 2018, respectively. Interest on Loan A is calculated at the prime rate (as established by KeyBank), and interest on Loan B is calculated at the prime rate (as established by KeyBank) plus .25% per annum (3.31% and 4.31%, respectively, at December 31, 2019). Accrued interest amounted to \$93,715 and \$88,913 at December 31, 2019 and 2018, respectively.

Term Note

BUDC entered into a term note agreement with M&T Bank on February 28, 2019 totaling \$369,750 for the purchase of the land and building at 714 Northland. This note is interest-bearing only until maturity in March 2024.

The above debt is summarized by funding source below as follows at December 31:

	<u>2019</u>	<u>2018</u>
KeyBank	\$ 30,000,000	\$ 25,378,882
BACDE NMTC Fund 16, LLC	8,730,000	8,730,000
NTCIC-NORTHLAND, LLC	5,000,000	5,000,000
M&T Bank	369,750	-
	<u>44,099,750</u>	<u>39,108,882</u>
Less: debt issuance costs	118,548	193,420
	<u>\$ 43,981,202</u>	<u>\$ 38,915,462</u>

Current maturities of long term debt are as follows for the years ended December 31:

	<u>Gross</u>	<u>Deferred Financing</u>	<u>Net</u>
2020	\$ -	\$ 74,872	\$ (74,872)
2021	30,000,000	43,676	29,956,324
2022	-	-	-
2023	-	-	-
2024	469,938	-	469,938
Thereafter	13,629,812	-	13,629,812
	<u>\$ 44,099,750</u>	<u>\$ 118,548</u>	<u>\$ 43,981,202</u>

Interest expense for the year ending December 31, 2019 and 2018 was \$1,172,004 and \$358,923, respectively. Capitalized interest amounted to \$419,079 and \$399,628 for the year ending December 31, 2019 and 2018, respectively and is properly included in the building.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. EQUITY INVESTMENT

Equity investment represents WTC's 1% investment in 683 Northland Master Tenant, LLC (Master Tenant). WTC utilizes the historical cost method of accounting for its investment in the Master Tenant which results in the equity investment balance being comprised of WTC's original capital contribution in the Master Tenant.

NOTE 12. RESTRICTED NET POSITION

BUDC's restricted net position consists of amounts related to the Buffalo Brownfields Redevelopment Fund in the amount of \$1,689,662 and \$1,798,106 at December 31, 2019 and 2018, respectively and a loan fund in the amount of \$3,244,328 and \$3,191,286 at December 31, 2019 and 2018, respectively.

NOTE 13. NOTES RECEIVABLE WTC

BUDC and WTC have note agreements in the amount of \$25,045,279 and \$23,750,000 whereby BUDC will advance proceeds to WTC as requested. The notes carry an interest rate of one percent (1%), compounded annually and the note is for a period of thirty years. The balance of the notes plus accrued interest is due upon maturity date at December 28, 2047. The total outstanding balance on these notes was \$45,538,272 and \$20,446,535 at December 31, 2019 and 2018, respectively. Accrued interest on the loan amounted to \$481,009 and \$136,521 at December 31, 2019 and 2018, respectively.

NOTE 14. POLLUTION REMEDIATION

Various pollution remediation activities will be necessary at Northland during development. Based on preliminary environmental studies and design plans, management believes clean-up activities will amount to \$4,575,000. The current estimate includes 87% of the total Northland acreage acquired and the remaining sections are expected to be demolished or consist of parking lots that will require limited clean-up. Management expects the entire cost of the remediation to be reimbursed by State grants; therefore no pollution remediation liability has been accrued in these financial statements.

NOTE 15. SUBSEQUENT EVENTS

These financial statements have not been updated for subsequent events occurring after XXXX XX, 2020 which is the date these financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

DRAFT

BUFFALO URBAN DEVELOPMENT CORPORATION
CONSOLIDATING STATEMENTS OF NET POSITION
DECEMBER 31, 2019

	Buffalo Urban Development Corporation	683 WTC LLC	683 Northland LLC	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 147,459	\$ -	\$ 99,481	\$ -	\$ 246,940
Grants receivable	10,780,646	-	-	-	10,780,646
Restricted cash	4,351,257	-	883,328	-	5,234,585
Other current assets	12,630,089	1,500	489,644	(1) (4,986,008)	8,135,225
Total current assets	27,909,451	1,500	1,472,453	(4,986,008)	24,397,396
Noncurrent assets:					
Loans receivable	56,329,672	-	-	(1) (45,538,272)	10,791,400
Equity investment	-	45,532,272	-	(1) (45,333,912)	198,360
Capital assets, net	6,493,875	-	103,964,047	-	110,457,922
Construction in process	-	-	2,697,320	-	2,697,320
Land and improvements held for sale, net	4,086,967	-	-	-	4,086,967
Total noncurrent assets	66,910,514	45,532,272	106,661,367	(90,872,184)	128,231,969
Total assets	\$ 94,819,965	\$ 45,533,772	\$ 108,133,820	\$ (95,858,192)	\$ 152,629,365
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	\$ 1,244,935	\$ 481,009	\$ 7,849,905	(1) \$ (4,986,009)	\$ 4,589,840
Unearned grant revenue	10,743,729	-	-	-	10,743,729
Total liabilities	11,988,664	481,009	7,849,905	(4,986,009)	15,333,569
Noncurrent liabilities:					
Deferred rent liability	-	-	14,453,317	(1) -	14,453,317
Loans payable	369,750	45,538,272	43,611,452	(1) (45,538,272)	43,981,202
Note payable	257,381	-	-	-	257,381
Total noncurrent liabilities	627,131	45,538,272	58,064,769	(45,538,272)	58,691,900
NET POSITION (DEFICIT)					
Net investment in capital assets	10,211,092	-	63,049,915	-	73,261,007
Restricted	4,933,990	-	-	-	4,933,990
Unrestricted (deficit)	67,059,088	(485,509)	(20,830,769)	(1) (45,333,911)	408,899
Total net position (deficit)	82,204,170	(485,509)	42,219,146	(45,333,911)	78,603,896
Total liabilities and net position	\$ 94,819,965	\$ 45,533,772	\$ 108,133,820	\$ (95,858,192)	\$ 152,629,365

(1) This represents activities between the entities to be eliminated for the consolidated financial statements.

BUFFALO URBAN DEVELOPMENT CORPORATION
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

	Buffalo Urban Development Corporation	683 WTC LLC	683 Northland LLC	Eliminations	Total
Operating revenues:					
Grant revenue	\$ 20,799,635	\$ -	\$ -	\$ -	\$ 20,799,635
Brownfield funds	298,920	-	-	-	298,920
Loan interest and commitment fees	494,195	-	-	(1) (344,488)	149,707
Rental and other revenue	11,969,451	-	2,873,170	-	14,842,621
Total operating revenue	33,562,201	-	2,873,170	(344,488)	36,090,883
Operating expenses:					
Development costs	2,212,848	-	367,111	-	2,579,959
Adjustment to net realizable value	575,816	-	-	-	575,816
Salaries and benefits	509,655	-	-	-	509,655
General and administrative	1,622,766	3,000	1,467,959	-	3,093,725
Management fee	78,855	-	55,000	-	133,855
Depreciation	15,526	-	3,208,493	-	3,224,019
Total operating expenses	5,015,466	3,000	5,098,563	-	10,117,029
Operating income (loss)	28,546,735	(3,000)	(2,225,393)	(1) (344,488)	25,973,854
Nonoperating revenues (expenses):					
Interest income	16,495	-	2,783	-	19,278
Amortization expense	-	-	(74,872)	-	(74,872)
Interest expense	(15,499)	(344,488)	(1,156,505)	(1) 344,488	(1,172,004)
Total nonoperating revenues (expenses)	996	(344,488)	(1,228,594)	344,488	(1,227,598)
Change in net position	28,547,731	(347,488)	(3,453,987)	-	24,746,256
Net position - beginning of year	53,656,439	(138,021)	20,085,898	(1) (20,246,676)	53,357,639
Add: capital contributions	-	-	25,587,235	(1) (25,087,235)	500,000
Net position - end of year	\$ 82,204,170	\$ (485,509)	\$ 42,219,146	\$ (45,333,911)	\$ 78,603,896

(1) This represents activities between the entities to be eliminated for the consolidated financial statements.

REPORT TO THE MANAGING MEMBER

**683 NORTHLAND LLC
(A LIMITED LIABILITY COMPANY)**

DECEMBER 31, 2019



March 18, 2020

To the Managing Member of
683 Northland LLC
(A Limited Liability Company)
95 Perry Street, Suite 404
Buffalo, New York 14203

Dear Managing Member:

We are pleased to present this report related to our audit of the financial statements of 683 Northland LLC (the Company) as of and for the year ended December 31, 2019. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for 683 Northland LLC's financial reporting process.

This report is intended solely for the information and use of the Managing Member and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to 683 Northland LLC.

Freed Maxick CPAs, P.C.

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated February 6, 2020. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication dated February 6, 2020 regarding the planned scope and timing of our audit and identified significant risks.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices</p> <p>Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Company. Following is a description of significant accounting policies or their application that were either initially selected or changed during the year:</p> <ul style="list-style-type: none">• In 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The new revenue recognition standard outlines a comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The standard must be applied retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company adopted this standard for the year ended December 31, 2019. Management evaluated the impact of this ASU and determined that there was not a significant impact on the financial statements.• In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230), Restricted Cash. The new restricted cash standard requires that amounts generally described as restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments are effective for fiscal years beginning after December 15, 2018. The standard must be applied retrospectively to each period presented. The Company has implemented the standard for the year ended December 31, 2019.

Area	Comments
Accounting Policies and Practices (Continued)	<ul style="list-style-type: none"> In 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expenses recognition in the income statements. The new standard is effective for fiscal years beginning after December 15, 2020.
Significant or Unusual Transactions	
We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.	
Management's Judgments and Accounting Estimates	
Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the accounting estimates reflected in the Company's December 31, 2019 financial statements:	
<ul style="list-style-type: none"> Estimated useful life of property in service Recoverability of long-lived assets 	
Above estimates made by management are deemed reasonable for the year ending December 31, 2019.	
Basis of Accounting	The financial statements were prepared on the assumption that the Company will continue as a going concern.
Audit Adjustments	Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by 683 Northland LLC are shown in the attached "Summary of Recorded Audit Adjustments."
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.

Area	Comments
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Letter Communicating Material Weaknesses and Other Control Deficiencies in Internal Control Over Financial Reporting	We have separately communicated the material weaknesses and other control deficiencies in internal control over financial reporting identified during our audit of the financial statements, and this communication is attached as Exhibit A.
Significant Written Communications Between Management and Our Firm	Copies of significant written communications between our firm and the management of the Company, including the representation letter to be provided to us by management, are attached as Exhibit B.

683 Northland, LLC

Year End: December 31, 2019

Summary of Recorded Audit Adjustments

Number	Date	Name	Account No	Debit	Credit
1	12/31/2019	Due from Master Tenant	1200.000	24,993	
1	12/31/2019	CIP - Furniture (Ineligible)	1919.000		75,557
1	12/31/2019	CIP - Equipment (Ineligible)	1917.000		978,521
1	12/31/2019	CIP - Legal Services (Ineligible)	1921.000		20,845
1	12/31/2019	CIP - Management Fee (Ineligible)	1929.000		55,000
1	12/31/2019	QLICI Asset Mgmt Fee	9130.000	55,000	
1	12/31/2019	CIP - General Development (Eligible)	1934.000		65,912
1	12/31/2019	Other Professional Expenses	6105.000	65,912	
1	12/31/2019	CIP - Servicing Fee (Ineligible)	1939.000		20,609
1	12/31/2019	Loan Servicing Fee	6126.000	22,109	
1	12/31/2019	Insurance Expense	6125.000	2,983	
1	12/31/2019	CIP - Insurance (Ineligible)	1937.000		2,983
1	12/31/2019	Interest Expense	6124.000	138,674	
1	12/31/2019	ECIDA Fees	6123.000	72,290	
1	12/31/2019	CIP - Finance Charges (Ineligible)	1941.000		212,464
1	12/31/2019	CIP - Miscellaneous (Ineligible)	1945.000		4,149
1	12/31/2019	Tax & Audit Expense - Ineligible	6113.000	51,550	
1	12/31/2019	CIP - Tax & Audit Expense - Ineligible	1925.000		51,550
1	12/31/2019	Furnitures, Fixtures & Equipment	1911.000	1,054,079	
1	12/31/2019	Building Improvements	1914.000	460,926	
1	12/31/2019	CIP - General Development (Eligible)	1934.000		460,926

To properly adjust various expenses and Master
Tenant activity out of construction in progress.

2	12/31/2019	Depreciation	7000.000	718,205	
2	12/31/2019	Accumulated Depreciation	1950.000		718,205

To properly adjust current year depreciation
expense to actual.

3	12/31/2019	CIP - Finance Charges (Eligible)	1940.000	93,715	
3	12/31/2019	Accrued Interest	2501.000		93,715

To properly accrue for December interest included on construction
in progress schedule not recorded on the trial balance.

Exhibit A - Letter Communicating Material Weaknesses and Other Control Deficiencies in Internal Control Over Financial Reporting

To Managing Member and Management
683 Northland LLC
Buffalo, NY

In planning and performing our audit of the financial statements of 683 Northland LLC (the Company) as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Therefore, material weaknesses may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in the Company's internal control to be a material weakness:

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Certain deficiencies in internal control that have been previously communicated to you, in writing, by us or by others within your organization are not repeated herein.

We consider the following deficiency in the Company's internal control to be a material weakness:

Improper Recording of Fixed Assets

During our review of fixed assets, we noted several items incorrectly captured in construction in progress. Fixed assets related to Phase I should be capitalized upon placement into service and begin depreciating. Further, there were several expenses captured in construction in progress that should not have been capitalized. Management should implement a process of reviewing the nature of the expense incurred prior to capitalizing into construction in progress in order to ensure these items are properly recorded.

These practices can lead to inaccurate account balances which impact the balance sheets and statements of operations.

Management Response:

Management has implemented a process to review expenditures for proprietary of capitalization or expenditure under U.S. GAAP prior to the recording of the transaction.

Following are descriptions of other identified deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses:

Landlord and Master Tenant Transactions

Throughout our audit, we noted several transactions that were not recorded on the proper entity. The master lease agreement (MLA) governs the Landlord and Master Tenant structure and specifies what entity records certain transactions. Under the MLA, all operating expenses including insurance, legal, repairs and maintenance and utilities are to be recorded on the Master Tenant entity. Management should implement a process to assess the MLA and ensure activity is reflected on the books and records of the proper entity.

Management Response:

Management has implemented policies and procedures to review and analyze the Master Lease Agreement to ensure transactions are recorded on the proper entity moving forward.

This communication is intended solely for the information and use of management, the managing member and is not intended to be, and should not be, used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

Buffalo, New York
March 13, 2020

Exhibit B - Significant Written Communications Between Management and Our Firm

Engagement Letter – previously furnished
Representation Letter – see attached

683 Northland LLC

March 13, 2020

Freed Maxick CPAs, P.C.
424 Main Street, Suite 900
Buffalo, New York 14202

This representation letter is provided in connection with your audit of the financial statements of 683 Northland LLC (the Company), which comprise the balance sheets as of December 31, 2019 and 2018, the related statements of operations and changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of the date of the auditor's report:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated February 6, 2020, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions, including those with other organizations for which the nature and significance of their relationship with the company are such that exclusion would cause the reporting of the company's financial statements to be misleading or incomplete, including accounts receivable and payable, sale and purchase transactions, leasing and shared-service arrangements, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of the U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. The following specific representation has been drafted for when accounting services (such as maintaining depreciation schedules, computing the provision for income taxes, drafting the financial statements, assessing the impact of new accounting standards) have been performed as part of the audit:

With respect to services performed in the course of the audit:

- a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
9. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statement.
10. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

11. We have provided you with:
- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of stockholders, directors and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of allegations of fraud or suspected fraud affecting [Client Name]'s financial statements involving:
- a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company's financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.
16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.

17. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the Company's related parties and all the related-party relationships and transactions of which we are aware.
19. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect 683 Northland LLC's ability to record, process, summarize and report financial data.
20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
22. As of December 31, 2019, \$114,444 in receivables are due from 683 Northland Master Tenant, LLC.

683 Northland LLC



Mollie Profic, CFO
Buffalo Urban Development Corporation, as Agent

**AUDITED
FINANCIAL STATEMENTS**

**683 NORTHLAND LLC
(A LIMITED LIABILITY COMPANY)**

DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of
683 Northland LLC
(A Limited Liability Company)

Report on the Financial Statements

We have audited the accompanying financial statements of 683 Northland LLC (A Limited Liability Company) which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations and members' equity and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 683 Northland LLC as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Freed Maxick CPAs, P.C.

Buffalo, New York
March 13, 2020

**683 NORTHLAND LLC
(A LIMITED LIABILITY COMPANY)**

**BALANCE SHEETS
December 31,**

ASSETS	2019	2018
Current assets:		
Cash	\$ 99,481	\$ 736,137
Due from related party	114,444	112,971
Accounts receivable	317,229	-
Prepaid insurance	57,971	154,546
Total current assets	<u>589,125</u>	<u>1,003,654</u>
Restricted cash	883,328	2,233,187
Land, property and equipment, net	<u>106,661,367</u>	<u>78,352,653</u>
Total assets	\$ <u>108,133,820</u>	\$ <u>81,589,494</u>
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,251,190	\$ 8,504,983
Accrued interest	93,715	88,913
Developer fee payable	4,505,000	1,817,354
Total current liabilities	<u>7,849,905</u>	<u>10,411,250</u>
Deferred rent liability - Master Lease Agreement	14,453,317	12,176,884
Long term debt, net	<u>43,611,452</u>	<u>38,915,462</u>
Total liabilities	65,914,674	61,503,596
Members' equity	<u>42,219,146</u>	<u>20,085,898</u>
Total liabilities and members' equity	\$ <u>108,133,820</u>	\$ <u>81,589,494</u>

See accompanying notes.

**683 NORTHLAND LLC
(A LIMITED LIABILITY COMPANY)**

**STATEMENTS OF OPERATIONS
For the Years Ended December 31,**

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Rental revenue	\$ 1,879,742	\$ 626,581
Tenant reimbursements	961,723	-
Other	31,705	-
Total operating revenues	<u>2,873,170</u>	<u>626,581</u>
Operating expenses:		
Moving equipment expense	682,564	-
Professional fees	552,880	946,833
Construction expense	367,111	-
Insurance	204,332	69,740
Asset management fees	55,000	55,000
Miscellaneous	27,596	32,451
Repairs and maintenance	587	49,978
Supplies	-	215,432
Total operating expenses	<u>1,890,070</u>	<u>1,369,434</u>
Operating gain (loss)	983,100	(742,853)
Other (expense) income:		
Interest income	2,783	4,023
Depreciation	(3,208,493)	(1,037,620)
Interest expense	(1,231,377)	(433,795)
Total other expense	<u>(4,437,087)</u>	<u>(1,467,392)</u>
Net loss	<u>\$ (3,453,987)</u>	<u>\$ (2,210,245)</u>

See accompanying notes.

683 NORTHLAND LLC
(A LIMITED LIABILITY COMPANY)

STATEMENTS OF CHANGES IN MEMBERS' EQUITY
For the Years Ended December 31,

	<u>MEMBER</u>	<u>MANAGING MEMBER</u>	<u>TOTAL</u>
Members' equity - January 1, 2018	\$ 9	\$ 10,249,057	\$ 10,249,066
Members' capital contributions	2,049,294	9,997,783	12,047,077
Net income	<u>(110,512)</u>	<u>(2,099,733)</u>	<u>(2,210,245)</u>
Members' equity - December 31, 2018	1,938,791	18,147,107	20,085,898
Members' capital contributions	500,000	25,087,235	25,587,235
Net loss	<u>(172,699)</u>	<u>(3,281,288)</u>	<u>(3,453,987)</u>
Members' equity - December 31, 2019	<u>\$ 2,266,091</u>	<u>\$ 39,953,055</u>	<u>\$ 42,219,146</u>
Percentage interest	<u>5.00%</u>	<u>95.00%</u>	<u>100%</u>

See accompanying notes.

683 NORTHLAND LLC
(A LIMITED LIABILITY COMPANY)

STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2019	2018
Cash flows from operating activities:		
Net loss	\$ (3,453,987)	\$ (2,210,245)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	3,208,493	1,037,620
Amortization	74,872	74,872
Decrease (increase) in assets:		
Prepaid insurance	96,575	8,581
Due from related party	(1,473)	(112,971)
Accounts receivable	(317,229)	-
Increase (decrease) in liabilities:		
Accounts payable	(8,395,018)	(3,444,773)
Accrued interest	4,802	-
Deferred rent liability - Master Lease Agreement	(1,844,742)	(626,481)
Net cash used by operating activities	(10,627,707)	(5,273,397)
Cash flows from investing activities:		
Acquisition and construction of capital assets	(23,155,750)	(48,826,542)
Net cash used by investing activities	(23,155,750)	(48,826,542)
Cash flows from financing activities:		
Payments of prepaid rent under the Master Lease Agreement	4,121,175	12,603,363
Members' contributions	25,512,003	11,016,352
Repayment of developer fee	(2,457,354)	-
Proceeds from long term debt	4,621,118	25,378,882
Net cash provided by financing activities	31,796,942	48,998,597
Net decrease in cash and restricted cash	(1,986,515)	(5,101,342)
Cash and restricted cash - beginning of year	2,969,324	8,070,666
Cash and restricted cash - end of year	\$ 982,809	\$ 2,969,324
Supplemental disclosure of cash flow information:		
Noncash transactions:		
Capital asset purchases in accounts payable	\$ 3,141,225	\$ 8,503,246
Accrued interest in construction in progress	\$ -	\$ 88,913
Developer fee payable capitalized	\$ 5,145,000	\$ 1,817,354
Members' capital contributions - capital assets	\$ 75,232	\$ 1,030,725
Cash paid for interest	\$ 1,226,575	\$ -

The following table provides a reconciliation of cash and restricted cash to the amounts reported within the balance sheets:

	2019	2018
Operating cash	\$ 99,481	\$ 736,137
Restricted cash	883,328	2,233,187
Total cash and restricted cash	\$ 982,809	\$ 2,969,324

See accompanying notes.

**683 NORTHLAND LLC
(A LIMITED LIABILITY COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION

683 Northland LLC (the Company) is a limited liability company formed pursuant to the laws of the State of New York on December 13, 2016. The Company was formed to facilitate the ownership, rehabilitation and operation of a commercial and industrial facility located at 683 Northland Avenue, City of Buffalo, known as the Niagara Machine & Tool Works Factory (the Building). The Company serves as lessor to 683 Northland Master Tenant, LLC, a related entity. The relationship between lessor and lessee is governed by a Master Lease Agreement dated December 28, 2017.

The Building is listed on the National Register of Historic Places and will receive an allocation of federal and state historic rehabilitation tax credits under Section 47 of the Internal Revenue Code of 1986, as amended, and New York credit for Rehabilitation of Historic Properties under Section 606(00) of New York State tax law. The Building is being developed in two phases; Phase 1 received an allocation of rehabilitation tax credits in during the year ended December 31, 2018; Phase 2 received allocations in the year ending December 31, 2019 and expects final completion of the building and receipt of tax credits during the year ended December 31, 2020.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash: The statement of cash flows considers amounts available for current operations to be cash and includes amounts for restricted reserves.

Concentration of Credit Risk: The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

During the years ended December 31, 2019 and 2018, one tenant represented 100% of rental revenue.

Accounts Receivable: Accounts receivable are comprised of billed and uncollected amounts due for reimbursements related to leasehold improvements, furniture, fixtures and equipment. On a periodic basis, the Company evaluates its accounts receivable and will establish an allowance for doubtful accounts if necessary. There was no allowance for the years ended December 31, 2019 and 2018.

Revenue Income: The Company recognizes revenue on the date rent becomes due in accordance with the Master Lease Agreement. Rental payments received in advance are deferred until earned. The Master Lease Agreement is an operating lease.

Capitalization Policy: During the construction phase of the Project, certain disbursements are capitalized rather than charged to expense. These costs generally include architects and appraisal fees; legal and accounting fees; and construction period insurance, interest, utilities, and taxes.

Land, Property and Equipment: Land, property and equipment are carried at cost which includes all direct costs of acquisition and construction as well as indirect costs including interest incurred during the rehabilitation period. Renewals and betterments that materially extend the life of the assets are capitalized. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided for using the straight-line method based on the following useful lives:

Building	39 years
Land improvements	15 years
Leasehold improvements	15 years
Building improvements	10 years
Furniture, fixtures, and equipment	7 years
Equipment	5 years

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company reviews its land, property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of land, property and equipment to the future net undiscounted cash flow expected to be generated by the land, property and equipment and any estimated proceeds from the eventual disposition of the land, property and equipment. If the land, property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the land, property and equipment exceeds the fair value of such land, property and equipment. There were no impairment losses recognized for the years ended December 31, 2019 and 2018.

Debt Issuance Costs: Amortization of debt issuance costs for long term debt for the year ended December 31, 2019 and 2018 amounted to \$74,872 and are included in interest expense. Total unamortized debt issuance costs as of December 31, 2019 amounted to \$118,548 (\$193,420 – 2018)

Income Taxes: No provision or benefit has been made for income taxes in the accompanying financial statements since taxable income or loss of the Company passed through to the respective members for reporting passes through to, and is reportable by, the members individually.

Use of Estimates: In preparing financial statements in accordance with U.S. GAAP, management makes estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

Start-up Costs: As Phase 1 of the Project was placed into service during the year ended December 31, 2018, there were a number of start-up costs incurred and expensed related to this phase. These expenses include supplies expense and professional fees including organizational costs, legal and ECIDA fees. These expenses are included in operating expenses on the accompanying statements of operations.

Recently Adopted Accounting Principles: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The new revenue recognition standard outlines a comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The standard must be applied retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company adopted this standard for the year ended December 31, 2019. Management evaluated the impact of this ASU and determined that there was not a significant impact on the financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230)*, Restricted Cash. The new restricted cash standard requires that amounts generally described as restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments are effective for fiscal years beginning after December 15, 2018. The standard must be applied retrospectively to each period presented. The Company has implemented the standard for the year ended December 31, 2019.

Recently Issued Accounting Pronouncement: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 820)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2020. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is currently evaluating the impact the adoption of this guidance will have on the financial statements.

**683 NORTHLAND LLC
(A LIMITED LIABILITY COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification: Certain 2018 amounts have been reclassified to conform to 2019 presentation.

Subsequent Event: These financial statements have not been updated for subsequent events occurring after March 13, 2020, which is the date these financial statements were available to be issued.

NOTE 3. LAND, PROPERTY AND EQUIPMENT

Land, property and equipment consists of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Land	\$ 589,272	\$ 589,272
Buildings and improvements	99,736,560	58,888,113
Furniture, fixtures and equipment	7,619,162	5,548,732
Leasehold improvements	265,166	-
Construction in process	<u>2,697,320</u>	<u>14,364,156</u>
	110,907,480	79,390,273
Less: Accumulated depreciation	<u>(4,246,113)</u>	<u>(1,037,620)</u>
	<u>\$ 106,661,367</u>	<u>\$ 78,352,653</u>

Depreciation expense for the year ended December 31, 2019 amounted to \$3,208,493 (\$1,037,620 – 2018).

NOTE 4. CAPITAL CONTRIBUTIONS AND ALLOCATION OF PROFITS AND LOSSES

The Company consists of two members; 683 WTC, LLC and BBRC Land Company I, LLC. 683 WTC, LLC is the managing member and a 95% owner. BBRC Land Company I, LLC has a 5% membership interest.

The managing member was required to contribute capital of \$95 according to the terms of the operating agreement. The managing member contributed an additional \$25,087,235 during the year ended December 31, 2019 (\$9,997,783 – 2018). During the year ended December 31, 2019 there were \$75,232 of capital assets contributed to the Company (\$1,030,725 – 2018).

The member interest is required to contribute capital of \$5. The member interest contributed a total of \$500,000 during the year ended December 31, 2019 (\$2,049,294 – 2018)

The terms of the amended and restated operating agreement of the Company, effective as of December 28, 2017, provides for, among other things, that profits and losses be allocated to each member in accordance with the ratio of the value of the respective capital account to the value of all capital accounts in the aggregate.

NOTE 5. TRANSACTIONS WITH AFFILIATES

The Company has a Master Lease Agreement (the Agreement) with the master tenant member to receive rental income commencing August 26, 2018, the day prior to the first date on which Phase I of the Building was placed in service for purposes of the historical tax credits, through the year ended December 31, 2037. For the year ended December 31, 2019, the Company recognized \$1,879,742 in rental revenue related to the Agreement (\$626,581 - 2018). The lease agreement includes scheduled rent increases over the term of the lease, which in accordance with U.S. GAAP, will be recognized on a straight-line basis over the term of the lease. The Company will reduce the deferred rent liability by \$1,879,742 over each of the next 5 years and through the remainder of the life of the lease agreement.

**683 NORTHLAND LLC
(A LIMITED LIABILITY COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. TRANSACTIONS WITH AFFILIATES (CONTINUED)

Future minimum rental receipts to be received under the Master Lease Agreement are contractually due as follows as of December 31, 2019:

2020	\$ 2,076,624
2021	486,684
2022	484,486
2023	492,423
2024	528,046
Thereafter	<u>8,014,088</u>
	<u>\$ 12,082,351</u>

Developer's Fee - Related Party: The Company has an agreement with Buffalo Urban Development Corporation (the "Developer") regarding the developer fee amounting to \$11,886,746. A portion of the developer fee equal to \$6,741,746 was earned upon construction completion of Phase I of the Project during the year ended December 31, 2018. The balance of \$5,145,000 was earned upon construction completion of Phase II of the Project during the year ended December 31, 2019. As of December 31, 2019, the developer fee payable amounted to \$4,505,000 (\$1,817,354 - 2018). The Company expects to pay the remaining balance due on the Phase II developer fee during 2020 and therefore has classified as a current liability in the accompanying balance sheets.

Due from Related Parties: The Company has paid certain operating expenses directly to third parties on behalf of 683 Northland Master Tenant, LLC. The outstanding amount for the year ending December 31, 2019 is \$114,444 (\$112,971 - 2018).

NOTE 6. LONG TERM DEBT

Mortgage Payable: During 2017, the Company borrowed amounts totaling \$13,730,000 related to the Northland Corridor project from BACDE NMTC Fund 16, LLC and NTCIC-NORTHLAND, LLC. Buffalo Urban Development Corporation, a related party, is a guarantor on the loan agreement. Interest accrues at the rate of 1.33776% and is due quarterly. The loans are collateralized by the building. Interest only payments from the date of the agreement, December 28, 2017 through December 31, 2024 are payable quarterly. Principal and interest are due quarterly, commencing December 31, 2024, until the maturity date of December 28, 2052. Under the loan agreements, the Company shall pay BACDE NMTC Fund 16, LLC an annual asset management fee of \$45,000 through 2025 and NTCIC-NORTHLAND, LLC an annual asset management fee of \$10,000 through 2026. Asset management fees amounted to \$55,000 for year ending December 31, 2019 and 2018.

Bridge Loans: The Company entered into two bridge loan agreements with KeyBank on December 28, 2017, in the amounts of \$20,000,000 (Loan A) and \$10,000,000 (Loan B). Buffalo Urban Development Corporation, 683 WTC, LLC, and BBRC Land Company I, LLC, related parties, are guarantors on these loan agreements. The loans are collateralized by security interest in all assets of 683 WTC, LLC, BBRC Land Company I, LLC and 683 Northland LLC, assignment of rents by the Company, and assignment of construction contracts and architect's agreements. These bridge loan agreements mature on June 30, 2021. The balance outstanding at December 31, 2019 totaled \$30,000,000 (\$25,378,882 - 2018). Interest on Loan A is calculated at the prime rate (as established by KeyBank), and interest on Loan B is calculated at the prime rate (as established by KeyBank) plus .25% per annum (3.31% and 4.31%, respectively, at December 31, 2019). Accrued interest amounted to \$93,715 as December 31, 2019 (\$88,913 - 2018).

**683 NORTHLAND LLC
(A LIMITED LIABILITY COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG TERM DEBT (CONTINUED)

The above long-term debt is summarized by funding source below as follows at December 31:

	<u>2019</u>	<u>2018</u>
KeyBank	\$ 30,000,000	\$ 25,378,882
BACDE NMTC Fund 16, LLC	8,730,000	8,730,000
NTCIC-NORTHLAND, LLC	<u>5,000,000</u>	<u>5,000,000</u>
	\$ 43,730,000	\$ 39,108,882
Less: debt issuance costs	<u>118,548</u>	<u>193,420</u>
	<u>\$ 43,611,452</u>	<u>\$ 38,915,462</u>

Current maturities of long-term debt are as follows for the years ending December 31, 2019:

	<u>Gross</u>	<u>Debt Issuance Costs</u>	<u>Net</u>
2020	\$ -	\$ 74,872	\$ (74,872)
2021	30,000,000	43,676	29,956,324
2022	-	-	-
2023	-	-	-
2024	100,188	-	100,188
Thereafter	<u>13,629,812</u>	<u>-</u>	<u>13,629,812</u>
	<u>\$ 43,730,000</u>	<u>\$ 118,548</u>	<u>\$ 43,611,452</u>

Interest expense for the year ending December 31, 2019 was \$1,156,505 (\$358,923 – 2018). Capitalized interest related to Phase II amounted to \$419,079 for the year ending December 31, 2019 and is properly included in the building (\$399,628 – 2018).

NOTE 7. RESTRICTED CASH AND FUNDED RESERVES

The Company was required to establish interest reserve accounts for the KeyBank bridge loans and asset management fees in connection with the loans due to BACDE NMTC Fund 16, LLC and NTCIC-NORTHLAND, LLC. The interest and asset management fees incurred in connection to these loans are paid from these reserve accounts. The balances in the reserve accounts were as follows as of December 31:

	<u>2019</u>	<u>2018</u>
KeyBank interest reserve	\$ 361,690	\$ 1,605,640
BACDE NMTC Fund 16, LLC reserve	351,638	417,547
NTCIC-NORTHLAND, LLC reserve	<u>170,000</u>	<u>210,000</u>
	<u>\$ 883,328</u>	<u>\$ 2,233,187</u>

**AUDITED
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION**

**BUFFALO BROWNFIELDS REDEVELOPMENT
FUND**

DECEMBER 31, 2019

DRAFT

BUFFALO BROWNFIELDS REDEVELOPMENT FUND
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Erie County Industrial Development Agency
Buffalo Urban Development Corporation
Buffalo, New York

Report on the Financial Statements

We have audited the accompanying schedule of revenues, expenses and changes in net position of Buffalo Urban Development Corporation's (BUDC), Buffalo Brownfields Redevelopment Fund for the year ended December 31, 2019 and the related notes to the schedule.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule of revenues, expenses and changes in net position referred to above present fairly, in all material respects, the revenues and expenses of BUDC's Buffalo Brownfields Redevelopment Fund for the year ended December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

Report on the Financial Statements

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of BUDC as of and for the year ended December 31, 2019, and our report thereon, dated XXXXXX, expressed an unmodified opinion on those consolidated financial statements.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management of the Erie County Industrial Development Agency, the Buffalo Urban Development Corporation, the County of Erie, and the City of Buffalo and is not intended to be and should not be used by anyone other than these specified parties.

Buffalo, New York

XXXXX

DRAFT

BUFFALO BROWNFIELDS REDEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2019

Operating revenue:

City of Buffalo PILOTs by end user:

Sonwil	\$ -
Certainfeed	294,900
Cobey	135,654
Total City of Buffalo PILOTs	<u>430,554</u>

County of Erie PILOTs by end user:

Sonwil	60,258
Certainfeed	73,307
Cobey	33,721
Total County of Erie PILOTs	<u>167,286</u>

Total operating revenues	597,840
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Operating expenses:

City of Buffalo share of PILOTs	215,277
County of Erie share of PILOTs	83,643
Eligible project costs	419,785
Total operating expenses	<u>718,705</u>

Operating loss	(120,865)
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Nonoperating revenues:

Interest income	<u>12,421</u>
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Change in net position	(108,444)
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Net position - beginning	<u>1,798,106</u>
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Net position - ending	<u>\$ 1,689,662</u>
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See accompanying notes.

BUFFALO BROWNFIELDS REDEVELOPMENT FUND
NOTES TO THE SCHEDULE

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity: The Buffalo Brownfields Redevelopment Fund (the Fund) was formed in July 2005 by agreement between Erie County Industrial Development Agency (ECIDA), the City of Buffalo (the City), the County of Erie (the County), and Buffalo Urban Development Corporation (BUDC) for the purpose of remediation and redevelopment of Brownfields properties in the City. Under this agreement, ECIDA receives payments in lieu of taxes (PILOTs) from property owners located within the Buffalo Lakeside Commerce Park (BLCP). These PILOT payments are the result of abated City and County property taxes, as authorized by ECIDA. A portion of these PILOT payments is paid to the City and County, while the remainder is held in the Fund to assist in further development of BLCP. After completion of BLCP, funds can be used in connection with similar projects located within the City that are undertaken by BUDC.

Basis of Presentation: The schedule of revenues, expenses, and changes in net position (the schedule) presents the activity of the Fund, which is accounted for and is part of BUDC's financial statements. The schedule has been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and specifically business-type activities. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

DRAFT

Buffalo Urban Development Corporation

Investment Report

For the year ended December 31, 2019

Buffalo Urban Development Corporation

2019 Annual Investment Report

Purpose of Report:

Under Section 2925(6) of the Public Authorities Law, BUDC is required to annually prepare and approve an Investment Report. The Investment Report is to include: BUDC's Investment Guidelines (see below), the results of the annual independent audit (see below), a list of the total investment income received by the corporation and a list of the fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the corporation since the last investment report.

The attached schedule details the corporation's investment income and related fees for the year ended December 31, 2019 and was approved by the BUDC Board of Directors at their March 31, 2020 meeting.

Investment Guidelines:

In accordance with Section 2925 of the Public Authorities Law, BUDC is required to adopt Investment Guidelines which detail its operative policy and instructions to staff regarding the investing, monitoring and reporting of funds of the Agency. In addition, BUDC has elected to follow the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law as a "best practice".

BUDC's Investment Guidelines were approved by the BUDC Board of Directors at their March 31, 2020 meeting and are posted on the BUDC website at <http://www.buffalourbandevelopment.com/budc-corporate-policies>. The Investment Guidelines are consistent with the Guidelines adopted on March 26, 2019.

Investment Audit:

BUDC's auditors have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March __, 2020 Freed Maxick CPAs have indicated that BUDC complied, in all material respects, with these Investment Guidelines.

Buffalo Urban Development Corporation (BUDC) and Affiliates
Buffalo Brownfield Restoration Corporation (BBRC)
Annual Investment Report
For the year ended December 31, 2019

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Notes:

All accounts are FDIC guaranteed and secured by collateral posted by the depository or its agent for balances above the FDIC limit.

* The Interest Rate is the annualized rate for the month of December 2019 and is prior to the deduction of fees (if any).

** This account is known as the Buffalo Brownfields Redevelopment Fund (BBRF) and is held by the ECIDA on behalf of BUDC.

*** This account is known as the Regionally Significant Projects (RSP) Fund and is held by the ECIDA on behalf of BUDC.

BUFFALO URBAN DEVELOPMENT CORPORATION

INVESTMENT AND DEPOSIT POLICY

ARTICLE I

Scope

Section 2925 of the New York Public Authorities Law requires the Buffalo Urban Development Corporation (the “Corporation”) to adopt by resolution comprehensive investment guidelines which detail its operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of funds of the Corporation.

This investment and deposit policy (“Investment Policy”) is adopted by the Corporation pursuant to the foregoing provisions of the Public Authorities Law and shall apply to all moneys and other financial resources available for investment on the Corporation’s own behalf or, when applicable, on behalf of any other entity or individual. The provisions of this Investment Policy are also consistent with the requirements of Sections 10 and 11 of the New York General Municipal Law, which the Corporation is not required to comply with, but has elected to follow as a “best practice.”

This Investment Policy shall be applicable to all affiliates and subsidiaries of the Corporation, and to all other affiliates or subsidiary companies of the Corporation which may hereafter be established by the Corporation and which are determined to be subject to the requirements of Section 2925 of the Public Authorities Law (an “Affiliate”). Unless otherwise indicated, all references to the “Corporation” herein shall also include the each Affiliate.

ARTICLE II

Governing Principles

A. Investment Objectives.

The primary objectives of the Corporation’s investment policy are, in order of priority, as follows: (i) to conform with all applicable federal, state and local laws and legal requirements; (ii) to adequately safeguard principal; (iii) to provide sufficient liquidity to meet all operating requirements of the Corporation; and (iv) to obtain a reasonable rate of return.

B. Diversification.

The policy of the Corporation is to diversify by investment instrument, by maturity, and where practicable by financial institution.

C. Internal Controls.

1. All funds received by an officer or employee of the Corporation shall be promptly deposited with the depositories designated by the Corporation (pursuant to Article III.A of this Investment Policy) for the receipt of such funds.

2. The Treasurer or Assistant Treasurer of the Corporation shall maintain or cause to be maintained a proper record of all books, notes, securities or other evidence of indebtedness held by the Corporation for investment and deposit purposes. Such record shall identify the security, the fund for which it is held, the place where kept, the date of sale or other disposition, and the amount received from such sale or other disposition.

3. The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

D. Authorized Financial Institutions and Dealers.

The Corporation shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments that may be outstanding with each financial institution or dealer. All financial institutions with which the Corporation conducts business must be creditworthy as determined by criteria established by the Treasurer or Assistant Treasurer of the Corporation. All banks with which the Corporation does business shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers.

E. Purchase of Investments.

The Corporation may contract for the purchase of investments directly, including through a repurchase agreement, from an authorized trading partner. All purchased obligations, unless registered or inscribed in the name of the Corporation, shall be purchased through, delivered to, and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Corporation by the bank or trust company and shall be held pursuant to a written custodial agreement as described in Article IV.C.2 of this Policy.

F. Repurchase Agreements.

The Corporation may enter into repurchase agreements subject to the following restrictions:

1. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
2. Trading partners are limited to commercial banks or trust companies authorized to do business in New York State and primary reporting dealers.
3. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
4. No substitution of securities will be allowed.
5. Obligations purchased pursuant to a repurchase agreement shall be held by a custodian other than the trading partner, pursuant to a written custodial agreement that complies the terms of Article IV.C.2 of this Policy.

ARTICLE III **Investments**

A. General Policy.

It is the general policy of the Corporation that funds not required for immediate expenditure shall be invested as described in Article III.B below. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income, net of fees, to be derived.

B. Permitted Investments.

The Treasurer or Assistant Treasurer is authorized to invest funds not required for immediate expenditure in the following investments, which are permitted under Section 11 of the General Municipal Law:

1. Special time deposit accounts in, or certificates of deposit issued by any commercial bank or trust company that is located in and authorized to do business in New York State, provided that such deposit account or certificate of deposit is secured in the same manner as provided in Article IV.B of this Investment Policy and is payable within such time as the proceeds shall be needed to meet expenditures for which the funds were obtained;
2. Obligations of the United States of America;
3. Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;

4. Obligations of the State of New York; and

5. Such other obligations as may be permitted under Section 11 of the General Municipal Law.

All investments as provided in Sections B(2) through B(5) of this Article shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase, and comply with such other requirements as set forth in Section 11 of the General Municipal Law.

ARTICLE IV **Deposits**

A. Designation of Depositories.

The Corporation shall, by resolution, designate one or more commercial banks or trust companies for the deposit of Corporation funds received by the Corporation. Such resolution shall specify the maximum amount that may be kept on deposit at any time with each bank or trust company. Such designations and amounts may be changed at any time by further resolution of the Corporation.

B. Collateralization of Deposits.

All deposits of the Corporation (including certificates of deposit and special time deposits) in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured as follows:

1. By a pledge of “eligible securities” with an aggregate “market value” as defined by Section 10 of the General Municipal Law, at least equal to the aggregate amount of deposits. A list of eligible securities is attached hereto as Schedule A.

2. By a pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a market value at least equal to the aggregate amount of deposits from all such officers within New York State at such bank or trust company.

3. By an irrevocable letter of credit issued by a qualified bank (other than the bank with which the money is being deposited or invested) in favor of the Corporation for a term not to exceed ninety (90) days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable minimum risk-based capital requirements.

4. By an eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety bond shall be subject to Board approval.

C. Safekeeping and Collateralization.

Eligible securities used for collateralizing deposits shall be held by the depository and/or third party bank or trust company subject to security and custodial agreements as described below.

1. Security Agreement Requirements. The security agreement shall provide that eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the Corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the depository or its custodial bank.

2. Custodial Agreement Requirements. The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The custodial agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The custodial agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities and may include such other terms as the Board deems necessary.

ARTICLE V

Monitoring and Reporting Obligations

The following monitoring and reporting procedures shall be applicable in connection with the deposit and investment of funds subject to this Investment Policy:

A. Monthly Monitoring.

Each cash and investment account statement will be reviewed and reconciled on a monthly basis. The Treasurer or Assistant Treasurer will review each account reconciliation for accuracy and will investigate any unusual items noted.

B. Monitoring and Reporting.

Pursuant to Section 2925(5) of the Public Authorities Law, the Treasurer or Assistant Treasurer of the Corporation shall present a report at each meeting of the Board of Directors which will include the following information: (i) the cash and investment balances of the Corporation; (ii) identification of any new investments since the last report; (iii) information concerning the selection of investment bankers, brokers, agents dealers or auditors since the last report; and (iv) the names of the financial institutions holding Corporation deposits.

C. Annual Monitoring and Reporting.

1. On an annual basis, the Corporation will obtain an independent audit of its financial statements, which shall include an audit of its cash and investments and the Corporation's compliance with this Investment Policy. The results of the independent audit shall be made available to the Board of Directors at the time of its annual review of this Investment Policy.

2. Pursuant to Section 2925(6) of the Public Authorities Law, staff shall, on an annual basis, prepare and submit for Board approval an investment report which shall include this Investment Policy, amendments to the Investment Policy since the last investment report, an explanation of the Investment Policy and any amendments, the results of the annual independent audit, the investment income record of the Corporation and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Corporation since the last investment report. The investment report will be distributed to those individuals identified in Section 2925(7)(b) of the Public Authorities Law. The Corporation shall make available to the public copies of its investment report upon reasonable request therefor.

ARTICLE VI
Annual Review

This Investment Policy shall be reviewed and approved by the Board of Directors of the Corporation on an annual basis.

ARTICLE VII
Savings Clause

Nothing contained in Section 2925 of the Public Authorities Law shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investment of funds made or entered into by the Corporation in violation of, or without compliance with the provisions of Section 2925 of the Public Authorities Law.

SCHEDULE A
ELIGIBLE SECURITIES

Obligations issued by the United States of America, an agency thereof or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.

Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.

Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.

Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of New York State or obligations of any public benefit corporation which under a specific state statute may be accepted as security for deposit of public moneys.

Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.

Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by federal bank regulatory agencies.

Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested) rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than sixty days from the date they are pledged.

Zero-coupon obligations of the United States government marketed as "Treasury STRIPS."

Adopted: 4/7/2009
Re-Adopted: 4/6/2010
Re-Adopted: 3/29/2011
Re-Adopted: 3/27/2012
Re-Adopted: 3/26/2013
Re-Adopted: 3/25/2014
Amended and Adopted: 3/31/2015
Re-Adopted: 3/29/2016
Re-Adopted: 3/28/2017
Amended and Adopted: 3/27/2018
Re-adopted: 3/26/2019
Re-adopted: 3/31/2020

Buffalo Urban Development Corporation

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Buffalo, New York 14203
phone: 716-856-6525
fax: 716-856-6754
web: buffalourbandevelopment.com



Item 3.2.6

MEMORANDUM

TO: BUDC Board of Directors
FROM: Mollie Profic, Treasurer
SUBJECT: Reimbursement of Brownfield Expenses from Brownfield Fund
DATE: March 31, 2020

The Buffalo Brownfields Redevelopment Fund (“BBRF” or the “Fund”) allows certain third-party expenses incurred by BUDC in connection with the development of Buffalo Lakeside Commerce Park (“BLCP”) to be reimbursed. Under the Fund Administration Agreement, these out-of-pocket third-party costs “include, but are not limited to, land acquisition, site investigations, site planning, remediation, road and utility construction and related legal costs”.

On September 26, 2012, the Board designated the BLCP project as complete, which allowed for the expansion of the use of BBRF funds to “other comparable projects” in the City of Buffalo. Riverbend, Northland and 308 Crowley Street were designated “comparable” projects by the Board beginning October 1, 2012, January 1, 2015 and June 26, 2018, respectively.

Since 2011, reimbursements have been approved for costs incurred related to BLCP, Riverbend and Northland. On March 27, 2018, the Board approved the reimbursement of Riverbend, Northland and BLCP costs from January 1, 2017 – December 31, 2017 in the amount of \$428,227. Grant application fees related to Northland totaling \$311,848 were approved for reimbursement by the Board on May 10, 2018. Additional reimbursement of BLCP, Riverbend, Northland and 308 Crowley costs from January 1, 2018 – December 31, 2018 in the amount of \$419,785 were approved by the Board on March 26, 2019, for a total of \$731,633 in 2018.

On an ongoing basis, the Board approved the pledge of BBRF monies to be used as matching funds for the \$1,912,028 Restore NY 4 grant, based on an original project budget of \$2,188,028. Project cost increases at 612 Northland Avenue lead to final project costs of \$2,477,126. The following chart outlines the project budget, grant and matching sources:

Restore NY 4 Total Project Costs	\$2,477,126
Empire State Development Restore NY grant	(1,912,028)
City of Buffalo in-kind contribution	(85,899)
Required local match	479,199
Third party amounts used toward local match ¹	(142,197)
Local match required from BUDC	\$337,002

¹Funding received from BUDC Regionally Significant Project Fund (\$86,097), Albright Knox Art Gallery (\$33,236) and Buffalo Sewer Authority (\$22,864) used toward local match requirement.

We are now requesting reimbursement of BLCP, Riverbend, Northland & 308 Crowley Street costs incurred in 2019 and Restore NY 4 matching funds in the amount of \$787,930, as outlined below.

Eligible third-party costs ²	\$450,078
Restore NY 4 local match from BUDC	337,002
	\$787,080

²The attachment to this memorandum details the \$450,078 in eligible third-party costs that have been incurred by BUDC and which are eligible for reimbursement by the Fund.

Prior to reimbursement, BUDC management will repay \$749,871 of borrowings due to be repaid to the Brownfield Fund from amounts borrowed for the Northland Road project and Restore NY grants. After this reimbursement, BBRF is anticipated to have a cash balance of approximately \$1.4 million, inclusive of \$611,000 of BUDC borrowings.

Action:

I am requesting that the Committee recommend the following to the Board:

1. Recommend \$337,002 of reimbursement from the Brownfield Fund toward the Restore NY 4 grant local match;
2. Approve the reimbursement to BUDC of \$450,078 in third party, BLCP, Riverbend, 308 Crowley and Northland costs, from the BBRF as outlined in Attachment 1 to this memorandum.

Buffalo Urban Development Corporation
Summary of Costs Paid by BUDC & Reimbursable from BBRF
For the Year Ended December 31, 2019

Buffalo Lakeside Commerce Park	<u>2019</u>
<i>Landscaping</i>	\$ 42,215
<i>Legal Costs</i>	5,903
<i>Marketing</i>	-
<i>Property Insurance</i>	17,229
<i>Snowplowing</i>	5,375
<i>Operations & Maintenance</i>	3,746
<i>Consultants</i>	850
<i>Utilities</i>	954
	<u>76,272</u>
Riverbend	
<i>Taxes, Operations & Maintenance</i>	132
308 Crowley	
<i>Landscaping</i>	1,475
<i>Legal Costs</i>	1,120
<i>Property Insurance</i>	19,939
	<u>22,534</u>
Northland*	
<i>Insurance</i>	80,123
<i>General Development</i>	66,510
<i>Operations & Maintenance</i>	25,898
<i>Legal Costs</i>	7,600
<i>Snowplowing</i>	60,667
<i>Landscaping</i>	12,523
<i>Consultants</i>	19,135
<i>Utilities</i>	1,370
<i>Marketing</i>	1,642
	<u>275,467</u>
683 Northland LLC*	
<i>Insurance</i>	71,525
<i>Operations & Maintenance</i>	4,148
	<u>75,672</u>
Total	<u><u>\$ 450,078</u></u>

*The Northland costs represent those costs that are not reimbursed through other grant agreement(s).

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Item 3.3

As indicated on the agenda, this item will be provided to the members in a separate distribution prior to the meeting.

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Item 3.4

As indicated on the agenda, this item will be provided to the members in a separate distribution prior to the meeting.

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Item 3.5

MEMORANDUM

TO: BUDC Board of Directors
FROM: David A. Stebbins, Executive Vice President
SUBJECT: Northland Corridor – Community Solar & Microgrid Proposals
DATE: March 31, 2020

On December 2, 2019, BUDC released a Request for Proposals (RFP) for Community Solar and Microgrid design, financing and installation for the Northland Corridor. This project is being assisted with a \$2 million dollar grant commitment from Empire State Development as part of the Buffalo Billion 2 East Side initiative. The RFP requested qualifications, approach and pricing for:

1. Pre-Development planning, analysis and financing.
2. Design, installation and implementation of a Community Solar project.
3. Design, installation and implementation of a neighborhood microgrid.
4. Design and installation of upgrades to BUDC's existing 23.5KV/5 MW substation.
5. Development of an advanced energy training curriculum for the Northland Workforce Training Center.

The opportunity was advertised on the New York State Contract Reporter website and sent directly to several dozen companies with known expertise in this area. A Pre-Submission Information meeting was held on December 16, 2019 at the Northland Workforce Training Center.

Four (4) proposals were received on January 28, 2020. These proposals were reviewed and evaluated by a team comprised of:

1. BUDC (Peter Cammarata, David Stebbins, Arthur Hall)
2. BUDC & NWTC Board (Dennis Elsenbeck)
3. City of Buffalo (Jason Paananen)
4. Empire State Development (Paul Tronolone).

Three (3) of the 4 teams were selected for interviews, which were held on February 27, 2020, and conducted by Mr. Elsenbeck and representatives from BUDC and ESD. A follow-up video interview was held with the recommended team on Monday, March 23, 2020.

Based on the proposals and interviews, the evaluation team and staff are recommending the selection of the team led by Frey Electric Construction Company to implement this project on behalf of BUDC, ESD, the City of Buffalo and the Northland Workforce Training Center. The Frey team, which also includes Gilbane, 34 Group, Vanguard Energy

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Partners, Eaton, EnergyMark and LaBella, demonstrated a superior understanding of the goals and objectives for the project; a fast-track approach to implement components of the project immediately, and clear suggestions and methods for financing the entire project. Their overall approach was most aligned with the needs and desired outcomes of the Northland Corridor. The Frey-Gilbane-34 Group team also have significant experience in the corridor, having implemented the renovation of Northland Central, 683 Northland Avenue.

The initial cost of the project for Pre-Development Planning and Analysis is estimated at \$188,600. The estimated total cost of the project is approximately \$5 million, subject to the results of the pre-development planning and securing additional grants, tax credits and financing for each component of the project. We are requesting Board approval to select the Frey Team for the delivery of the entire project and execute a contract for the initial Pre-Development Planning & Analysis. Contingent upon the results of the Pre-Development Planning & Analysis, and ability of the team to secure additional financing, subsequent components of the project will be released incrementally with prior approval by the Board.

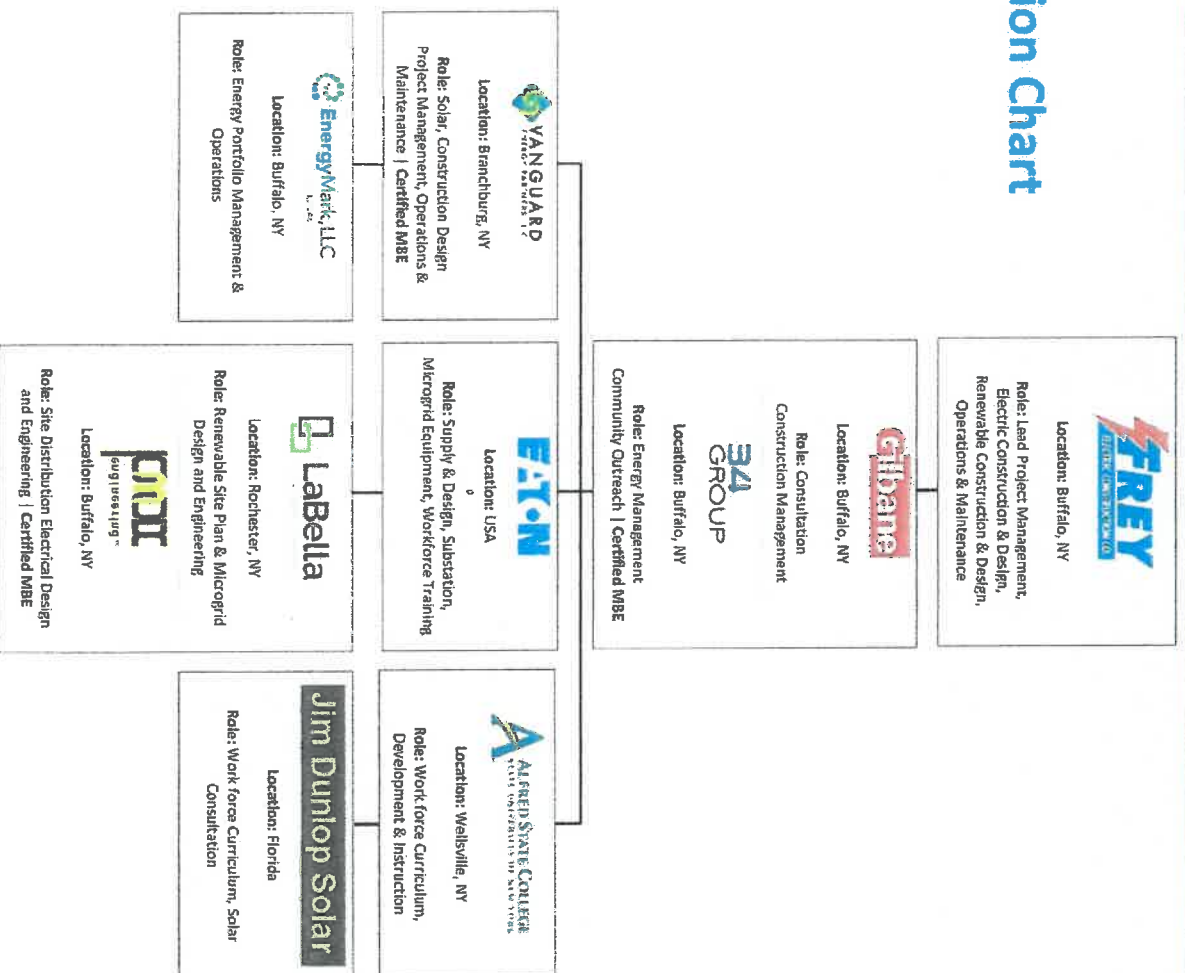
This recommendation was reviewed with the Real Estate Committee at its March 24, 2020 meeting and recommended for approval by the Board of Directors.

ACTION:

We are requesting Board approval to engage the team led by Frey Electric Construction Company for the implementation of the Northland Community Solar, Microgrid and Workforce Renewable Energy Infrastructure project, to enter into an initial pre-development contract with the Frey team in an amount not-to-exceed \$188,600; and to authorize the BUDC President or BUDC Executive Vice President to take such actions as are necessary to implement this authorization.

Renewable Energy & Infrastructure Improvement

Team Organization Chart





Site Development

GOALS:

- Advance NYS Clean Energy Plan & Provide Clean Energy to Northland Business & Surrounding Community
- Provide Lower Cost Energy to Business & Low Income Residents
- Revitalization of the neighborhood & business community
- Attract New & Retain Existing Business
- Upgrades to Infrastructure for Future Growth

PHASE 1

760 KW Community Solar: \$33 Northland Site

- Targeted 15 Year Production 921,900 kWh
- Propose Army ownership Northland LLC - Y-1

Funding Options:

1. Commercial PACE Loan Amortized over 20 years using property equity.
2. Leased Buy Back 15 year with balloon option.

Partner: Dividend Finance; Commercial PACE : Peter Grabel; Senior VP
Partner: Key Equipment Finance : Jeff Eades : VP Clean Energy

Both Financial partners would provide:
Construction (bridge) financing
ITC Tax Equity Credit

Construction, Design & Consulting Partners:

Frey Electric; Deborah Zarbo : PM, NABCEP PV Professional, Engineer
Vanguard Energy Partners; MBE Co : Alex Rivera SVP Dev & Operation
Gibbs Building Company; John Puma : Superintendent

Incentives & Grants:

NYSEDA NY Sun Grant
ITC Tax Equity Credit

Community Solar Energy & VDER Income Management:

40% energy production sold to Tenants at 883 Northland.
60% Marketed to the Community at a 10% discount.

Energy Portfolio Management Partner:

EnergyMark, LLC : Luke Merchant

Marketing & Community Outreach Partner:

34 Group, Inc. : MBE Co : Thurman Thomas, Keith Bernard

PHASE 2

Master Energy Site Plan

Develop a site energy master plan and cost benefit analysis for installation of additional solar, other viable renewables, energy storage and a control latched microgrid.

Funding

Apply to NYSEDA Flex Tech (POM4182) to cover 50-70% or more of Engineering Master Plan Costs.

Design & Engineering Partners
Labella Associates : Steve Langley PE

Planned Site Development

Additional Solar: Roof Tops, Parking Structures, Solar Canopies, Concentrated Solar, Solar Glass
Microgrid : Targeted design and control : Eaton Power Xpert Energy Optimize Controller or Equiv
Energy Storage: Lithium Batteries: VOLTA, LG Chem or Equiv; Combined Heat & Power (CHP) : Solar Thermal
Compressed Air; Fuel Cells, Other viable technologies.

Other Renewables & Technologies: Electric Vehicle Charging, Solar Trees, Solar Lights, MicroWind, Fuel Cell, LED & BMS Upgrades

Operations & Maintenance

Equipment: Frey Electric & Vanguard Energy - Maintenance Plan; Electrical Infrastructure, Microgrid
Energy Operations: EnergyMark - Energy Management Renewables & Microgrid, Submetering, Pricing, Billing, Optimization.

Work Force Training

Northland Emerging Technologies Lab & The Buffalo Experience

GOALS:

- Engage the community of job opportunities in Clean Energy and jobs related to Clean Energy
- Develop Workforce Training at Multiple Levels Entry, Mid and Advanced
- Provide demonstrations, displays & seminars on the Clean Energy Sector
- Income Opportunity by Leasing space to Vendors and Organizations for Seminars and Site Training

Identify Workforce Clean Energy & Related Training Jobs

References:

- Allied State College and SUNY at Buffalo: Report, June 2018:
- "Clean Energy Workforce Assessment for Western NY"
- SUNY Center for Industrial Effectiveness
- WNY Clean Advisory Council
- Invest Buffalo Niagara
- Industry Surveys

Community Outreach & Buffalo Experience

- Engage the community with interactive displays highlighting job opportunities in clean energy and related industries.
- Partner with Buffalo and Regional employers to sponsor displays, training, and internships. Training discovery program.

Consulting Partners: Allied State College : Jeff Stevens
34 Group : Thurman Thomas, Keith Bernard

Types & Notes of Workforce Training

Offer Training Options

Web Based Classroom with On Site Lab
Traditional Classroom with On Site Lab

Development Partners & Instructors

Allied State College: Jeff Stevens
Jim Darlo Solar: Jim Darlo
Eaton Corp

Equipment & Tools: Industry Participation & Donations, Grant Funding
Finance: Industry, Grant Funding, Tullion

Entry Level Work Force Training

Job Discovery Programs
Skills Evaluation
Safety Training

Mid Level Work Force Training

Skill Advancement
Career Change

Advanced Level Work Force Training

NABCEP Exam Prep classes
Code Classes
Vendor Certifications

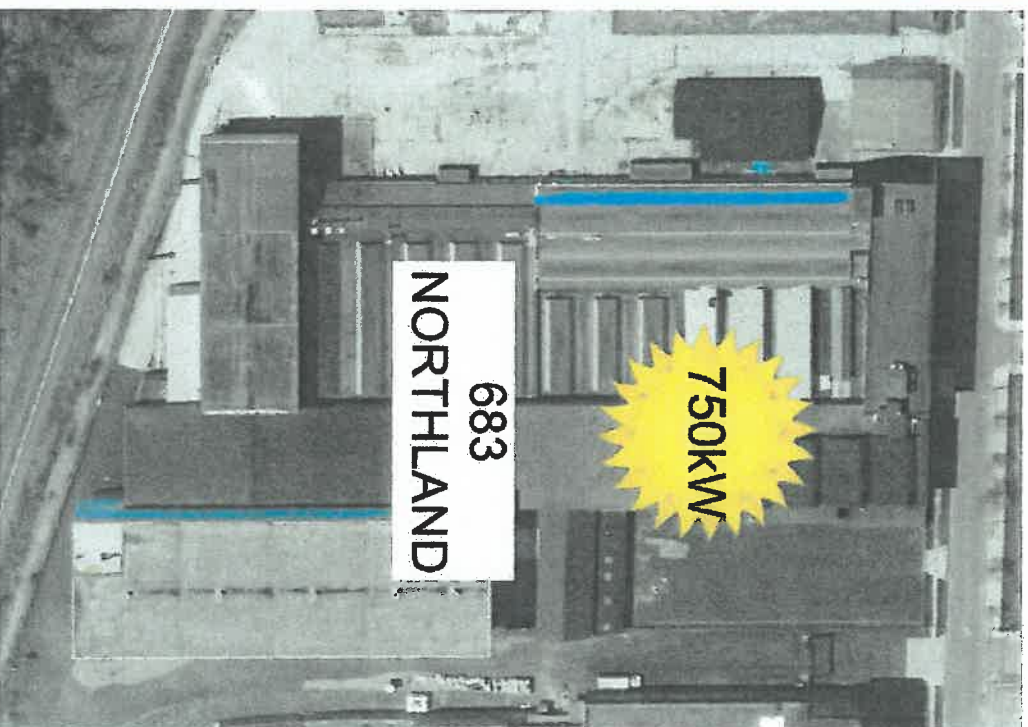
Leased Space Opportunities

Seminars,
Vendor Training
Trade Shows

Operations & Maintenance

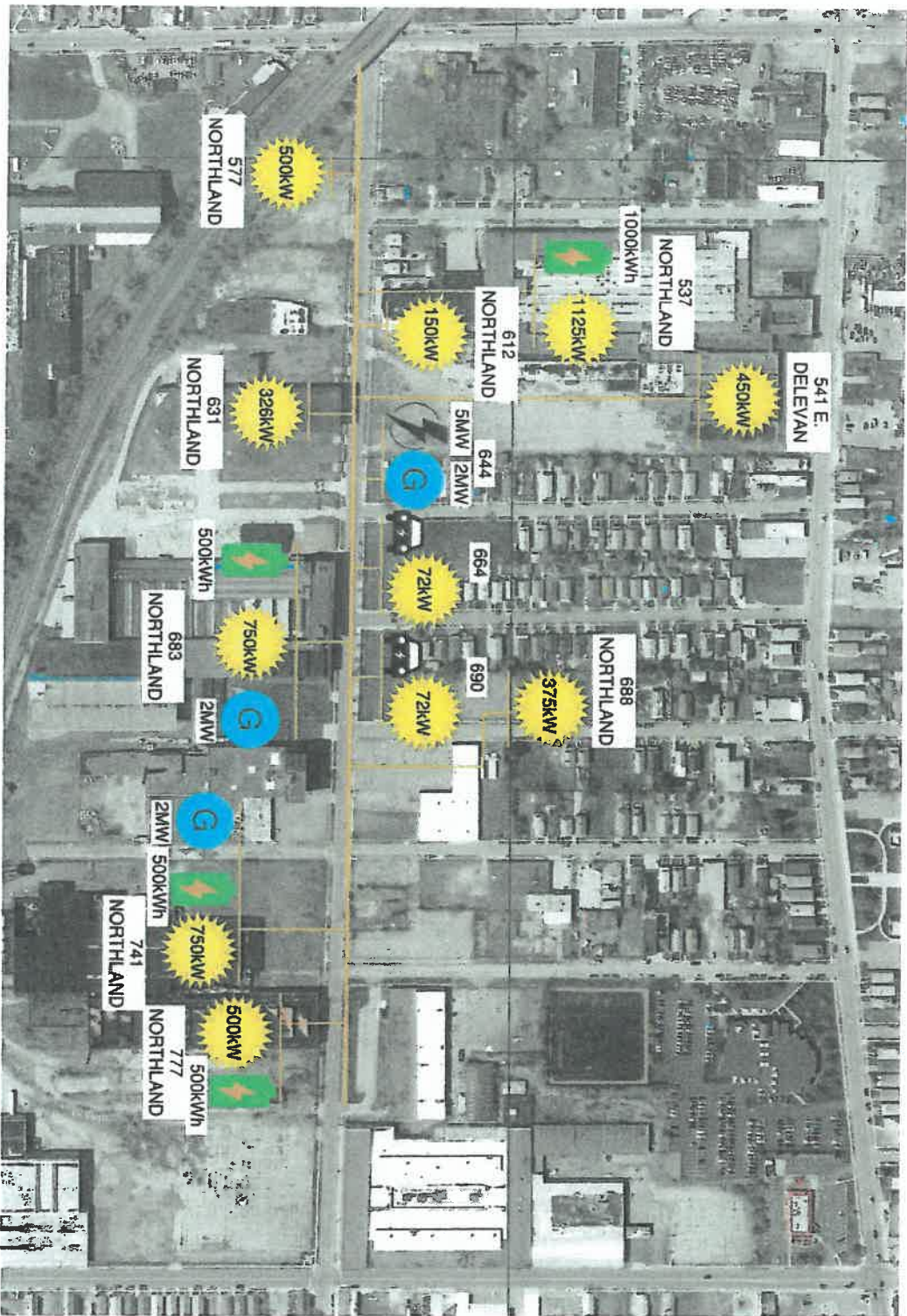
Allied State College

PHASE 1 PROJECTS



Renewable Energy & Infrastructure Improvement

NORTHLAND BELTLINE CORRIDOR SUGGESTED PHASE 2 GENERATION & STORAGE



IV. Cost & Budgeting

1. Pre-Development Planning and Analysis Fee

Substation:

Cost: \$37,600

Hours: 256

750kW Community Solar:

Cost: \$17,000

Hours: 120

Microgrid / Master Site Plan:

Cost: \$116,000

*Energy Master Plan may be subject to cost sharing through
NYSERDA FlexTech. Upon award this will be applied for.*

Hours: 640

Workforce Training

Cost: \$18,000

Hours: 120

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Buffalo Urban Development Corporation

web: buffalourbandevelopment.com**Item 3.6****MEMORANDUM**

TO: BUDC Board of Directors

FROM: David A. Stebbins, Executive Vice President

SUBJECT: Ralph C. Wilson Jr. Centennial Park Project MVVA Contract Amendment

DATE: March 31, 2020

The initial Schematic Design contract with Michael Van Valkenburgh Associates Inc. (MVVA) for the transformation of LaSalle Park into Ralph C. Wilson Jr. Centennial Park was based on a February 4, 2019 letter proposal from MVVA to the Ralph C. Wilson, Jr. Foundation (the "Wilson Foundation"). The contract was approved by the Board on May 28, 2019. The Board also approved an amendment to the contract at its November 26, 2019 meeting for an additional \$500,000 to cover additional Schematic Design costs and inclusion of the Pedestrian Bridge Schematic Design work.

The project is now proceeding into the Design Development (DD) phase. BUDC's project manager, Gardiner & Theobald (G&T) has negotiated a DD proposal from MVVA that includes a base scope for a lump sum cost of \$3,178,890 for a package of design development documents, client and community meetings and other work as outlined in the attached detailed scope of work (including a reimbursable expense allowance of \$100,000); and a \$48,100 scope of work for design development, construction documents and specifications for the Waterfront Betterment package to be prepared in coordination with the U.S. Army Corps of Engineers Shoreline Protection Project. The total cost of the proposed contract amendment is \$3,326,990. G&T has been able to reduce MVVA's proposed fee by \$762,000. This DD cost proposal is consistent with industry standards for park and recreation projects, at less than 3% of the total project cost of \$116 million.

Therefore, we are recommending a \$3,326,990 amendment to the MVVA Contract for Design Development services. A recommendation letter from G&T and a proposed scope of work from MVVA is attached to this memorandum. This requested increase has been reviewed with the project team from the City of Buffalo as well as the Wilson Foundation; all of the parties support this request. This contract amendment will be funded by:

- The balance of the 2nd Ralph C. Wilson Jr. Foundation Grant for the design;
- Additional funding in a pending 4th grant from the Wilson Foundation for design (Design Development and Construction Documents);
- A commitment of \$1 million from the Great Lakes Commission for the design of shoreline improvements.

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ACTION

We are requesting Board authorization to amend the contract between Michael Van Valkenburgh Associates Inc. and BUDC for Design Development documents in the amount of \$3,326,990; and to authorize the President or Executive Vice President to execute and deliver the contract amendment.



Dave Stebbins
Executive Vice President
Buffalo Urban Development Corporation
95 Perry Street, Suite 404
Buffalo, NY 14203-3030

Job # 92070
Sent - via e-mail
March 12th, 2020

Dear David,

Re: RWJCF Centennial Park – MVVA DD Fee – Recommendation to Award

Please see attached the MVVA Proposal for DD services for the Ralph C Wilson Jr Centennial Park project which we can recommend for approval for the sum of \$3,326,990. This Fee has been reduced by an effective \$762,000.

This scope is only for DD and excludes CD, Bid & Negotiation and Construction Administration which will form part of an additional Fee Request. SD Services were completed under an earlier agreement.

Note that in addition to the sub consultants carried within the DD Proposal MVVA were asked to hold an Allowance for an Architect to assist with design of the M&O Building and Comfort Stations.

In addition MVVA were asked to include a Reimbursable allowance of \$100,000 to fund all expenses to date and moving through DD.

We have verified that the Scope of Work is appropriate and that the costs are fair and reasonable. We can recommend the Proposal for the full sum of **\$3,326,990** subject to your approval.

Can you confirm Approval by signing and dating at the bottom of the document? Contractually I assume this will be bolted into the existing Contract as an Amendment? We can provide a change order form to memorialize agreement.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Gulvin'.

Kevin Gulvin
Director - Cost Management
Gardiner & Theobald, Inc.

Gardiner & Theobald Inc
535 Fifth Avenue, 3rd Floor, New York, NY 10017
t +1 212 661 6624 gardiner.com

Ralph C. Wilson, Jr. Centennial Park - Design Development Fees

Michael Van Valkenburgh Associates, Inc., Landscape Architects #18019.00

3/12/2020

Discipline	Firm	13 Feb. DD Fee	Revised DD Fee	Alternative Sub
Prime, Landscape Architecture	MVVA	\$2,020,000.00	\$1,915,970.00	
Civil Engineering/Infrastructure and	Wendel	\$204,000.00	\$200,200.00	
Marine Engineering	Beech and Bonaparte Engineering	\$788,300.00	\$334,500.00	
Soil Scientist	Craul Land Scientists	\$15,000.00	\$15,000.00	
Lighting	Domingo Gonzalez Associates	\$129,850.00	\$118,950.00	
Cost Estimating	Trophy Point	\$115,000.00		
Structural Engineer	Wendell	\$125,000.00	\$63,300.00	
Hydrologist	Limnotech	\$253,050.00	\$240,280.00	
Ecology	Biohabitats	\$66,000.00	\$66,000.00	
Geotechnical engineering	Empire Geotechnical Engineering	\$42,720.00	\$42,720.00	
Code Consultant	Foit-Albert	\$18,470.00	\$18,470.00	
Playground Code Consultant	Abundant Playscapes	\$15,000.00	\$15,000.00	
Irrigation Designer	Wolf Creek	\$18,500.00	\$18,500.00	
Architecture Allowance	TBD		\$130,000.00	
SUBTOTAL =		\$3,810,890.00	\$3,178,890.00	

EXPENSES			
Accrued Expenses		\$100,000.00	\$100,000.00

CONCURRENT FEES/TERMS			
Discipline	Firm	CD Fee	CD Fee
Prime, Landscape Architecture	MVVA	\$35,200.00	\$35,200.00
Structural Engineering	Wendel	\$12,900.00	\$12,900.00
SUBTOTAL =		\$48,100.00	\$48,100.00

TOTAL FOR MVVA DESIGN TEAM =	\$3,958,990.00	\$3,326,990.00	SAVING
TOTAL FOR MVVA DESIGN TEAM with Architect	\$4,088,990.00	\$3,326,990.00	\$762,000.00

13 February 2020
Revised: 03 March 2020

David Stebbins
Vice President
Buffalo Urban Development Corporation
95 Perry Street, Suite 404
Buffalo, NY 14203

**Re: Ralph C. Wilson, Jr. Centennial Park Design – Design Development Phase Overview,
Schedule, and Costs**

Dear Mr. Stebbins:

Please find below a description of our Design Development (DD) schedule, scope, subconsultant team, and related fees for you review and approval.

SCHEDULE FOR DESIGN DEVELOPMENT

Based on current project understanding, Design Development will last for 11 months starting January 2020 through November 2020. This phase will include two (2) public meetings, tentatively scheduled on 09 March 2020 and 12 September 2020, and two (2) drawing set/specifications submissions for cost estimating. The first drawing set and outline specifications will be submitted at 50% completion on 12 June 2020 and the second set and outline specifications at 100% completion on 30 October 2020.

DESIGN TEAM FEE FOR DESIGN DEVELOPMENT

Based on a roughly 110-acre site costing approximately \$116 million, the fee for the Design Development phase will be \$3,326,990 lump sum. This includes \$3,178,890.00 for MVVA's base scope and our subconsultants' base scope and it assumes one package of documentation for Design Development is provided. It also includes \$48,100.00 for design development, construction documents, and specifications for the Waterfront Betterments package prepared in coordination with the US Army Corps of Engineers (USACE) Shoreline Protection Project and completed on 22 January 2020. Additional services for MVVA and subconsultants that require further scope and fee coordination are outlined in Section IV of this proposal. Grant application support that requires deliverables in addition to what is outlined in the base scope will

be billed hourly in addition to the fees mentioned above. Fees for owner-provided consultants are not included.

Expenses for the Design Team will be billed as accrued against a not-to-exceed fee of \$100,000 and will include the following:

- Transportation and authorized out-of-town travel and subsistence
- Printing, reproduction, and computer plots
- Materials for models, mock-ups, and presentations
- Postage, handling, messenger service, and overnight delivery service

HOURLY BILL RATES

HOURLY BILL RATES

MICHAEL VAN VALKENBURGH ASSOCIATES, INC. LANDSCAPE ARCHITECTS

Rates Effective 1 January 2020

MICHAEL VAN VALKENBURGH	\$ 375.00
PARTNER	\$ 325.00
PRINCIPAL	\$ 280.00
ASSOCIATE PRINCIPAL	\$ 245.00
SENIOR ASSOCIATE LEVEL I	\$ 205.00
SENIOR ASSOCIATE LEVEL II	\$ 180.00
ASSOCIATE	\$ 160.00
SENIOR PROJECT MANAGER	\$ 145.00
SENIOR DESIGNER	\$ 130.00
DESIGNER	\$ 110.00
JUNIOR DESIGNER	\$ 95.00
STUDIO ASSISTANT	\$ 80.00
ADMINISTRATIVE STAFF	\$ 80.00
INTERN	\$ 50.00

Rates are for the calendar year 2020 and are revised each January for the following year.

I. SCOPE FOR WATERFRONT BETTERMENTS PACKAGE

100% Construction Documents and Specifications for the Waterfront Betterments package were prepared by MVVA and Wendel in coordination with the USACE Shoreline Protection Project. The package was reviewed by the USACE and the City of Buffalo in two (2) instances and it was updated to reflect the feedback received. The final package was submitted on 22 January 2020.

II. SCOPE FOR DESIGN DEVELOPMENT

MVVA's scope for the Design Development phase will include the following:

- Participate in two (2) public meetings, to continue the process of public engagement. Design team members will travel to Buffalo, NY, for this purpose, and prepare materials for all meetings, in continuation of MVVA's current work with UBRI.
- Participate in three (3) Community Focus Group meetings, either by Conference Call or in person as a trip to Buffalo, NY. Preparation of materials for all meetings.
- Participate in three (3) Technical Stakeholder Group meetings, including travel to Buffalo, NY, by design team members. Design team will prepare materials for all meetings.
- Participate in three (3) meetings with Regulatory Agencies, including travel to Buffalo, NY, or to Albany, NY by design team members. Design team will prepare materials for all meetings.
- Participate in two (2) meetings with the Key Design Reviewers, including travel to Buffalo, NY, for design team members. Design team will prepare materials for all meetings.
- Develop the approved Schematic Design of landscape components including site elements, planting, and site furnishings and structures.
- Submit 50% Design Development Documents for first cost estimate, cost reconciliation and Owner review. This submission to include in-progress Design Development documentation and outline specification.
- Submit 100% Design Development Documents for second cost estimate, cost reconciliation, and owner review. Comments or modifications to the design based on owner comment will be picked up in the subsequent phase. This submission to include final Design Development documentation and specifications.
- Review owner-provided cost estimate when received and provide supporting material if needed. One cost estimate to be provided by owner for the 50% DD submission and a second one for the 100% DD submission.
- Prepare Progress and Final Design Development document set for the park design. Documents will include plans (erosion protection and site preparation and demolition, layout, materials, soils, grading, planting, and furnishing) and site details (sections, elevations, and enlargement plans) as determined by MVVA to convey design ideas. This will include coordinated subconsultant drawings to address civil engineering and utilities layout; stormwater and road layout; structural engineering; lighting design; soils and irrigation design; marine edge design; and habitat enhancement features.
- Graphic deliverables to include: two (2) illustrative plans, two (2) landscape architectural renderings, one (1) presentation model, illustrative sections and diagrams as needed.
- Assist Owner Group and Owner's Rep on developing a Fill Management Strategy by providing testing recommendations and schedule review in coordination with the subconsultant team. MVVA

will not prepare any subgrade grading plans or fill placement/management plans. This shall be a responsibility of the contractor.

- Support for all permitting and approval processes and procedures needed to complete the RCWJCP project. All applications to be prepared and submitted by others.
- Support for grant applications by providing base scope graphics. All applications to be prepared and submitted by others.
- Coordinate and collaborate with concurrent projects, including the Shoreline Protection Project through USACE, Pedestrian Bridge Project through Schlaich Bergermann Partner (SBP), Feasibility Study through Buffalo Niagara Waterkeeper (BNW), third phase of the Skate Plaza through the Tony Hawk Foundation, Combined Sewer Overflow (CSO) #13 Assessment and Storage Facility Project through Buffalo Sewer Authority (BSA), 48" Watermain Assessment and Colonel F.G. Ward Pumping Station Perimeter through Buffalo Water, and Bus Stop through Niagara Frontier Transportation Authority (NFTA).
- Undertake trips to quarries, nurseries, and soil providers as needed during the Design Development phase.

III. SUBCONSULTANT TEAM SCOPE OF WORK FOR DESIGN DEVELOPMENT

MVVA's team of subconsultants for the Design Development phase will include the following disciplines: civil engineering/infrastructure and utility planning, marine engineering, hydrology, ecology, soil science, geotechnical engineering, lighting design, code consulting, playground code consulting, structural engineering, irrigation design, and architecture. Scopes for each of those disciplines are provided below. All disciplines' scope to include:

- Provide 50% and 100% Design Development documents and specifications.
- Review owner-provided cost estimate when received and provide supporting material if needed. One cost estimate to be provided for the 50% DD submission and a second one for the 100% DD submission.
- Attend biweekly team meetings via GoTo and ongoing coordination calls.
- Visit the site at least once to thoroughly understand it and carry out the scope of work.
- Identify and support all permit and approval applications and procedures needed for the RCWJCP project.
- Collaborate and coordinate with concurrent projects.
- Coordinate with MVVA's Design Team and the Owner Group.

1. Civil Engineering/Infrastructure and Utility Planning

MVVA will contract Wendel to provide civil engineering and infrastructure and utility planning services during the Design Development phase. Wendel will also carry an allowance for any traffic/transportation consulting services as needed. These services include the following scope:

- Review design and documents provided by MVVA to acquire a thorough understanding of the project relative to the scope of services herein. Provide any questions or comments related to civil engineering/infrastructure and utility planning scope of work.

- Develop site demolition plans for structures, pavements, and utilities including coordination with and identification of permitting requirements for various City Departments, National Fuel, and National Grid. Exclude demolition of bulkhead, to be provided by Marine Engineer.
- Develop design for stormwater management in collaboration with Design Team.
- Provide calculations to support stormwater strategies. Coordinate stormwater strategies, sizing and calculations with points of connection identified by the project team. Coordinate with City of Buffalo Department of Public Works (DPW) and BSA on any green infrastructure initiatives, including stormwater management, rain gardens and bioswales.
- Finalize the points of connection between proposed utilities and existing utilities.
- Develop utility design and calculations for potable water, sanitary, stormwater, and gas.
- Coordinate utilities layout, water supply requirements, and stormwater management with other members of the Design Team.
- Develop subgrade drainage in coordination with the grading and planting soil design prepared by the Design Team. Coordinate with Soil Scientist, Irrigation Designer, and Geotechnical Engineer.
- Review MVVA's grading plan relative to best practices for site stormwater systems. MVVA will design and document the grading. The Civil Engineer will determine drainage areas, drain and overflow locations, inverts, stormwater calculations, swale sizing, retention/detention volumes, and other water conveyance systems.
- Provide cut and fill calculations throughout Design Development.
- Prepare design development plans, details, and specifications as identified in Design Development project schedule.
- Model digital surfaces in three dimensions based on MVVA's grading plan. Surfaces to be used by the Design Team in various studies.
- Coordinate electrical supply requirements with Lighting Designer, Irrigation Consultant, and Pavilion and Comfort Station Architects.
- Prepare calculations for the project area, including estimated monthly and yearly electrical demands.
- Provide electrical design for site lighting, irrigation, and remote electrical sources throughout the park.
- Perform ongoing review of design drawings prepared by MVVA, Lighting Designer, Irrigation Designer, and Pavilion and Comfort Station Architect. Provide a memo of comments and mark-ups of design drawings.
- Provide any necessary materials for submissions or presentations as required to acquire approval from:
 - Agencies and governing bodies having review, approval, and permitting authority.
 - Stakeholder design review.
- Perform various tasks related to traffic and transportation.

2. Marine Engineering Services

MVVA will contract Beech and Bonaparte Engineers and Geologists of New York, P.C. to provide marine engineering services during the Design Development phase. These services include the following scope:

- Review design and documents provided by MVVA to acquire a thorough understanding of the project relative to the scope of services herein. Provide any questions or comments related to marine engineering services scope of work.
- Review of the site survey (provided by the Owner) for existing seawall and bathymetric information. Notify MVVA if discrepancies or missing information is found.
- Coordination with and ongoing U.S. Army Corp of Engineers projects.
- Understand the USACE LaSalle Park Shoreline Protection Project and assess the loading capacity of the reconstructed seawall.
- Review existing infrastructure and provide strategies to reconcile with proposed design.
- Develop demolition and rehabilitation strategies for the existing bulkhead in coordination with Hydrologist and Ecologist.
- Provide design studies of various edge conditions and strategies to deploy along the shoreline in coordination with Hydrologist, Ecologist, and MVVA.
- Coordinate with Hydrologist and Ecologist to develop a series of water's edge section standards, including hard (stone) and soft (vegetated) edge conditions.
- Coordinate with Hydrologist and Ecologist to develop a strategy to tie proposed design back into existing marine edge conditions.
- Coordinate with Geotechnical Engineer.
- Collaborate with Buffalo Niagara Waterkeeper and other stakeholders to develop safe water access strategies.
- Review assessment of existing seaplane ramp and recommend additional testing needed. Develop a rehabilitation strategy for seaplane ramp.
- Support digital modeling for three (3) hydrologic simulations to ensure proper water movement and flushing in the lagoon, as well as seiche and wave protection. Simulations to be performed by Hydrologist.
- Prepare design development plans, profiles, typical details, and specifications per Design Development Project Schedule.

3. Hydrological Services

MVVA will contract Limnotech to provide hydrological services during the Design Development phase. These services include the following scope:

- Review design and documents provided by MVVA to acquire a thorough understanding of the project relative to the scope of services herein. Provide any questions or comments related to hydrological services scope of work.
- Review the site survey (provided by the Owner) for existing bathymetric information. Notify MVVA if discrepancies or missing information is found.
- Coordinate with existing studies and ongoing U.S. Army Corp of Engineers projects.
- Provide three (3) hydrologic and hydraulic simulations in support of the design to:
 - Ensure proper water movement and flushing in the lagoon.

- Ensure seiche, wave, and ice shore protection along the project's shoreline.
- Analyze sediment and debris accumulation.
- Analyze water velocities as they relate to aquatic habitat.
- Demonstrate flood protection along the project's shoreline during extreme storm events.
- Prepare reports that summarize all hydrologic and hydraulic simulation findings.
- Coordinate with Marine Engineer and Ecologist:
 - To develop bulkhead rehabilitation strategies.
 - To develop a series of water's edge section standards, including hard (stone) and soft (vegetated) edge conditions.
 - To develop a strategy to tie back into existing marine edge conditions.
- Collaborate with the Buffalo Niagara Waterkeeper and other stakeholders on developing safe water access strategies.
- Participate in meetings and provide any necessary materials for submissions and presentations as required to acquire approval from:
 - Agencies and governing bodies having review, approval, and permitting authority including but not limited to USACE, Fish & Wildlife, DEC, DOS.
 - Stakeholder design review.

4. Ecological Services

MVVA will contract Biohabitats to provide ecological services during the Design Development phase. These services include the following scope:

- Review design and documents provided by MVVA to acquire a thorough understanding of the project relative to the scope of services herein. Provide any questions or comments related to ecological services scope of work.
- Review of the site survey (provided by the Owner) for bathymetric information. Notify MVVA if discrepancies or missing information is found.
- Provide design studies of various edge conditions and strategies to deploy along the shoreline in coordination with Marine Engineer and Hydrologist.
- Coordinate with Marine Engineer to develop a series of shoreline section standards, including hard (stone) and soft (vegetated) edge conditions.
- Nearshore Habitat Enhancement strategies.
- Support digital modeling for (3) hydrologic simulations to ensure proper water movement and flushing in the lagoon, as well as seiche and wave protection. Simulations to be performed by Hydrologist.
- Prepare design development plans, profiles, typical details and specifications per Design Development Project Schedule.

5. Soil Science Services

MVVA will contract Craul Land Scientists to provide soil science services during the Design Development phase. These services include the following scope:

- Review design and documents provided by MVVA to acquire a thorough understanding of the project relative to the scope of services herein. Provide any questions or comments related to soil science scope of work.
- Review of the Geotechnical Investigations and Recommendation Report (provided by the Owner) for existing soil information and recommendations. Notify MVVA if discrepancies or missing information is found.
- Identify potential sources for soil components, including base soil, compost, and sand. Provide testing (mechanical, chemical, biological) for potential soil sources. Research and report on locally available horticultural soil, compost, and amendments. Maintain accurate sampling records. Provide written report including findings and recommendations. Submit report as a deliverable for 50% and 100% Design Development.
- Coordinate with Geotechnical Engineer and Civil Engineer for subgrade review. Geotechnical borings to be provided by the Owner.
- Review and comment on planting soils plan, sections and/or details prepared by MVVA.
- Undertake one (1) soil sourcing trip.
- Outline a landscape underdrainage strategy to be documented by Civil Engineer. Suggest materials, layout, and details for drawings.
- Identify soil profiles necessary at each project area.
- Provide soil specifications for the 50% Design Development and 100% Design Development phases for your scope of work per Design Development Project Schedule.
- Coordinate with Irrigation Designer to align water needs relative to soil types.
- Incorporate feedback from ecologist into design of aqueous soils.

6. Geotechnical Engineering Services

MVVA will contract Empire Geotechnical Engineering Services to provide geotechnical engineering services during the Design Development phase. These services include the following scope:

- Review design and documents provided by MVVA to acquire a thorough understanding of the project relative to the scope of services herein. Provide any questions or comments related to geotechnical engineering scope of work.
- Coordinate with Civil Engineer and Soil Scientist for subgrade design. Geotechnical borings to be provided by the Owner.
- Review and comment on location and designs for MVVA landforms and other structures.
- Provide recommendations for bulk fill management to be used for inland earthworks, include strategies to utilize alternative fill materials that might be generated by on- and off-site construction activities.
- Prepare technical specifications for fill material and placement.
- Review environmental assessment of existing soil quality and reuse or disposal strategies prepared by the Environmental Engineer. Environmental Engineering to be provided by Owner.

- Ground Settlement Assessment and Design: Provide ground settlement analysis and define acceptable tolerance with the Design Team based on the sensitivity of the future conditions to settlement. Design ground improvements for areas susceptible to settlement. Analyze alternative ground improvement options including preloading and surcharging in such areas. Coordinate ground improvements with Civil Engineer and Transportation Consultant.
- Coordinate with Structural Engineer to Review proposed foundation locations/design based on the existing soil conditions. Bridge and architecture foundation review to be provided by others.
- Provide foundation design recommendations for the following park elements:
 - Subbase, and base support for pedestrian paths and roadways.
 - Parameters for lightly loaded structures including boardwalks.
 - Subgrade, subbase, and base support for park utilities.
 - Lightly loaded structures, including but not limited to retaining walls, light and camera poles, bollards, signage, site furniture, railings, decks, and play structures.

7. Lighting Design Services

MVVA will contract Domingo Gonzalez Associates to provide lighting design services during the Design Development phase. These services include the following scope:

- Review design and documents provided by MVVA to acquire a thorough understanding of the project relative to the scope of services herein. Provide any questions or comments related to lighting design scope of work.
- Develop an integrated lighting strategy for illumination of park areas and specialty areas such as the lagoon, the outcrop, promenades, and athletic fields. Pedestrian bridge and architecture lighting to be provided by others.
- Coordination with the Pedestrian Bridge Team and the USACE Shoreline Protection Team.
- Provide recommendations and options for lighting control.
- Prepare CAD plans for fixture locations at 50% and 100% Design Development Phases and at interim submissions per Design Development Project Schedule.
- Provide lighting strategies at sports fields. Assist with specifying light fixtures per City of Buffalo Sports Fields Guidelines.
- Coordinate with Civil Engineering/Infrastructure and Utility Planning Consultant.
- Coordinate with the City of Buffalo and New York Power Authority through MVVA.
- Coordinate with Ecologist for acceptable lighting strategies in areas with high ecological importance.
- Provide photometric calculations and plans showing light levels and distribution to ensure conformance with integrated lighting strategy and city standards.
- Perform two reviews of drawings prepared by MVVA to confirm that layout of lighting matches proposed layout by lighting designer. Produce a memo of comments and/or mark-ups of design drawings.
- Provide a lighting fixture and pole schedule including acceptable manufacturers, electrical information and special mounting or finish notes. Include a package of manufacturers' lighting fixture cut sheets.

- Coordinate with Electrical Engineer for wiring requirements. Perform two reviews of updated lighting conduit plans prepared by Electrical Engineer. Produce a memo of comments and/or mark-ups of design drawings.
- Coordinate with Civil Engineer and Traffic/Transportation Consultant for lighting at proposed roadway.
- Prepare design development plans, profiles, typical details and specifications per Design Development Project Schedule.

8. Code Consulting Services

MVVA will contract Foit-Albert Associates to provide code consulting services during the Design Development phase. These services include the following scope:

- Review design and documents provided by MVVA to acquire a thorough understanding of the project relative to the scope of services herein. Provide any questions or comments related to code consulting scope of work.
- Participate in bi-weekly team meetings during the Design Development Phase via web conference.
- Participate in one (1) meeting with MVVA and the Owner Group for concurrence on approach and one (1) meeting for close out confirmation.
- Thorough examination of the technical and design considerations affecting code compliance that establishes the framework for achieving agency approval for the entire project. Includes site related elements as well as site structures.
- Create and maintain a master matrix, memo, and/or other form of record-keeping, of all applicable codes, indicating to which area(s) or part(s) of the project each code applies. Report to Design Team any changes in codes or standards that impact project design.
- Prepare two formal reviews of design development documents for compliance with applicable codes and standards. Produce a memo of comments for each review. Joint permit application to be done by others.

9. Playground Code Consulting Services

MVVA will contract Abundant Playscapes to provide playground code consulting services during the Design Development phase. These services include the following scope:

- Review design and documents provided by MVVA to acquire a thorough understanding of the project relative to the scope of services herein. Provide any questions or comments related to playground code consulting services scope of work.
- Participate in Coordination meeting with MVVA and Owner Group in order to identify the technical and design considerations affecting code compliance that establishes the framework for achieving agency approval for the entire project.
- Collaborate and coordinate with MVVA to address code compliance of overall playground design and equipment selection. Perform ongoing reviews of in-progress work for the MVVA Team.
- Create and maintain a master matrix, memo, and/or other form of record-keeping, of all applicable codes. Report to Design Team any changes in codes or standards that impact

project design, and track compliance with various codes or actions required to meet requirements.

- Prepare two formal reviews of design development documents for compliance with applicable codes and standards. Produce a memo of comments for each review. After each memo is issued, participate in an in-person meeting at the MVVA office to discuss the memo.

10. Structural Engineering Services

MVVA will contract Wendel to provide structural engineering services during the Design Development phase. These services include the following scope:

- Review design and documents provided by MVVA to acquire a thorough understanding of the project relative to the scope of services herein. Provide any questions or comments related to structural engineering services scope of work.
- Concrete foundations and structures: determine reinforcement for concrete.
- Determine footings and foundations for Park elements including but not limited to:
 - Retaining walls.
 - Light and camera poles.
 - Bollards.
 - Signage.
 - Site furniture.
 - Landscape railings.
 - Decks.
 - Play structures.
- Assist MVVA with member sizing, connection, attachment details, and material selection at Park elements including but not limited to:
 - Landscape railings.
 - Benches and other site furniture.
 - Decks.
 - Walls and boardwalks.
- Offer alternate means of achieving technical ideas through quick design sketches as necessary.
- Prepare design development plans, profiles, typical details and specifications.
- Coordinate with Marine Engineer for shoreline design.
- Coordinate with Lighting Designer, Geotechnical Engineer, and Playground Equipment Manufacturer for reviewing any items requiring structural engineer's input.

11. Irrigation Design Services

MVVA will contract Wolf Creek Company to provide irrigation design services during the Design Development phase. These services include the following scope:

- Review design and documents provided by MVVA to acquire a thorough understanding of the project relative to the scope of services herein. Provide any questions or comments related to irrigation design scope of work.

- Coordinate water supply and electrical requirements for irrigation system with Civil Engineer, including location(s) of irrigation tie-in(s) to water service.
- Prepare calculations for each irrigation area, including estimated monthly and yearly water demands, and develop an estimate of annual operating costs at 50% Design Development and 100% Design Development phases.
- Provide irrigation controller options. Controller shall be an automatable, remote access system responsive to environmental conditions, and shall include weather stations, soil moisture sensors, radio frequency and internet communication.
- Develop establishment-period (temporary) irrigation options.
- Provide selections of irrigation components for such items as rotors, drip tubing, control valves, isolation valves, quick couplers, etc.
- Prepare design development irrigation plans, details and specifications at 50% Design Development and 100% Design Development phases.
- Coordinate with MVVA's design and the owner group.
- Coordinate with soil scientist to align water needs relative to soil types.

12. Architect

MVVA has issued an RFP to provide architectural services for the RCWJCP. These services include the following scope:

- Building Sizing / requirements:
 - O+M Building (approximately 9,000 sq.ft.): The operations and management building shall serve as the base of operations for the park, where provisions will exist for maintaining park amenities and sports fields. Coordinate with MVVA and the client group in order to prepare a building programming and establish the spaces required within the main building (office space, meeting room, small kitchen and lunchroom, equipment storage, washrooms, lockers, garages etc.). Coordinate with the City of Buffalo and the client group for finishes and materials to be used, always in accordance with the budgets established during the Schematic Design Phase.
 - One Comfort Station (approximately 2,000 sq.ft.): Coordinate with MVVA and the client group in order to prepare a building programming and establish the spaces required within the comfort station. The comfort station will offer concessions, space for flexible program, storage for maintenance equipment, two handicap-accessible restrooms, and four single-occupant restrooms. Additional programming might be required or revised as the design of the park advances.
 - Electricity, gas, plumbing, and other related utilities shall be coordinated to service these buildings.
 - Coordinate with MVVA and the Design Team for any utility hook-ups required for the comfort station and the O+M Building.
- Review design and documents provided by MVVA to acquire a thorough understanding of the project relative to the scope of services herein. Provide any questions or comments related to your scope of work.
- Review cost estimate and narrative prepared during the Schematic Design Phase that established budgets for the operations and maintenance (O+M) Building and the comfort station.

- Coordination meeting with MVVA and client group in order to identify the technical and design considerations affecting the design of the buildings.
- Procure and coordinate subconsultants specifically required for the architectural scope, as identified below. Technical and design considerations affecting building and structure design shall be a responsibility of the Architect's team and Architect shall ensure to provide a complete building based on the requirements set by the client group. Proponent may add or subtract subconsultants as required for the completion of the scope of work listed herein.
 - MEP Engineer
 - Structural Engineer
 - Sanitary Services Engineer
 - Lighting Designer
 - Geotechnical Engineer
 - Signage Designer
 - Security Consultant
 - Data/Telecom Consultant
 - Café/kitchen Consultant, if required.
 - Sustainability Consultant
 - Building Commissioning Consultant
 - Code Consultant
 - Cost Estimator

Notes:

- a) MVVA's Design Team sub-consultants will provide the main line utility hook-ups for potable water, sanitary, gas, and electrical services for the buildings, to within five feet of the face of the buildings. The Architect will provide all engineering services related to the buildings.
 - b) The RCWJCP project is seeking to comply with the City of Buffalo Minority and Women-Owned Business Enterprises (M/WBE) requirements, which target 25% MBE and 5% WBE. The Architect's Team should contribute to this goal by selecting some subconsultants that are certified within one of these categories.
- In coordination with the MVVA Design Team and Client, develop the program reconciliation with code, zoning, and other design criteria for the operations and maintenance (O+M) Building and the comfort station.
 - Work with MVVA to site the buildings and to integrate them into the park's elements and setting.
 - Thorough examination of the technical and design considerations affecting building and structure design that establishes the framework for achieving agency approval for the entire project.
 - Provide Design Development design services producing plans, sections, elevations and other drawings, specifications, and other items as required for each structure. Designs must be reconciled to fit the spatial context of the structure's location within the currently approved site design. Coordinate with MVVA and the Design Team members as required.
 - Coordination with MVVA's design team and the client group.

IV. DESIGN TEAM FEE BREAKDOWN

BASE SCOPE				
Discipline	Firm	DD Fee	MBE	WBE
Prime, Landscape Architecture	MVVA	\$1,915,970.00		
Civil Engineering/Infrastructure and Utility Planning	Wendel	\$200,200.00		
Marine Engineering	Beech and Bonaparte Engineering P.C.	\$334,500.00		
Soil Scientist	Craul Land Scientists	\$15,000.00		
Lighting	Domingo Gonzalez Associates	\$118,950.00	X	
Structural Engineer	Wendel	\$63,300.00		
Hydrologist	Limnotech	\$240,280.00		
Ecology	Biohabitats	\$66,000.00		
Geotechnical Engineering	Empire Geotechnical Engineering Services	\$42,720.00		X
Code Consultant	Foit-Albert	\$18,470.00	X	
Playground Code Consultant	Abundant Playscapes	\$15,000.00		
Irrigation Designer	Wolf Creek	\$18,500.00		
Architecture - ALLOWANCE	TBD	\$130,000.00		
SUBTOTAL =		\$3,178,890.00		

EXPENSES		
Accrued Expenses		\$100,000.00

WATERFRONT BETTERMENTS				
Discipline	Firm	CD Fee	MBE	WBE
Prime, Landscape Architecture	MVVA	\$35,200.00		
Structural Engineering	Wendel	\$12,900.00		
SUBTOTAL =		\$48,100.00		

TOTAL LUMP SUM FEE FOR MVVA DESIGN TEAM = \$3,326,990.00

NOTE: MVVA reserves the right to reallocate fees between MVVA and the subconsultants.

LEGEND:

MBE = Minority Owned Business Enterprise

WBE = Woman Owned Business Enterprise

V. ADDITIONAL SERVICES

MVVA and their Design Team can provide the services listed below if needed. Coordination between the Owner Group and MVVA will be required to define the scope and fee for each one of the additional services listed below.

- **Grant Application Support:** Grant application support that requires deliverables in addition than what is outlined in the base scope will be billed hourly.
- **Expedited Packages:** When the owner's representative defines the construction schedule, MVVA will work with the Owner Group to define scope and fees to advance project areas through construction documents as needed, including necessary subconsultants. MVVA will prepare a proposal upon request from the Owner and submit it for approval.
- **Construction Administration (CA) Services for Waterfront Betterments:** When the scope and involvement of MVVA in CA is identified by the USACE and the Owner Group, MVVA will prepare a proposal upon request from the Owner and submit it for approval.
- **Request for Great Lakes Legacy Act Funding:** As a subconsultant to MVVA, LimnoTech can assist in coordination of the request for Great Lakes Legacy Act Funding to support design and construction fees. LimnoTech can prepare a proposal upon request from the Owner and submit it for approval.
- **Athletic Fields Consultant:** MVVA can add an athletic fields consultant to the Design Team if the City of Buffalo guidelines are deemed by the Owner Group to not be the standard of design and/or they do not include all the proposed fields and courts. MVVA will request proposal from Athletic Field Consultants upon request from the Owner and submit it for approval.
- **Design of Existing Bulkhead Rehabilitation:** If any section of existing bulkhead is to remain in the project and not be addressed through USACE, MVVA will work with the Owner Group to define scope and fees for any design items related to bulkhead rehabilitation. MVVA will prepare a proposal upon request from the Owner and submit it for approval.
- **Football Field Lighting:** Owner to provide existing lighting information, including lighting level, correlated color temperature, and luminaire and light pole types. If upgrades are needed to existing lighting, MVVA will work with the Owner Group to define scope and fees. MVVA will prepare a proposal upon request from the Owner and submit it for approval.
- **Operations and Maintenance:** If needed, MVVA will work with the Owner Group to define scope and fees to assist in the development of an Operations and Maintenance Strategy, including necessary subconsultants. MVVA will prepare a proposal upon request from the Owner and submit it for approval.

VI. OWNER-PROVIDED SERVICES

MVVA requests that the Owner provide certain services to furnish the design team with the information and services necessary to complete the Design Development phase. These disciplines include:

- Boundary, Topographic and Bathymetric Survey Base Mapping.
- Utility Surveying.

- Geotechnical Investigation and Recommendations (including in-land and in-water borings, and test pits.)
- Environmental Engineering.
- Cultural Resource Investigations (terrestrial and underwater.)
- State Environmental Quality Review Act (SEQR) Assistance.
- Environmental Site Assessment (ESA) Assessment.
- Joint In-water Permit Application.
- Permit and Approval Application Preparation and Submission.
- Fill Source Identification, Testing and Management.
- Information Technology (IT)/Security.
- Park Signage/Wayfinding.
- Maintenance & Operations Planning.

VII. EXCLUSIONS

MVVA anticipates the following scopes of work to be excluded or performed by others:

- Formal Value Engineering Process.
- Archeological Services.
- Hazardous Materials Identification and Removal Plan.
- Environmental Impact Statement (EIS.)
- LEED and SITES documentation.
- Telecommunications/Data Infrastructure.
- Boat/Ferry Mooring Infrastructure.
- Subgrade Grading Plans or Fill Placement/management Plans.
- Pavilion Improvements.

Please feel free to reach out with any questions or concerns you may have.

Sincerely,



A. Paul Seck
Partner and Chief Operating Officer

Cc: Michael Van Valkenburgh
Paloma Garcia
Michalis Piroccas
Scott Lang

Our receipt of a signed copy of this Agreement shall be interpreted as our authorization to commence with the project.

Approved: BUDC

Date

Signed:
Kevin Gulvin – Director

03/13/20

Approved: G&T

Date