

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Board of Directors Meeting

Date: Tuesday, May 26, 2020 Time: Noon
Via Video Conference Call & Live Stream Audio

1.0 CALL TO ORDER

2.0 READING OF THE MINUTES *(Action) (Enclosure)*

3.0 MONTHLY FINANCIAL REPORTS

3.1 683 Northland Master Tenant, LLC Financial Statements *(Information) (Enclosure)*

3.2 BUDC Consolidated Financial Statements *(Action) (Enclosure)*

4.0 NEW BUSINESS

4.1 Ralph C. Wilson, Jr. Centennial Park – Wendel Due Diligence Amendment *(Action) (Enclosure)*

4.2 Ralph C. Wilson, Jr. Centennial Park – SJB Due Diligence Proposal *(Action) (Enclosure)*

4.3 Waterfront / Ralph C. Wilson, Jr. Centennial Park Project Update *(Information)*

4.4 Northland Beltline Corridor Project Update *(Information)*

4.5 Northland Beltline Corridor Tenant Update – Covid 19 *(Information)*

4.6 BBRP / Race For Place Project Update *(Information)*

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

4.8 308 Crowley Project Update *(Information)*

5.0 LATE FILES

6.0 TABLED ITEMS

7.0 EXECUTIVE SESSION

8.0 ADJOURNMENT *(Action)*

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

**95 Perry Street
Buffalo, New York 14203
April 28, 2020
12:00 p.m.**

Directors Present:

Mayor Byron W. Brown (Chair)
Trina Burruss
James Comerford
Janique S. Curry
Dennis W. Elsenbeck
Darby Fishkin
Thomas Halligan
Thomas R. Hersey, Jr.
Thomas A. Kucharski
Amanda Mays
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Darius G. Pridgen
Dennis M. Penman (Vice Chair)
Craig A. Slater

Directors Absent:

Michael J. Finn
Dottie Gallagher
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

Guests Present: Evan Y. Bussiere, Hurwitz & Fine, P.C. Rebecca Gandour, City of Buffalo Office of Strategic Planning; and Arthur Hall, BUDC.

Executive Order 202.1: This meeting was held in accordance with the requirements of Executive Order 202.1. The meeting was also live-streamed to the general public and recorded. A transcript of the meeting will be made available at a later date.

- 1.0 Roll Call** – The meeting was called to order by Mayor Brown at 12:05 p.m. The Secretary called the roll of directors and a quorum of the Board was determined to be present.

Mayor Brown began the meeting with an announcement that Executive Vice President David A. Stebbins is retiring effective June 5th and that Rebecca Gandour will be joining BUDC from the Office of Strategic Planning. Mayor Brown praised Mr. Stebbins for his 35 years of service to the City of Buffalo, and spoke

of his many accomplishments. Several others expressed well wishes and congratulations to Mr. Stebbins, including Board members Comerford, Mehaffy and Penman, and BUDC officers Peter Cammarata and Brandye Merriweather. Mayor Brown left the meeting following Mr. Stebbins' final comments regarding his pending retirement. Mr. Penman chaired the remainder of the meeting.

2.0 Approval of Minutes – Meeting of March 31, 2020 – The minutes of the March 31, 2020 meeting of the Board of Directors were presented. Ms. Fishkin made a motion to approve the meeting minutes. The motion was seconded by Mr. Nasca and unanimously carried (15-0-0).

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 March 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 March 31, 2020. Ms. Curry made a motion to accept the financial report. The motion was seconded by Mr. Kucharski and unanimously carried (15-0-0).

3.3 Guarantees of the 683 Northland LLC \$1,000,000 Non-Revolving Senior Secured Credit Facility – Ms. Profic presented her April 28, 2020 memorandum regarding the proposed letter of credit facility for 683 Northland LLC. She noted that the Board of Directors had previously authorized the establishment with KeyBank of a \$1,000,000 Non-Revolving Senior Secured Credit Facility (the “Line of Credit Facility”) for 683 Northland LLC. At the time of the Board approval, KeyBank’s collateral requirements for the Line of Credit Facility were undetermined. KeyBank is requiring that BUDC and 683 WTC, LLC, a wholly-owned subsidiary of BUDC, each execute a guaranty of 683 Northland LLC’s payment and performance obligations for the Line of Credit Facility. Mr. Elsenbeck made a motion to authorize BUDC and 683 WTC, LLC to guarantee the payment and performance of the obligations of 683 Northland LLC under the KeyBank Line of Credit Facility, to authorize the President or Executive Vice President of BUDC to execute the guarantees and such other documents and instruments on behalf of BUDC and 683 WTC, LLC, and for such officers to take such actions as may be necessary in connection with the establishment of the Line of Credit Facility. The motion was seconded by Mr. Pridgen, and a roll call vote was conducted, with fourteen Board members voting in favor of the motion (14-0-0). Mr. Slater’s vote was not recorded.

4.0 New Business

4.1 Paycheck Protection Program (PPP) Loan – Mr. Cammarata presented his April 28, 2020 memorandum regarding BUDC’s application to borrow funds through the SBA’s Paycheck Protection Program (PPP). Mr. Kucharski made a motion to ratify, confirm and approve: (i) the submission of an application for PPP loan funding in the amount of \$85,600; (ii) the execution and delivery by BUDC executive officers of the loan agreement and promissory note for a PPP loan in the amount of \$85,600 and (iii) all actions taken by the officers in connection the PPP application and closing of the loan. The motion was seconded by Mr. Hersey. A roll call vote was conducted, with fourteen Board members voting in favor of the motion (14-0-0). Ms. Fishkin’s vote was not recorded.

4.2 Ralph C. Wilson, Jr. Centennial Park – Ralph C. Wilson, Jr. Foundation Grant Agreement #3 – Ms. Merriweather presented her April 28, 2020 memorandum regarding grant funding for the redevelopment of the Ralph C. Wilson Jr. Centennial Park. She reported that BUDC

applied for \$5.97 million dollars in additional grant funding from the Ralph C. Wilson, Jr. Foundation (the “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. She noted that the grant is pending final approval by the Foundation’s trustees. The Downtown Committee reviewed the proposed grant at its April 15th meeting and is recommending Board approval. Ms. Mays made a motion for BUDC to accept the \$5.97 million grant from the Ralph C. Wilson, Jr. Foundation for costs associated with the design and construction of the pedestrian bridge at Ralph C. Wilson Jr. Centennial Park, subject to approval by the Ralph C. Wilson, Jr. Foundation Trustees 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. A roll vote was conducted, with fifteen Board members voting in favor of the motion (15-0-0).

- 4.3 Waterfront/Ralph C. Wilson, Jr. Centennial Park Project Update** – Mr. Stebbins reported that upon his retirement, Ms. Merriweather will assume his role in project management for the redevelopment of the Ralph C. Wilson Jr. Centennial Park. He noted that the design and pre-construction for the bridge is progressing despite the COVID-19 shutdown and that additional field work at the park is underway. BUDC and the City of Buffalo are seeking additional funding for the redevelopment of the park.
- 4.4 631 Northland – Rehabilitation Project Financing Proposal** – Mr. Stebbins presented his April 28, 2020 memorandum regarding the Request for Proposals (RFP) for legal and accounting services for project financing for the rehabilitation of 631 Northland Avenue. Mr. Stebbins explained that only two proposals were received in response to the solicitation and only one of the responses included a proposed team of legal and accounting professionals. The Real Estate Committee reviewed item at its April 21st meeting and is recommending that BUDC retain the team led by Cannon Heyman & Weiss, with Freed Maxick, RubinBrown and Divitta Alexander. Mr. Nasca made a motion to approve the selection of the team led by Cannon Heyman & Weiss, Freed Maxick, RubinBrown and Divitta Alexander for legal and accounting services for rehabilitation financing for 631 Northland Avenue, for an initial pre-development contract in an amount not-to-exceed \$8,000 and to authorize the BUDC President or Executive Vice President to take such actions as are necessary to implement the authorization. The motion was seconded by Ms. Minkel. A roll call vote was conducted, with fourteen Board members voting in favor of the motion. (14-0-1). Ms. Mays abstained from the vote.
- 4.5 Northland Beltline Corridor Project Update** – Mr. Hall provided an update on Northland Beltline matters. He reported that the landlord improvements to the Retech space is nearly complete and the concrete floor for the red shed building is done. Work is underway to subdivide 537 E. Delavan into multiple parcels. A three-year contract has been executed for landscape services for the Northland Corridor. Mr. Hall also reported on the COVID-19 impacts, including the potential scheduling of the Urban Manufacturing Alliance gathering as a virtual conference. The Northland business networking series may also move to a virtual format. He completed his report with an update on the Northland Brownfield Opportunity Area (BOA).
- 4.6 Northland Beltline Corridor Tenant Update** – Mr. Cammarata updated the Board regarding various communications with Northland Corridor tenants regarding COVID-19 impacts, including BMW, the Northland Workforce Training Center, Retech, SparkCharge, Albright-Knox and Well Worth Products. He noted that some tenants have applied to the PPP program. He also reported that Manna may re-open this weekend for curbside take-out service.
- 4.7 BBRP / Race for Place Project Update** – Ms. Merriweather presented an update on BBRP and the Race For Place initiative. She noted that BUDC is coordinating with its partners at Buffalo Place and M&T to address challenges caused by the COVID-19 health crisis. She stated that the entertainment district project is moving forward with a targeted start date of July or August, with the

majority of work to be completed in 2021. She also reported on communications with past Queen City Pop-Up participants regarding the impact of COVID-19 on their operations.

4.8 Buffalo Lakeside Commerce Park – Land Sale – Mr. Cammarata updated the Board on the current BLCPP projects. He noted that Uniland’s due diligence period has been extended through August 31, 2020. He also commented on the decision of Thinking Robot Studios to move its project location from BLCPP to Elk Street. The company indicated that it wanted more acreage for its project and could obtain more lucrative Brownfield Cleanup Program tax credits at the Elk Street site. The positive news regarding the company’s announcement was that new location is another site within the City of Buffalo.

5.0 Late Files – None.

6.0 Tabled Items – None.

7.0 Executive Session – None.

8.0 Adjournment – There being no further business to come before the Board, upon motion made by Ms. Curry, seconded by Mr. Comerford and unanimously carried, the April 28, 2020 meeting of the Board of Directors was adjourned at 1:15 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary

683 Northland Master Tenant, LLC
Financial Statements
April 30, 2020

683 NORTHLAND MASTER TENANT, LLC
Balance Sheet

	April 2020	March 2020	December 2019
ASSETS			
Current assets:			
Cash	\$ 223,466	\$ 224,483	\$ 16,394
Tenant receivable	66,561	43,177	361,614
Prepaid expenses	28,364	40,887	18,501
Total current assets	<u>318,391</u>	<u>308,547</u>	<u>396,509</u>
Accrued rental income	79,054	69,602	45,995
Tenant security deposits	70,950	70,950	39,450
Cash reserves	375,658	375,643	385,440
Equipment, net	11,394	11,394	7,481
Prepaid rent - Master Lease Agreement	<u>16,924,540</u>	<u>16,924,540</u>	<u>16,924,540</u>
Total assets	<u>\$ 17,779,987</u>	<u>\$ 17,760,676</u>	<u>\$ 17,799,415</u>
LIABILITIES & MEMBERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 101,529	\$ 71,455	\$ 32,428
Deferred rent liability - sublessee	264,047	267,469	288,000
Due to related parties	<u>337,363</u>	<u>337,363</u>	<u>372,362</u>
Total current liabilities	<u>702,939</u>	<u>676,287</u>	<u>692,790</u>
Tenant security deposit	70,950	70,950	39,450
Deferred rent liability - Master Lease Agreement	2,952,297	2,831,870	2,471,223
Deferred rent liability - sublessee	6,825,752	6,868,413	6,996,396
Distribution payable - priority return	<u>105,026</u>	<u>105,026</u>	<u>105,026</u>
Total noncurrent liabilities	<u>9,954,025</u>	<u>9,876,259</u>	<u>9,612,095</u>
MEMBERS' EQUITY	7,123,023	7,208,130	7,494,530
Total liabilities and net position	<u>\$ 17,779,987</u>	<u>\$ 17,760,676</u>	<u>\$ 17,799,415</u>

683 NORTHLAND MASTER TENANT, LLC
Income Statement

For the Period Ended:

	April 2020	March 2020	December 2019
Revenues:			
Rental revenue	\$ 352,367	\$ 261,781	\$ 754,631
Additional rental revenue	69,974	52,670	167,996
Interest and other revenue	350	322	4,565
Total revenues	<u>422,691</u>	<u>314,773</u>	<u>927,192</u>
Expenses:			
Rent expense	626,581	469,936	1,879,742
Payroll	49,555	33,569	129,470
Utilities expense	7,382	5,628	111,798
Insurance expense	24,108	18,081	120,670
Professional fees	20,754	20,394	46,936
Property management fee	16,813	12,708	41,493
Real estate taxes	5,489	5,489	22,473
Repairs and maintenance	32,205	24,695	18,400
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	1,311	673	8,851
Depreciation expense	-	-	1,870
Total expenses	<u>794,198</u>	<u>601,173</u>	<u>2,391,703</u>
Net loss	(371,507)	(286,400)	(1,464,511)
Members' equity - beginning of period	<u>7,494,530</u>	<u>7,494,530</u>	<u>4,533,262</u>
Change in members' equity	(371,507)	(286,400)	(1,464,511)
Members' capital contributions	-	-	4,536,758
Distributions	-	-	(110,979)
Members' equity - end of period	<u>\$ 7,123,023</u>	<u>\$ 7,208,130</u>	<u>\$ 7,494,530</u>

Buffalo Urban Development Corporation
Consolidated Financial Statements
April 30, 2020

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidated Statements of Net Position

	April	March	December
	2020	2020	2019
ASSETS			
Current assets:			
Cash	\$ 810,782	\$ 664,627	\$ 246,940
Restricted cash	3,924,237	5,127,169	5,234,585
Grants receivable	6,539,883	6,539,883	10,780,646
Other current assets	7,629,837	7,683,864	8,135,225
Total current assets	<u>18,904,740</u>	<u>20,015,544</u>	<u>24,397,396</u>
Noncurrent assets:			
Loans receivable	10,791,400	10,791,400	10,791,400
Equity investment	198,360	198,360	198,360
Capital assets, net	109,117,369	109,452,508	110,457,922
Construction in process	4,877,759	4,863,995	2,697,320
Land and improvement held for sale, net	4,075,767	4,075,767	4,086,967
Total noncurrent assets	<u>129,060,656</u>	<u>129,382,030</u>	<u>128,231,969</u>
Total assets	<u>\$ 147,965,395</u>	<u>\$ 149,397,574</u>	<u>\$ 152,629,365</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 3,826,811	\$ 4,314,217	\$ 4,589,840
Unearned grant revenue	8,408,785	8,865,633	10,743,729
Total current liabilities	<u>12,235,596</u>	<u>13,179,850</u>	<u>15,333,569</u>
Note payable	257,381	257,381	257,381
Deferred rent liability	13,971,607	14,092,035	14,453,317
Loans payable	44,091,779	43,999,920	43,981,202
Total noncurrent liabilities	<u>58,320,767</u>	<u>58,349,336</u>	<u>58,691,900</u>
NET POSITION			
Net investment in capital assets	74,025,590	74,452,588	73,261,007
Restricted	5,473,950	5,427,262	4,933,990
Unrestricted	<u>(2,090,509)</u>	<u>(2,011,463)</u>	<u>408,899</u>
Total net position	<u>77,409,032</u>	<u>77,868,388</u>	<u>78,603,896</u>
Total liabilities and net position	<u>\$ 147,965,395</u>	<u>\$ 149,397,574</u>	<u>\$ 152,629,365</u>

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

	<u>April</u> <u>2020</u>	<u>March</u> <u>2020</u>	<u>December</u> <u>2019</u>
Operating revenues:			
Grant revenue	\$ 2,483,101	\$ 2,024,253	\$ 20,799,635
Brownfield funds	96,511	55,475	298,920
Loan interest and commitment fees	54,721	41,049	149,707
Rental and other revenue	677,535	506,658	14,842,621
Proceeds from sale of land, net	7,377	7,377	-
Total operating revenues	<u>3,319,246</u>	<u>2,634,812</u>	<u>36,090,883</u>
Operating expenses:			
Development costs	1,314,226	785,083	2,579,959
Adjustment to net realizable value	-	-	575,816
Salaries and benefits	187,002	142,129	509,655
General and administrative	1,429,673	1,241,345	3,093,725
Management fee	27,500	19,583	133,855
Depreciation	1,340,552	1,005,413	3,224,019
Total operating expenses	<u>4,298,953</u>	<u>3,193,554</u>	<u>10,117,029</u>
Operating income (loss)	(979,707)	(558,742)	25,973,854
Non-operating revenues (expenses):			
Interest expense	(191,892)	(159,691)	(1,172,004)
Amortization expense	(24,957)	(18,718)	(74,872)
Interest income	1,692	1,642	19,278
Proceeds from land sales	-	-	-
Total non-operating revenues (expenses)	<u>(215,157)</u>	<u>(176,767)</u>	<u>(1,227,598)</u>
Change in net position	(1,194,864)	(735,509)	24,746,256
Net position - beginning of period	<u>78,603,896</u>	<u>78,603,896</u>	<u>53,357,640</u>
Add: Capital contribution	-	-	500,000
Net position - end of period	<u>\$ 77,409,032</u>	<u>\$ 77,868,388</u>	<u>\$ 78,603,896</u>

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Net Position
April 30, 2020

	<u>Buffalo Urban Development Corporation</u>	<u>683 WTC, LLC</u>	<u>683 Northland LLC</u>	<u>Eliminations (1)</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash	\$ 796,560	\$ -	\$ 14,222	\$ -	\$ 810,782
Restricted cash	3,375,523	-	548,714	-	3,924,237
Grants receivable	6,539,883	-	-	-	6,539,883
Other current assets	12,326,896	1,500	287,450	(4,986,009) (1)	7,629,837
Total current assets	<u>23,038,863</u>	<u>1,500</u>	<u>850,386</u>	<u>(4,986,009)</u>	<u>18,904,740</u>
Noncurrent assets:					
Loans receivable	58,846,864	-	-	(48,055,464) (1)	10,791,400
Equity investment	-	48,049,089	-	(47,850,729) (1)	198,360
Capital assets, net	6,493,876	-	102,623,493	-	109,117,369
Construction in process	-	-	4,877,759	-	4,877,759
Land and improvement held for sale, net	4,075,767	-	-	-	4,075,767
Total noncurrent assets	<u>69,416,508</u>	<u>48,049,089</u>	<u>107,501,252</u>	<u>(95,906,193)</u>	<u>129,060,656</u>
Total assets	<u>\$ 92,455,370</u>	<u>\$ 48,050,589</u>	<u>\$ 108,351,638</u>	<u>\$ (100,892,202)</u>	<u>\$ 147,965,395</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	\$ 1,396,451	\$ 481,009	\$ 6,935,360	\$ (4,986,009) (1)	\$ 3,826,811
Unearned grant revenue	8,408,785	-	-	-	8,408,785
Total liabilities	<u>9,805,236</u>	<u>481,009</u>	<u>6,935,360</u>	<u>(4,986,009)</u>	<u>12,235,596</u>
Noncurrent liabilities:					
Note payable	257,381	-	-	-	257,381
Deferred rent liability	-	-	13,971,607	-	13,971,607
Loans payable	455,370	48,055,464	43,636,409	(48,055,464) (1)	44,091,779
Total noncurrent liabilities	<u>712,751</u>	<u>48,055,464</u>	<u>57,608,016</u>	<u>(48,055,464)</u>	<u>58,320,767</u>
NET POSITION					
Net investment in capital assets	6,038,506	-	67,987,084	-	74,025,590
Restricted	5,473,950	-	-	-	5,473,950
Unrestricted	70,424,926	(485,884)	(24,178,822)	(47,850,729) (1)	(2,090,509)
Total net position	<u>81,937,383</u>	<u>(485,884)</u>	<u>43,808,262</u>	<u>(47,850,729)</u>	<u>77,409,032</u>
Total liabilities and net position	<u>\$ 92,455,370</u>	<u>\$ 48,050,589</u>	<u>\$ 108,351,638</u>	<u>\$ (100,892,202)</u>	<u>\$ 147,965,395</u>

(1) This represents activity between the entities to be eliminated for the consolidated financial statements.

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Revenues, Expenses and Changes in Net Position
Year to Date April 30, 2020

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
Operating revenues:					
Grant revenue	\$ 2,483,101	\$ -	\$ -	\$ -	\$ 2,483,101
Brownfield funds	96,511	-	-	-	96,511
Loan interest and commitment fees	54,721	-	-	-	54,721
Rental and other revenue	50,954	-	626,581	-	677,535
Proceeds from land sales, net	7,377	-	-	-	7,377
Total operating revenue	<u>2,692,665</u>	<u>-</u>	<u>626,581</u>	<u>-</u>	<u>3,319,246</u>
Operating expenses:					
Development costs	1,314,226	-	-	-	1,314,226
Salaries and benefits	187,002	-	-	-	187,002
General and administrative	1,427,091	375	2,207	-	1,429,673
Management fee	27,500	-	-	-	27,500
Depreciation	-	-	1,340,552	-	1,340,552
Total operating expenses	<u>2,955,819</u>	<u>375</u>	<u>1,342,759</u>	<u>-</u>	<u>4,298,953</u>
Operating income	(263,154)	(375)	(716,178)	-	(979,707)
Non-operating revenues (expenses):					
Interest expense	(5,156)	-	(186,736)	-	(191,892)
Amortization expense	-	-	(24,957)	-	(24,957)
Interest income	1,522	-	170	-	1,692
Total non-operating revenues (expenses)	<u>(3,634)</u>	<u>-</u>	<u>(211,523)</u>	<u>-</u>	<u>(215,157)</u>
Change in net position	(266,788)	(375)	(927,701)	-	(1,194,864)
Net position - beginning of year	82,204,170	(485,509)	42,219,146	(45,333,911) (1)	78,603,896
Add: capital contributions	<u>-</u>	<u>-</u>	<u>2,516,817</u>	<u>(2,516,817) (1)</u>	<u>-</u>
Net position - end of period	<u>\$ 81,937,382</u>	<u>\$ (485,884)</u>	<u>\$ 43,808,262</u>	<u>\$ (47,850,728)</u>	<u>\$ 77,409,032</u>

(1) This represents activity between the entities to be eliminated for the consolidated financial statements.

BUFFALO URBAN DEVELOPMENT CORPORATION
Budget to Actual Comparison
Year to Date April 30, 2020

	YTD April 2020	YTD Budget 2020	Variance
Operating revenues:			
Grant revenue	\$ 2,483,101	\$ 2,800,167	\$ (317,065)
Brownfield funds	96,511	38,333	58,178
Loan interest and commitment fees	54,721	37,888	16,833
Rental and Developer Fees	677,535	2,500,302	(1,822,767)
Proceeds from land sales, net	7,377	45,183	(37,806)
Total operating revenues	<u>3,319,246</u>	<u>5,421,873</u>	<u>(2,102,627)</u>
Operating expenses:			
Development costs	1,314,226	348,124	966,101
Salaries and benefits	187,002	200,150	(13,147)
General and administrative	1,429,673	1,028,383	401,290
Management fee	27,500	34,167	(6,667)
Depreciation	1,340,552	1,500,000	(159,448)
Total operating expenses	<u>4,298,953</u>	<u>3,110,824</u>	<u>1,188,129</u>
Operating income (loss)	(979,707)	2,311,049	(3,290,756)
Non-operating revenues (expenses):			
Interest expense	(191,892)	(176,225)	(15,667)
Amortization expense	(24,957)	(24,957)	0
Interest income	1,692	3,333	(1,642)
Total non-operating revenues (expenses)	<u>(215,157)</u>	<u>3,333</u>	<u>(1,642)</u>
Change in net position	<u>\$ (1,194,864)</u>	<u>\$ 2,314,383</u>	<u>\$ (3,292,398)</u>

Budget variances:

- Grant revenue relates to Northland Corridor and Ralph C. Wilson, Jr. Centennial Park Projects. There is a small variance due to timing in recognition of grant revenue.
- Rental and developer fees consists of recognition of prepaid rent income (straight-line basis) by 683 Northland LLC from 683 Northland Master Tenant, LLC, and rent income at properties other than 683 Northland Avenue. Original budget reflects Phase 2 Developer Fee (\$4.5 million), recognized by BUDC in 2019.
- Development costs consist of property/project-related costs (e.g. construction, operations and maintenance, legal and utility costs) related to projects along Northland Avenue and RCWJ Centennial Park.
- General and administrative costs consist of consultants, insurance, rents, audit, marketing and other G&A costs. Rents include BUDC offices, Buffalo Manufacturing Works base rent (part of ESD grant agreement) and recognition of prepaid rent for Workforce Training Center.
- Depreciation relates mainly to capitalized assets at 683 Northland Avenue.

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Item 4.1

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors

FROM: Brandye Merriweather - Vice President-Downtown Development

SUBJECT: Ralph C. Wilson, Jr. Centennial Park – Wendel Due Diligence Amendment

DATE: May 26, 2020

The BUDC Board of Directors previously approved a contract for Wendel Companies to conduct due diligence services for the redevelopment of Lasalle Park into the Ralph C. Wilson, Jr. Centennial Park. This contract included boundary survey base mapping; geotechnical investigation and recommendations; investigation of Phase 1 Cultural Resources; assistance with SEQRA and Phase 1 Environmental Site Assessment and data review, boundary survey work. All of this work will be funded through the previously issued grant award from the Ralph C. Wilson Foundation.

After further examination of the project site, there is a need for the completion of additional due diligence work. This additional work involves an additional topographic survey; tree assessment; pavilion assessment and title work. The cost of this additional due diligence work totals \$33,300 and will also be paid from a grant award from the Ralph C. Wilson Foundation. This additional work includes \$12,100 in credits from previously approved work. This will bring the total cost of the Wendel contract from \$249,600 to \$269,800.

G&T coordinated the receipt and review of Wendel Companies cost estimates and scope, and determined that the work is necessary and appropriately priced. A recommendation memo from G&T is attached.

This item was reviewed with the BUDC Downtown Committee on May 20, 2020 and was recommended for approval by the BUDC Board of Directors.

ACTION

I am requesting that the BUDC Board of Directors authorize an amendment to the due diligence contract with Wendel Companies for the above-mentioned scope of work in the amount of \$33,300 for the Ralph C. Wilson Centennial Park project, the cost of which will be paid through a previously approved grant award from the Ralph C. Wilson, Jr. Foundation.



Dave Stebbins
Executive Vice President
Buffalo Urban Development Corporation
95 Perry Street, Suite 404
Buffalo, NY 14203-3030

Job # 892070
Sent - via e-mail
May 14, 2020

Re: Wendel Additional Services, Proposal Recommendation to BUDC

Dear David,

Please see attached the Wendel proposal for additional services for the Ralph C Wilson Jr Centennial Park project. This scope was developed in coordination with the MVVA team and City of Buffalo contacts as discussed during weekly calls. The scope includes;

- **Additional Topographic Survey:** For the southern edge of the park bordering the waterfront community originally excluded from the topographic scope of work completed. MVVA provided specific information needed at the edge and within private property. G&T has initiated coordination for access with the community and does not anticipate any issues with approval.
- **Incorporation of Title Report Findings:** G&T organized a coordination meeting during our trip to Buffalo in March. This was the first time that the team and all contacts working on the title, boundaries and survey work collaborated. Wendel, Colligan Law and DPW exchanged information and resolved most of the open questions the team had. It became evident that the findings from Colligan Law and the team collaboration should be incorporated into the site survey. This scope is for Wendel to review the 2 Colligan Law reports and incorporate all new information into the survey. Wendel will also extract all easement information for G&T to confirm requirements which may affect MVVA's design before the end of the Design Development phase.
- **Tree Assessment:** This is a partial tree assessment scope coordinated with DPW. Since this is a city project, DPW agreed to progress the rest of the tree assessment evaluation/process internally.
- **Pavilion Assessment:** The MVVA agreements currently exclude the Pavilion. The ownership team asked G&T to look into the possibility of keeping the structure after the community expressed an interest in saving it (removal assumptions had been previously made). The condition assessment is needed for G&T to complete a cost comparison between 3 options; maintain/repair, replacement and removal (assuming temporary facilities for events instead).
- **SHPO:** This is the scope explanation for the work performed with the previously un-used funds from Task 4, base contract. Previous coordination and approval was coordinated via email, the work has been completed. BUDC had requested contract fee reconciliation with this round of Wendel add services, this proposal closes the loop on credits and previous open items.

These additional services will be amendment #3 to BUDC's base contract dated June 2019. The requirements for that base contract (including MWBE, prevailing wages etc.) will continue to be applicable to these additional services.

Wendel has been providing services (multiple disciplines) for the project under MVVA and BUDC since 2019. The Wendel team has also provided multiple services under contracts with other consultants and city agencies working on scopes in LaSalle Park including previous work for the Pavilion. Because of this past experience and familiarity with the project and project team, we believe Wendel to be an appropriate single/sole source selection. G&T has reviewed their scope and find that their proposed fees are acceptable.

Attachments;

- Wendel Proposal for Add-Services

Yours Sincerely,



Cristina Cordero
Senior Project Manager
Gardiner & Theobald, Inc.

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Item 4.2

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors
FROM: Brandye Merriweather – Vice President–Downtown Development
SUBJECT: Ralph C. Wilson, Jr. Centennial Park – SJB Due Diligence Proposal
DATE: May 26, 2020

As work continues on the redevelopment of Lasalle Park into the Ralph C. Wilson, Jr. Centennial Park, BUDC, through its project manager, Gardiner & Theobald (G&T) has identified the need for inland soil borings and waterside subsurface investigation work.

SJB Services, Inc., which is serving as a subcontractor to both Wendel and Michael Van Valkenburgh Associates for the Centennial Park project, has submitted proposals to perform the inland soil borings work at a cost of \$64,350 and the waterside subsurface investigation work at a cost of \$91,750, for a total contract cost of \$156,000. The inland soil borings work includes inland soil borings, test pits along the shoreline, soil samples for laboratory testing and analysis, pedestrian bridge area soil samples, foundation testing assessments and associated recommendations. The waterside subsurface investigation scope includes waterside borings, soil samples for geotechnical laboratory testing, analysis, recommendations and reports.

G&T coordinated the receipt and review of the SJB Services cost estimates and scope, and determined that the work is necessary and appropriately priced. A recommendation memo from G&T is attached. The cost of the work will be covered through a previously awarded grant from the Ralph C. Wilson, Jr. Foundation.

This item is being presented for recommendation as “single source” procurement pursuant to the BUDC procurement policy. The single source exception to seeking competitive proposals applies to “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.” SJB Services possesses unique knowledge and expertise regarding the project site through its role as a subcontractor to both Wendel and Michael Van Valkenburgh Associates for the Centennial Park project. The benefit to BUDC is that SJB Services can seamlessly provide these services without significant onboarding or start-up costs. BUDC has also vetted the cost of these services through G&T, which determined that the services were appropriately priced. This item was reviewed with the BUDC Downtown Committee on May 20, 2020 and was recommended for approval by the BUDC Board of Directors.

ACTION

I am requesting that the BUDC Board of Directors authorize BUDC to enter into an agreement with SJB Services, Inc. for due diligence services related to inland soil borings in the amount of \$64,250 and waterside subsurface investigation in the amount of \$91,750 for the Ralph C. Wilson, Jr. Centennial Park project, for a total contract amount of \$156,000, the cost of which will be paid through a previously awarded grant from the Ralph C. Wilson, Jr. Foundation.



Dave Stebbins
Executive Vice President
Buffalo Urban Development Corporation
95 Perry Street, Suite 404
Buffalo, NY 14203-3030

Job # 892070
Sent - via e-mail
May 14, 2020

Re: SJB / Empire Phase 2 Site Investigation, Proposal Recommendation to BUDC

Dear David,

Please see attached the SJB/Empire proposal for Phase 2 of the site investigation scope for the Ralph C Wilson Jr Centennial Park project. This scope was developed in coordination with the MVVA team, City of Buffalo contacts and the Waterkeeper team as discussed during weekly calls. Previous site investigation was completed by the SJB/Empire team under Wendel contracts. After reviewing the necessary scope for this phase, it was determined that Wendel oversight was not needed moving forward. Because of this, we have negotiated a NTE proposal for BUDC to enter into an agreement with SJB/Empire directly to avoid unnecessary mark-ups. This will be a new base contract with BUDC. No MWBE participation or multiple bidding for sub-consultants has been incorporated due to single/sole sourcing project needs explained below.

We were able to go through multiple rounds of review, comments and revisions with the extended team and have established an appropriate scope to be completed at this time in support of the current design schedule. We do, however, expect some variation in the total contract value which is why we have structured this proposal as a NTE. The site operations that will be performed for this work may inform each other resulting in slight changes in the amounts of test pits, GPR work etc... Additionally, we will be receiving data from the seawall assessment being completed by the Waterkeeper team. This could result in a further reduction to the number of test pits. Lastly, site visits by the main contacts for SJB/Empire may also result in efficiencies found.

The SJB / Empire team has been providing site investigation, geotechnical and environmental services for the project as subs to Wendel and MVVA under BUDC contracts. Because of their involvement with the project and knowledge of the site, we believe the SJB/Empire team to be an appropriate single/sole source selection. G&T has reviewed their scope and find their proposed fees appropriate.

Lastly, as part of our Cost Management services, G&T will evaluate the invoicing based on proof of operations (number of borings, test pits...) and the established rates for that work. Laboratory testing budgets have been set, actual invoicing is required for approval of billed amounts. Lump sum per-operation values have also been included for sub-contracted work, G&T will also review back up for these charges. Subcontracted work is only anticipated for barge / water drilling operations, the SJB/Empire team always work with a trusted partner with established rates and efficiencies which is why multiple bidding was not requested.

Attachments;

- SJB / Empire Proposal for In-Land Work
- SJB / Empire Proposal for In-Water Work

Total Not To Exceed Value Recommended for Approval: \$159,000

Yours Sincerely,



Cristina Cordero
Senior Project Manager
Gardiner & Theobald, Inc.