

Buffalo Urban Development Corporation
2020
Operations & Accomplishments

Operations

The Corporation is managed by a nineteen (19) member Board of Directors. Eleven (11) members serve as “ex-officio” members, related to public or quasi-public offices or positions that they hold. Their term on the Board parallels the time they hold that office or position. Eight (8) members serve as “citizen” members, appointed by the Board of Directors or the Chairman for three (3) year terms on a staggered basis. Regular Board meetings are commonly held on a monthly basis. The “Annual Meeting” of the Board is held in June and preceded by an annual meeting of the Corporation’s Membership.

In 2020, five Committees (Audit and Finance, Governance, Downtown, Real Estate, and Loan), as established by the Board, met on a regular basis to assist the staff with conducting the day-to-day business of the Corporation. Board members are encouraged to participate in at least one Committee.

At its Annual Meeting, the Board elects Officers of the Corporation to serve one year terms. The 2020 officer positions were President, Executive Vice President, Vice-President, Treasurer, Assistant Treasurer and Secretary.

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, to support the revitalization of downtown Buffalo by coordinating financial assistance for adaptive re-use projects and public right-of-way improvements, 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 goals of the Corporation are to:

- reclaim fallow and distressed land and buildings for future development
- attract and/or retain new and existing businesses to the City and region
- effectively manage property, development projects and initiatives, and
- support the revitalization of downtown Buffalo

Funding for the administration of the Corporation was initially provided by the City of Buffalo; however, the City has not allocated funding for administration to the Corporation for over twenty years, and future allocations are not expected. However, the City and especially New York State have been instrumental in funding and supporting various grants for acquisitions, construction projects, lending programs, and infrastructure development consistent with the Corporation’s mission. Income for operations has been generated primarily through land sales, lease payments, grants, with a minor portion coming as interest income and fees from loans.

Accomplishments

The Buffalo Urban Development Corporation accomplishments for 2020 are presented in six (6) significant categories: Northland Corridor Project, Race For Place/Buffalo Building Reuse Project (BBRP) / Downtown Development, Buffalo Lakeside Commerce Park, Waterfront / Ralph C. Wilson, Jr. Centennial Park Project, General Corporate, and Miscellaneous Projects and Initiatives.

Northland Corridor Project (Northland)

(Mayor Byron W. Brown's initiative, with support from Governor Cuomo's Buffalo Billion and Buffalo Billion II, to create a 35 acre shovel-ready campus on the east side of Buffalo to attract workforce training, light manufacturing, and advanced technology facilities.)

January 2020 – The Board approved a lease with Retech Systems for over 40,000 square feet of office and manufacturing space at Northland Central (683 Northland), bringing the occupancy rate to 93% at that building. Also at this meeting, Board member Dennis Elsenbeck gave a presentation regarding the Northland Strategic Energy Concept. He specifically noted the need for increased energy capacity in the Northland Corridor and how this will be highlighted in the community solar and microgrid plans.

February 2020 – The Board approved the preparation of additional documentation needed for inter-company loan transactions related to the completion of Phase 2 construction at 683 Northland. This was needed to document the actual financial tax credit transactions in comparison to the original model that was created. The Board also approved the award of various contracts related to the Phase 1C core and shell construction at 541 E. Delavan. The Board took a similar action at the November 2020 meeting as a final step.

March 2020 – The March BUDC Board Meeting featured all the items that were required to be reviewed by the Board to complete the Authorities Budget Office reporting by March 31, 2020, including many items that pertained to the Northland project. The Board also approved a lease with Rodriguez Construction for over 8,000 square feet of office space at Northland Central, bringing the occupancy rate to 98% at that building. The Board also approved the award of a contract to Frey Electric Construction Company for the design and implementation of a Northland Campus-wide energy microgrid and community solar project.

April 2020 – The Board approved the award of a contract to a team led by Cannon, Heyman & Weiss for legal and accounting services related to rehabilitation financing for 631 Northland.

May 2020 – The President and the Northland Project Manager made a presentation on various communications with Northland Corridor tenants regarding COVID 19 pandemic impacts.

June 2020 – The President reported on the status of reimbursement requests that have been submitted to various State and tax credit funding sources for Northland Corridor projects.

July 2020 – The Board approved the award of a contract to Empire Dismantlement for select demolition work at 777 Northland. The President once again reported on the status of reimbursement requests that have been submitted to various State and tax credit funding sources for Northland Corridor projects.

August 2020 – The Board approved an extension of the Construction Management Agreement between BUDC and 34 Group for the work at 541 E. Delavan. The Board also approved an amended and restated leasing policy for Northland Corridor properties, which clearly addresses the manner in which BUDC would process lease modifications, should such inquiries be received. It was also reported to the Board that a supplemental grant agreement with the Local Initiatives Support Corporation (LISC) was executed to complete the planning and reporting relationship for the Northland Corridor work.

September 2020 – The Board approved the award of a contract to Landscape Associates of WNY, a woman-owned business, for snow removal services at the Northland Corridor, for a three year period. The Board was also informed that the Real Estate Committee had approved a lease modification for Manna Culinary Group, which followed the guidelines of the recently revised Northland Leasing Policy.

October 2020 – The Board approved a resolution authorizing the submission of an EDA grant application related to the rehabilitation of 631 Northland Avenue.

November 2020 – The Board approved a lease with Garwood Medical to occupy the 5,868 square feet at Northland Central known as the “red shed”. This is an out-building that shares the Northland Central (683 Northland) address, but has separate HVAC systems. The Board also approved the renewal of a Property Management Agreement with Mancuso Management for property management and leasing services.

December 2020 – The Board was informed of the completion of the land swap deal with the City of Buffalo that provides additional commercial property development opportunities to BUDC. The Board was also informed that the sub-division of the former Houdaille Industries (537 E. Delavan) has been completed, which also adds to the marketability of additional commercial properties in the Northland Corridor.

Race For Place/Buffalo Building Reuse Project (BBRP) / Downtown Development

(Mayor Byron W. Brown’s creation of a public/private partnership between BUDC, the Mayor’s Office of Strategic Planning, the Buffalo Niagara Partnership, National Grid and the Erie County Industrial Development Agency (ECIDA) to support the vibrancy of downtown Buffalo)

Buffalo's Race for Place - Mayor Byron W. Brown and the BUDC launched this new initiative to help advance the Western New York region by providing support for innovative and inclusive talent attraction efforts; sparking dynamic public and private sector approaches to infrastructure and public realm improvements; access and mobility enhancements and integration of Smart Cities technology for a downtown core that is competitively positioned to attract further investment and talent. BUDC has worked in collaboration with the City of Buffalo on several Race For Place efforts such as the \$40M Accelerator Fund, a public-private partnership between the City and Douglas Development to support downtown infrastructure improvements; The Future of Mobility Report was also released outlining strategy and recommendations on how Buffalo can use mobility innovations within the public realm to further equity, accessibility, livability and economic growth in downtown Buffalo. BUDC also furthers the Race For Place efforts through collaboration with downtown stakeholders and public and private sector partners.

BBRP Loan Program - The BBRP Loan program was developed to provide gap financing for adaptive reuse projects downtown. All of these projects convert vacant and underutilized space to residential units and mixed-use developments. Quarterly requests for proposals were again issued in the past year. The Loan Committee and Downtown Committees evaluated potential modifications to the loan program, to help stimulate further interest in it. The Board approved an additional extension of the Phoenix Brewery Apartments, LLC loan and the Loan Committee approved 30-day extension for the Alexandre Apartments, LLC loan, which has now been paid in full. No loans were approved in 2020 as some projects in the pipeline experienced further delays due to COVID 19, but several are expected to advance in 2021.

Queen City Pop-Up Project - This initiative is designed in partnership with the City of Buffalo, Buffalo Place and Working for Downtown to promote retail activity along Main Street by creating new "pop-up" shops that feature local retailers. The project activates empty storefronts by filling them with retailers on a short-term basis, free of charge. Due to the Covid-19 pandemic, the Spring and Holiday cycles of Queen City Pop Up were cancelled. BUDC focused efforts on small business assistance efforts such as the City of Buffalo's Small Business Social Distancing Program that allowed for businesses to expand into the public realm to achieve NYS social distancing requirements, the City of Buffalo's Buy Black Buffalo efforts as well as the Erie County Business Task Force. In addition, BUDC's Queen City Pop Up teamed up with Buffalo Place to launch the 2020 Shop Small ALL Season: Downtown Dollars Giveaway promotion. Buffalo Place and Queen City Pop Up awarded \$50 Downtown Dollars Giveaway Certificates to 50 winners to encourage shopping with downtown area restaurants and retailers during the holiday season.

Infrastructure Improvements - BUDC works to coordinate infrastructure improvement projects that add to the vibrancy of downtown. BUDC continues to identify funding and resources to implement the priority projects identified in the Downtown Buffalo Infrastructure and Public Realm Master Plan ("Master Plan"). The Master Plan is an investment strategy designed to help guide public investments in new street and public realm infrastructure. The previously mentioned Future of Mobility Report also furthers the recommendations in the Master Plan. BUDC is also working in collaboration with partners to identify solutions and strategies for long term maintenance of downtown infrastructure

improvements. BUDC spearheads quarterly Waterfront Coordination Meetings to improve communication and coordination efforts with the City of Buffalo, transportation authorities and the development community.

- **Entertainment District Improvement Project** – BUDC has helped to secure over \$5M for infrastructure and streetscape improvements to the entrainment district. The project includes streetscape improvements to Chippewa Street (from Main to Elmwood Avenue); Franklin Street (from Chippewa to Court Street); Court Street (from Niagara Square to Main Street). BUDC is working with DPW, Watts Engineering and the area stakeholders on the design of the project. This project was also identified as a key transformational project in the Downtown Buffalo Infrastructure & Public Realm Master Plan. The first phase of construction was delayed due to the pandemic and construction is now scheduled to begin in Spring of 2021.
- **Erie Street Greenway project** – BUDC secured funding for planning, design and redevelopment of a series of parks along Erie Street in downtown Buffalo. The design of the Greenway was completed by Clark Patterson Lee in fall of 2018. BUDC is currently working with the City of Buffalo Department of Public Works and Empire State Development on project timing that has been impacted by the Covid-19 pandemic.
- **Downtown Underpass Improvements** - BUDC has also been successful in leveraging funding for improvements to downtown underpasses. This effort will improve connections between the waterfront and the central business district, enhance the pedestrian realm and incorporate lighting and other artistic elements that will ease barrier effects and add to downtown’s vibrancy, spurring additional investment. BUDC is currently working with the City of Buffalo Department of Public Works and Empire State Development on project timing that has been impacted by the Covid-19 pandemic.

(All of the above-mentioned projects have received funding awards, due to successful grant applications and funding requests prepared by BUDC.)

- **Ellicott Node Concept Plan** – BUDC continues to work with Wendel Companies to on the Ellicott Street Node Concept Plan which has nearing completion.

Downtown Marketing - BUDC looks to increase awareness about development opportunities, tools and incentives that are available to encourage additional private investment downtown. BUDC collaborated with various partners such as Invest Buffalo Niagara on the Be In Buffalo campaign which aims to attract talent and investment to Buffalo. BUDC Vice President for Downtown Development has been actively involved in several efforts to increase awareness of downtown’s growth, tools and incentives. In 2020, the Vice President of Downtown Development participated on several local and national platforms such as the International Downtown Association Advancing Places webinar; Buffalo Business First’s State of The Region; Urban Land Institute’s - Lunch and Learn Series; NYS Wireless Association’s Annual Conference and the WUFO radio show.

Business Assistance – The BUDC Vice President for Downtown Development assisted approximately sixty (60) businesses, developers and organizations in 2020, acting as an advocate and coordinator for a myriad of business development issues. Brandye Merriweather’s work in this category also includes “problem” properties.

Buffalo Lakeside Commerce Park (BLCP)

Throughout 2020, BUDC staff continued to work with various prospects who expressed interest in purchasing land at BLCP. Extensive information was shared with all prospects for their due-diligence process. It is hoped that at least one land sale in 2021 will result from these efforts.

February 2020 – The Board approved an amendment to the Land Sale Agreement between Uniland Development and BUDC for 255 Ship Canal Parkway. The amendment extended the due diligence period for the transaction through August 31, 2020.

April 2020 – The President informed the Board that the Thinking Robot Studios project was not proceeding at BLCP and would pursue a larger site on Elk Street where Brownfield Cleanup Program tax credits could be enhanced.

May 2020 – The Board was informed that a contract had been signed with Arcadis to perform soil cap verification and related reporting for Parcel 3 at BLCP, as requested by the New York State Department of Environmental Conservation (NYSDEC).

June 2020 – The Board authorized the award of a contract to LaBella Associates for additional environmental sampling and testing for the Brownfield Cleanup Program (BCP) project at 193 Ship Canal Parkway, as requested by NYSDEC.

July 2020 – The Board approved an amendment to the Land Sale Agreement between BUDC and Zephyr Investors, LLC to extend the due diligence period through July 31, 2021, for various properties at BLCP.

August 2020 – The Board approved an amendment to the Land Sale Agreement between BUDC and Uniland Development to extend the due diligence period through December 31, 2020 for the property at 255 Ship Canal Parkway.

October 2020 – The Board approved the award of a contract to DMJ Property Services, Inc. for lawncare and snow removal services at BLCP, for a three year period.

December 2020 - The Board approved an amendment to the Land Sale Agreement between BUDC and Uniland Development to extend the due diligence period through February 28, 2020 for the property at 255 Ship Canal Parkway. The amendment also modified the definition of the term “project” in the agreement to include a potential solar farm development.

Waterfront / Ralph C. Wilson, Jr. Centennial Park Project

(Mayor Byron W. Brown and the Ralph C. Wilson Jr. Foundation's transformation of LaSalle Park into the Ralph C. Wilson, Jr. Centennial Park. This is an extension of BUDC's role supporting downtown infrastructure and development activity).

January 2020 – Michael Van Valkenburgh Associates Inc. (MVVA) completed its schematic design work and continued work on the project's cost estimate. Buffalo Niagara Waterkeeper received a \$2.5 million grant for the project from the NYS Environmental Facilities Corporation.

February 2020 – The Board approved an amendment to the existing agreement with Wendel Companies for additional due diligence services. The services include a 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.

March 2020 – The Board approved a contract amendment with MVVA for design development services including design development documents and client and community meetings.

April 2020 – The Board accepted an additional \$5.97 million dollar grant from the Ralph C. Wilson, Jr. Foundation to pay for costs associated with the design and construction of a signature pedestrian bridge that will connect the adjacent neighborhood to the park.

May 2020 – The Board approved an amendment to the existing Wendel Companies agreement for additional topographical survey, tree assessment, pavilion assessment and title work. The Board approved a contract with SJB Services, Inc. for inland soil borings work and waterside subsurface investigation work. Mr. Stebbins reported that with his pending retirement, Brandye Merriweather and Rebecca Gandour will assume responsibility for BUDC project management work for the Ralph C. Wilson Jr. Centennial Park project.

June 2020 – The Board approved an amendment to the subgrant agreement between BUDC and the City of Buffalo to allow for the construction of the pedestrian bridge. The amendment also reduced the initial subgrant reallocating funds among several project categories. The Board approved a \$1,056,914 grant from the Great Lakes Commission (GLC) for design costs relating to shoreline restoration and improvements to the aquatic habitat at Centennial Park. This is a federal grant.

July 2020 – The Board received an update that project work advanced despite COVID-19. Design work for the park and the pedestrian bridge continued and BUDC staff worked through various funding agreements.

August 2020 – The Board received an update that BUDC continued to work with GLC to finalize the grant agreement.

September 2020 – The Board received an update that the GLC grant agreement was executed.

October 2020 – The Board accepted an additional \$4,662,000 grant from the Ralph C. Wilson Jr. Foundation to be used to compensate MVVA for the preparation of construction drawings and documents and other park construction related matters. The Board approved a change order to the contract with Gardiner & Theobald Inc. for additional cost estimation work resulting in a savings of \$83,000.

November 2020 – The Board approved a change order to the Master Service Agreement with MVVA for additional grant and design development support. The contract with MVVA will be modified to pass through the GLC federal grant requirements to MVVA.

December 2020 – The Board received an update that the project has achieved 100% design development with shoreline design continuing based on regulatory agency feedback. Construction is expected to begin by the end of 2021 or early 2022. BUDC also provided support to the City of Buffalo in preparing funding application proposals.

General Corporate

- In February 2020, the Board approved the establishment of two separate lines of credit for BUDC and 683 Northland LLC, to assist with the constraints put on operating cash based on the lengthy reimbursement processes for various funding sources.
- In March 2020, the Board approved the annual reimbursement of qualifying third-party brownfield related expenses at BLCP, Northland and 308 Crowley from the Buffalo Brownfields Redevelopment Fund (BBRF).
- At the April Board meeting, Mayor Brown announced that Executive Vice President David Stebbins was retiring as of the beginning of June and Rebecca Gandour would be joining BUDC as the Vice President of Finance & Development.
- Also at the April meeting, the Board approved the application for a Paycheck Protection Program (PPP) loan through the Small Business Administration.
- At the October meeting, the Board approved new Procurement Procedures applicable to the expenditure of Federal Funds. These procedures become necessary as the corporation applies for various Federal funding.
- Maintained full compliance with Public Authorities Accountability Act (PAAA), including all changes applicable from Public Authorities Reform Act of 2009 and subsequent Authority Budget Office (ABO) directives.
- Approved 2019 Public Authorities Annual Report.
- Completed Board and Committee self-evaluations for 2019.
- Approved the 2020 Mission Statement and Performance Measurements of the Corporation as required by the above.
- Adopted, re-adopted or approved the Code of Ethics, Procurement Policy, Property Disposition Guidelines, Audit & Finance and Governance Committee Charters, Public Authorities Annual Report, Investment Report,

Investment & Deposit Policy, Travel, Conferences, Meals & Entertainment Policy, and the Whistleblower Policy.

- At the June Annual Meeting, made 2020-2021 Board Committee appointments and expanded the scope of activities of all Board Committees.
- At the June Annual Meeting, held 2020-2021 Election of Officers.
- Approved 2019 Audited Financial Statements.
- Earned a “clean” audit report for Fiscal Year 2019.
- Tom Kucharski and Darby Fishkin were reappointed as a Citizen Members of the Board of Directors for a three year term.
- Updated the Orientation Manual for potential new Board Members, although there were none in 2020.
- Worked with Audit & Finance Committee to prepare a comprehensive budget and three year projection for Board approval.
- Conducted the Annual Meeting of Board and Membership.
- Prepared an Annual Report of the Board of Directors as required under Section 519 of the NYS Not-For-Profit Corporation Law.
- Reviewed 2019 IRS Form 990 with all Board members and solicited comments.
- Updated the corporate chart to reflect the revised corporate structure.
- At the October 2020 meeting, the Board approved the 2021 budget and the 2022 - 2024 forecast for submittal to the Authorities Budget Office. This took place after extensive meetings with the Audit & Finance Committee and other members of the Board. The Board also approved the granting of Power of Attorney to Freed Maxick for tax credit cost certification.

Miscellaneous Projects & Initiatives

- In March 2020, King Crow LLC (a subsidiary of BUDC) closed on the sale of a portion of 308 Crowley to Enterprise Folding Box for their future expansion.
- Throughout 2020, the City worked with the NYS Historic Preservation Office to try to advance the partial demolition at 308 Crowley, a property owned by a BUDC subsidiary.
- Northland Project Manager Art Hall has successfully organized the Northland Small Business Networking Series, which has assisted numerous east side small businesses and is establishing strong relationships for the future East Side Entrepreneurial Center. He continued this success with two excellent virtual meeting in 2020.
- Mr. Hall has also organized and continues to process the Northland Brownfield Opportunity Area checklist, as the BOA nomination process continues.
- Mr. Hall has been the principal for the Local Initiatives Support Corporation (LISC) Northland Corridor Delavan Grider Community Enhancement Project. His efforts resulted in a final report and completion of the grant in August of 2020.
- Maintained and updated BUDC website and Facebook pages.

- Provided assistance to multiple companies and strategic projects, often in conjunction with the Mayor's Office of Strategic Planning and ECIDA.
- Partnered with National Grid and National Fuel to provide economic development grants to significant projects within the City of Buffalo.