

Buffalo Urban Development Corporation

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

Date: Tuesday, April 28, 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)*
- 3.3 Guarantees of the 683 Northland LLC \$1,000,000 Non-Revolver Senior Secured Credit Facility *(Action) (Enclosure)*

4.0 NEW BUSINESS

- 4.1 Paycheck Protection Program (PPP) Loan *(Action) (Enclosure)*
- 4.2 Ralph C. Wilson, Jr. Centennial Park – Ralph C. Wilson, Jr. Foundation Grant Agreement #3 *(Action) (Enclosure)*
- 4.3 Waterfront / Ralph C. Wilson, Jr. Centennial Park Project Update *(Information)*
- 4.4 631 Northland – Rehabilitation Project Financing Proposal *(Action) (Enclosure)*
- 4.5 Northland Beltline Corridor Project Update *(Information)*
- 4.6 Northland Beltline Corridor Tenant Update – Covid 19 *(Information)*
- 4.7 BBRP / Race For Place Project Update *(Information)*
- 4.8 Buffalo Lakeside Commerce Park Project Update *(Information)*

5.0 LATE FILES

6.0 TABLED ITEMS

7.0 EXECUTIVE SESSION

8.0 ADJOURNMENT *(Action)*

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

**95 Perry Street
Buffalo, New York
March 31, 2020
12:00 p.m.**

Directors Present:

Mayor Byron W. Brown (Chair)
James Comerford
Janique S. Curry
Dennis W. Elsenbeck
Darby Fishkin
Dottie Gallagher
Thomas Halligan
Thomas A. Kucharski
Amanda Mays
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Dennis M. Penman (Vice Chair)
Maria R. Whyte

Directors Absent:

Trina Burruss
Michael J. Finn
Thomas R. Hersey, Jr.
Darius G. Pridgen
Craig A. Slater

Officers Present:

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

Guests Present: Evan Y. Bussiere, Hurwitz & Fine, P.C.; John Cleary, Gilbane Building Company; Rebecca Gandour, City of Buffalo Office of Strategic Planning; Garrett Gruendike, Gilbane Building Company; and Arthur Hall, BUDC.

- 1.0 Roll Call; Meeting Procedures** – The meeting was called to order by Mayor Brown at 12:05 p.m. Mayor Brown and Mr. Cammarata each commented on the COVID-19 health crisis. Mr. Cammarata then outlined meeting procedures with the Board, who were participating in the meeting via tele/videoconference. Mr. Cammarata noted that the meeting was held in accordance with the requirements of Executive Order 202.1, which was issued by Governor Andrew Cuomo on March 12, 2020. 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.

The Secretary called the roll of directors and a quorum of the Board was determined to be present. All Board member votes were recorded by roll call vote.

- 2.0 Approval of Minutes – Meeting of February 25, 2020** – The minutes of the February 25, 2020 meeting of the Board of Directors were presented. Mr. Comerford made a motion to approve the meeting minutes. The motion was seconded by Ms. Curry and unanimously carried (14-0-0).

3.0 New Business

- 3.1 Governance Committee Report** – Mr. Cammarata noted that there are four items to be presented as part of the Governance Committee report that require a Board vote. The Board consented to conducting a single omnibus roll call vote at end of the presentation with respect to items 3.1.2, 3.1.3, 3.1.4 and 3.1.5. Mr. Kucharski then presented the March 31, 2020 report of the Governance Committee.

- 3.1.1 2019 Mission Statement and Performance Measurements** – Mr. Kucharski presented a report of BUDC's achievement of the Performance Measurements that were established by the BUDC Board of Directors for the 2019 program year.

- 3.1.2 2020 Mission Statement and Performance Measurements** – Mr. Kucharski presented the 2020 mission statement and proposed performance measurements for 2020. He noted that the mission statement and performance measurements are subject to annual Board review and approval. No changes are being proposed to the BUDC mission statement. The performance measurements for 2020 have been updated to reflect new measurements applicable to the BUDC projects and initiatives.

- 3.1.3 Procurement Policy** – Mr. Kucharski presented the Procurement Policy, which is being recommended for re-adoption without changes.

- 3.1.4 Property Disposition Guidelines** – Mr. Kucharski presented the Property Disposition Guidelines, which are being recommended for re-adoption without changes.

- 3.1.5 2019 Public Authorities Annual Report** – Mr. Kucharski presented the 2019 Public Authorities Annual Report. Mr. Kucharski noted that this report was reviewed with the Governance Committee and the Audit & Finance Committee.

At the conclusion of Mr. Kucharski's report, Mr. Kucharski made a motion to approve (i) the 2020 Mission Statement and Performance Measurements, (ii) the Procurement Policy, (iii) the Property Disposition Guidelines and (iv) the 2019 Public Authorities Annual Report, all in the form presented to the Board. The motion was seconded by Mr. Halligan and carried with fourteen affirmative votes (14-0-0).

- 3.2 Audit & Finance Committee Report** – Mr. Penman noted that there are three items to be presented as part of the Audit & Finance Committee report that require a Board vote. The Board consented to conducting a single omnibus roll call vote at end of the presentation with respect to items 3.2.2, 3.2.4 and 3.2.5. Mr. Penman then asked Ms. Profic to present items 3.2.1 through 3.2.

- 3.2.1 2019 683 Northland Master Tenant, LLC Audited Financial Statements** – Ms. Profic presented for information purposes the 2019 audited financial statements prepared by BUDC's auditors, Freed Maxick CPAs P.C. for 683 Northland Master Tenant, LLC. Ms. Profic reported that the auditors issued an unqualified (clean) opinion that the financial statements present fairly, in all material respects, the financial position of 683 Northland Master Tenant, LLC, as of December 31, 2019, and the changes in its financial position and its cash flows for the year then ended, in accordance with accounting principles generally

accepted in the United States. No material weaknesses or control deficiencies were found during the course of the audit process.

3.2.2 2019 Audited Consolidated Financial Statements – Ms. Profic reviewed in detail the 2019 audited consolidated financial statements prepared by BUDC's auditors, Freed Maxick CPAs P.C. Ms. Profic reported that the auditors issued an unqualified (clean) opinion that the financial statements present fairly, in all material respects, the financial position of BUDC, as of December 31, 2019, and the changes in its financial position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States. No material weaknesses or control deficiencies were found during the course of the audit process. The Audit & Finance Committee met with the auditors to review the draft 2019 audited consolidated financial statements and is recommending that the Board accept the 2019 audited consolidated financial statements.

3.2.3 2019 Audited Financial Statements – BBRF – Ms. Profic presented for information purposes the 2019 audited financial statements for the Buffalo Brownfields Redevelopment Fund (BBRF).

3.2.4 2019 Investment Report – Ms. Profic presented the 2019 Investment Report. The Audit & Finance Committee reviewed the 2019 Investment Report and is recommending Board approval.

3.2.5 Investment and Deposit Policy – Ms. Profic presented the BUDC Investment and Deposit Policy. The Audit & Finance Committee reviewed the policy and is recommending Board approval.

3.2.6 Reimbursement of 2019 Brownfield Expenses from BBRF – Ms. Profic presented her March 31, 2020 memorandum to the Board regarding the reimbursement of third party expenses from the Buffalo Brownfields Redevelopment Fund. Ms. Profic noted that third party expenses incurred by BUDC for the Buffalo Lakeside Commerce Park, Riverbend, 308 Crowley and Northland Beltline projects are eligible for reimbursement from the BBRF. Ms. Profic also noted that the Audit & Finance Committee reviewed this item and is recommending that the Board authorize the reimbursement of third party expenses in the amount of \$450,078 from the BBRF.

At the conclusion of Ms. Profic's presentation, Mr. Penman made a motion to: (i) accept the 2019 BUDC consolidated audited financial statements; (ii) approve the 2019 Investment Report; (iii) approve the Investment and Deposit Policy; and (iv) approve the reimbursement of BUDC from the BBRF for 2019 third party costs incurred by BUDC for the BLCP, Riverbend, 308 Crowley and Northland Beltline projects in the amount of \$450,078, as detailed in the March 31, 2020 memorandum to the Board, all in the form presented to the Board. The motion was seconded by Mr. Nasca and carried with fourteen affirmative votes (14-0-0).

3.3 Monthly Financial Report – Ms. Profic presented the financial statements for 683 Northland Master Tenant, LLC and the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending February 29, 2020. Mr. Comerford made a motion to accept the financial report. The motion was seconded by Ms. Fishkin and carried with fourteen affirmative votes (14-0-0).

3.4 Northland Central Lease Proposal – Mr. Cammarata presented his March 31, 2020 memorandum regarding a proposed lease at 683 Northland with Rodriguez Construction Group, Inc. The company is seeking to lease 8539+/- square of space on the third floor of the building. Mr.

Cammarata outlined the terms of the proposed lease, which include an initial five-year term with a tenant option for an additional five years. The tenant will fund and construct all of the tenant improvements to the space, and the base rent for the initial five-year term is reflective of the cost of the tenant improvements. The lease was reviewed by the Real Estate Committee at the March 24, 2020 meeting and was recommended to the Board for approval. Ms. Curry made a motion to approve a lease with Rodriguez Construction Group, Inc. consistent with the terms outlined in the memorandum and to authorize the President or Executive Vice President to execute the lease on behalf of 683 Northland Master Tenant, LLC. The motion was seconded by Mr. Penman and carried with fourteen affirmative votes (14-0-0).

3.5 Northland Corridor – Community Solar & Microgrid RFP Proposal – Mr. Stebbins presented his March 31, 2020 memorandum regarding the award of a contract for the design and implementation of a campus energy microgrid and community solar project for the Northland corridor. The project will be funded in part with a two million grant commitment from Empire State Development's East Side Corridor Economic Development Fund, part of Phase II of Governor Cuomo's Buffalo Billion. Four proposals were received and were reviewed by a team comprised of representatives from BUDC, the Northland Workforce Training Center Board, the City of Buffalo and Empire State Development. The evaluation team and BUDC staff are recommending that the project be awarded to the team led by Frey Electric Construction Company. The Frey team also includes Gilbane Building Company, 34 Group, Vanguard Energy Partners, Eaton, Energy Mark and LaBella Associates. Mr. Stebbins stated that the initial cost for pre-development planning and analysis is estimated to be \$188,600, with a total estimated project cost of five million dollars. This item was reviewed with the Real Estate Committee at its March 24, 2020 meeting and was recommended to the Board for approval. Mr. Kucharski made a motion to approve the engagement of 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 President or Executive Vice President to take such actions as are necessary to implement this authorization. The motion was seconded by Ms. Fishkin and carried with thirteen affirmative votes (13-0-1). Ms. Mays abstained from the vote.

3.6 RCWJ Centennial Park Project – MVVA Contract Amendment – Mr. Stebbins presented his March 31, 2020 memorandum regarding a proposed amendment to the contract with Michael Van Valkenburgh Associates Inc. (MVVA). The project is now proceeding into the design development phase. BUDC's project manager, Gardiner & Theobald (G&T) has negotiated with MVVA a package of design development documents, client and community meetings and other work as outlined in the scope of work, with a significant cost reduction from MVVA's initial proposal. The total cost of the proposed contract amendment is \$3,326,990. Mr. Stebbins noted that the cost proposal is consistent with industry standards for park and recreation projects, at less than 3% of the total project cost of \$116 million. This proposal was reviewed with the project team from the City of Buffalo as well as the Ralph C. Wilson Jr. Foundation. The contract amendment will be funded by the balance of the 2nd Ralph C. Wilson Jr. Foundation Grant for the design and additional funding in a pending 4th grant from the Wilson Foundation and a commitment of \$1 million from the Great Lakes Commission for the design of shoreline improvements. Mr. Elsenbeck made a motion 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. The motion was seconded by Ms. Mays and carried with fourteen affirmative votes (14-0-0).

3.7 BBRP / Race for Place Project Update – Ms. Merriweather presented an update on BBRP and the Race For Place Initiative. She noted that the \$40 million Accelerator Fund has been approved by ECIDA. She also commented on the Congress for the New Urbanism (CNU) event

that was held in Buffalo at the end of February. The CNU event, which was very well attended, focused on the future of transportation technology.

3.8 Northland Beltline Project Update – Mr. Hall provided an update on Northland Beltline matters. Mr. Hall noted that two proposals were received in response to BUDC's request for proposals for tax credits services in connection with the redevelopment of 631 Northland. He reported on the landlord improvements to the Retech space and work that is underway to subdivide 537 E. Delavan into multiple parcels. He also reported on the impact of COVID-19, noting that Albright-Knox has suspended operations at 612 Northland and that the Urban Manufacturing Alliance gathering that was scheduled for late May at 683 Northland has been postponed.

3.9 Waterfront/Ralph C. Wilson Jr. Centennial Park Project Update – Mr. Stebbins reported that the project is in the design phase for both the park and the bridge work. Thus far, the schedule for completing the design has not been adversely impacted by the COVID-19 pandemic. He noted BUDC is working on securing additional grant funds for the project.

3.10 Buffalo Lakeside Commerce Park – Land Sale – Mr. Cammarata noted that the developers for all three projects at BLCP are continuing their due diligence work.

3.11 308 Crowley Project – Land Sale (71 Isabelle Street) – Mr. Cammarata reported on the closing of the sale of the 71 Isabelle Street property to Enterprise Folding Box Co., Inc. He also noted that BUDC continues to work with the City of Buffalo regarding proposed demolition work for the site.

4.0 Late Files – None.

5.0 Tabled Items – None.

6.0 Executive Session – None.

7.0 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 March 31, 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

March 31, 2020

683 NORTHLAND MASTER TENANT, LLC
Balance Sheet

| | March 2020 | February 2020 | December 2019 |
|--|---------------|------------------|------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash | \$ 224,483 | \$ 295,355 | \$ 16,394 |
| Tenant receivable | 43,177 | 38,027 | 361,614 |
| Prepaid expenses | 40,887 | 41,410 | 18,501 |
| Total current assets | 308,547 | 374,792 | 396,509 |
| Accrued rental income | 69,602 | 61,327 | 45,995 |
| Tenant security deposits | 70,950 | 70,950 | 39,450 |
| Cash reserves | 375,643 | 375,596 | 385,440 |
| Equipment, net | 11,394 | 11,394 | 7,481 |
| Prepaid rent - Master Lease Agreement | 16,924,540 | 16,924,540 | 16,924,540 |
| Total assets | \$ 17,760,676 | \$ 17,818,599 | \$ 17,799,415 |
| LIABILITIES & MEMBERS' EQUITY | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 71,455 | \$ 28,623 | \$ 32,428 |
| Deferred rent liability - sublessee | 267,469 | 270,891 | 288,000 |
| Due to related parties | 337,363 | 337,363 | 372,362 |
| Total current liabilities | 676,287 | 636,877 | 692,790 |
| Tenant security deposit | 70,950 | 70,950 | 39,450 |
| Deferred rent liability - Master Lease Agreement | 2,831,870 | 2,784,513 | 2,471,223 |
| Deferred rent liability - sublessee | 6,868,413 | 6,911,074 | 6,996,396 |
| Distribution payable - priority return | 105,026 | 105,026 | 105,026 |
| Total noncurrent liabilities | 9,876,259 | 9,871,563 | 9,612,095 |
| MEMBERS' EQUITY | 7,208,130 | 7,310,159 | 7,494,530 |
| Total liabilities and net position | \$ 17,760,676 | \$ 17,818,599 | \$ 17,799,415 |

683 NORTHLAND MASTER TENANT, LLC
Income Statement

For the Period Ended:

| | March 2020 | February 2020 | December 2019 |
|---------------------------------------|-----------------------|--------------------------|--------------------------|
| Revenues: | | | |
| Rental revenue | \$ 261,781 | \$ 171,399 | \$ 754,631 |
| Additional rental revenue | 52,670 | 34,607 | 167,996 |
| Interest and other revenue | 322 | 227 | 4,565 |
| Total revenues | <u>314,773</u> | <u>206,233</u> | <u>927,192</u> |
| Expenses: | | | |
| Rent expense | 469,936 | 313,290 | 1,879,742 |
| Payroll | 33,569 | 21,281 | 129,470 |
| Utilities expense | 5,628 | 5,920 | 111,798 |
| Insurance expense | 18,081 | 12,054 | 120,670 |
| Professional fees | 20,394 | - | 46,936 |
| Property management fee | 12,708 | 8,602 | 41,493 |
| Real estate taxes | 5,489 | 5,489 | 22,473 |
| Repairs and maintenance | 24,695 | 13,295 | 18,400 |
| Asset management fee | 10,000 | 10,000 | 10,000 |
| Miscellaneous expense | 673 | 673 | 8,851 |
| Depreciation expense | - | - | 1,870 |
| Total expenses | <u>601,173</u> | <u>390,604</u> | <u>2,391,703</u> |
| Net loss | (286,400) | (184,371) | (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 | (286,400) | (184,371) | (1,464,511) |
| Members' capital contributions | - | - | 4,536,758 |
| Distributions | - | - | (110,979) |
| Members' equity - end of period | <u>\$ 7,208,130</u> | <u>\$ 7,310,159</u> | <u>\$ 7,494,530</u> |

Buffalo Urban Development Corporation
Consolidated Financial Statements
March 31, 2020

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidated Statements of Net Position

| | March 2020 | February 2020 | December 2019 |
|---|----------------|------------------|------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash | \$ 664,627 | \$ 1,481,278 | \$ 246,940 |
| Restricted cash | 5,127,169 | 4,874,265 | 5,234,585 |
| Grants receivable | 6,539,883 | 6,651,851 | 10,780,646 |
| Other current assets | 7,683,864 | 7,737,408 | 8,135,225 |
| Total current assets | 20,015,544 | 20,744,801 | 24,397,396 |
| Noncurrent assets: | | | |
| Loans receivable | 10,791,400 | 10,791,400 | 10,791,400 |
| Equity investment | 198,360 | 198,360 | 198,360 |
| Capital assets, net | 109,452,508 | 109,798,534 | 110,457,922 |
| Construction in process | 4,863,995 | 4,149,602 | 2,697,320 |
| Land and improvement held for sale, net | 4,075,767 | 4,075,767 | 4,086,967 |
| Total noncurrent assets | 129,382,030 | 129,013,664 | 128,231,969 |
| Total assets | \$ 149,397,574 | \$ 149,758,465 | \$ 152,629,365 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued expenses | \$ 4,314,217 | \$ 3,017,766 | \$ 4,589,840 |
| Unearned grant revenue | 8,865,633 | 10,175,465 | 10,743,729 |
| Total current liabilities | 13,179,850 | 13,193,230 | 15,333,569 |
| Note payable | 257,381 | 257,381 | 257,381 |
| Deferred rent liability | 14,092,035 | 14,212,462 | 14,453,317 |
| Loans payable | 43,999,920 | 43,993,681 | 43,981,202 |
| Total noncurrent liabilities | 58,349,336 | 58,463,524 | 58,691,900 |
| NET POSITION | | | |
| Net investment in capital assets | 74,452,588 | 74,811,093 | 73,261,007 |
| Restricted | 5,427,262 | 5,362,509 | 4,933,990 |
| Unrestricted | (2,011,463) | (2,071,892) | 408,899 |
| Total net position | 77,868,388 | 78,101,711 | 78,603,896 |
| Total liabilities and net position | \$ 149,397,574 | \$ 149,758,465 | \$ 152,629,365 |

Balance Sheet Notes:

- Cash decreased \$816,000, due to expenses exceeding cash receipts in March.
- CIP increased \$714,000 due to ongoing construction at 683 Northland.
- Accounts payable increased \$1.3 million due to large construction invoices.
- Unearned grant revenue decreased \$1.3 million due to grant revenue recognized in March.

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

| | March 2020 | February 2020 | December 2019 |
|---|-----------------------|--------------------------|--------------------------|
| Operating revenues: | | | |
| Grant revenue | \$ 2,024,253 | \$ 612,422 | \$ 20,799,635 |
| Brownfield funds | 55,475 | - | 298,920 |
| Loan interest and commitment fees | 41,049 | 23,908 | 149,707 |
| Rental and other revenue | 506,658 | 336,543 | 14,842,621 |
| Proceeds from sale of land, net | 7,377 | 7,377 | - |
| Total operating revenues | <u>2,634,812</u> | <u>980,249</u> | <u>36,090,883</u> |
| Operating expenses: | | | |
| Development costs | 785,083 | 559,932 | 2,579,959 |
| Adjustment to net realizable value | - | - | 575,816 |
| Salaries and benefits | 142,129 | 94,762 | 509,655 |
| General and administrative | 1,241,345 | 31,514 | 3,093,725 |
| Management fee | 19,583 | 11,667 | 133,855 |
| Depreciation | 1,005,413 | 659,390 | 3,224,019 |
| Total operating expenses | <u>3,193,554</u> | <u>1,357,264</u> | <u>10,117,029</u> |
| Operating income (loss) | (558,742) | (377,015) | 25,973,854 |
| Non-operating revenues (expenses): | | | |
| Interest expense | (159,691) | (114,033) | (1,172,004) |
| Amortization expense | (18,718) | (12,479) | (74,872) |
| Interest income | 1,642 | 1,341 | 19,278 |
| Proceeds from land sales | - | - | - |
| Total non-operating revenues (expenses) | <u>(176,767)</u> | <u>(125,171)</u> | <u>(1,227,598)</u> |
| Change in net position | (735,509) | (502,186) | 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>\$ 77,868,388</u> | <u>\$ 78,101,711</u> | <u>\$ 78,603,896</u> |

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Net Position
March 31, 2020

| | Buffalo Urban Development Corporation | 683 WTC, LLC | 683 Northland LLC | Eliminations (1) | Total |
|---|---|---------------|----------------------|--------------------|----------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash | \$ 658,323 | \$ - | \$ 6,304 | \$ - | \$ 664,627 |
| Restricted cash | 4,552,287 | - | 574,882 | - | 5,127,169 |
| Grants receivable | 6,539,883 | - | - | - | 6,539,883 |
| Other current assets | 12,409,674 | 1,500 | 258,699 | (4,986,009) (1) | 7,683,864 |
| Total current assets | 24,160,168 | 1,500 | 839,885 | (4,986,009) | 20,015,544 |
| Noncurrent assets: | | | | | |
| Loans receivable | 58,246,464 | - | - | (47,455,064) (1) | 10,791,400 |
| Equity investment | - | 47,448,689 | - | (47,250,329) (1) | 198,360 |
| Capital assets, net | 6,493,876 | - | 102,958,632 | - | 109,452,508 |
| Construction in process | - | - | 4,863,995 | - | 4,863,995 |
| Land and improvement held for sale, net | 4,075,767 | - | - | - | 4,075,767 |
| Total noncurrent assets | 68,816,107 | 47,448,689 | 107,822,627 | (94,705,393) | 129,382,030 |
| Total assets | \$ 92,976,275 | \$ 47,450,189 | \$ 108,662,512 | \$ (99,691,402) | \$ 149,397,574 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and accrued expenses | \$ 1,302,648 | \$ 481,009 | \$ 7,516,569 | \$ (4,986,009) (1) | \$ 4,314,217 |
| Unearned grant revenue | 8,865,633 | - | - | - | 8,865,633 |
| Total liabilities | 10,168,281 | 481,009 | 7,516,569 | (4,986,009) | 13,179,850 |
| Noncurrent liabilities: | | | | | |
| Note payable | 257,381 | - | - | - | 257,381 |
| Deferred rent liability | - | - | 14,092,035 | - | 14,092,035 |
| Loans payable | 369,750 | 47,455,064 | 43,630,170 | (47,455,064) (1) | 43,999,920 |
| Total noncurrent liabilities | 627,131 | 47,455,064 | 57,722,205 | (47,455,064) | 58,349,336 |
| NET POSITION | | | | | |
| Net investment in capital assets | 6,124,126 | - | 68,328,462 | - | 74,452,588 |
| Restricted | 5,427,262 | - | - | - | 5,427,262 |
| Unrestricted | 70,629,474 | (485,884) | (24,904,724) | (47,250,329) (1) | (2,011,463) |
| Total net position | 82,180,863 | (485,884) | 43,423,738 | (47,250,329) | 77,868,388 |
| Total liabilities and net position | \$ 92,976,275 | \$ 47,450,189 | \$ 108,662,512 | \$ (99,691,402) | \$ 149,397,574 |

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

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Revenues, Expenses and Changes in Net Position
Year to Date March 31, 2020

| | Buffalo Urban Development Corporation | 683 WTC, LLC | 683 Northland LLC | Eliminations (1) | Total |
|---|---|---------------------|----------------------|------------------------|----------------------|
| Operating revenues: | | | | | |
| Grant revenue | \$ 2,024,253 | \$ - | \$ - | \$ - | \$ 2,024,253 |
| Brownfield funds | 55,475 | - | - | - | 55,475 |
| Loan interest and commitment fees | 41,049 | - | - | - | 41,049 |
| Rental and other revenue | 36,722 | - | 469,936 | - | 506,658 |
| Proceeds from land sales, net | 7,377 | - | - | - | 7,377 |
| Total operating revenue | <u>2,164,876</u> | <u>-</u> | <u>469,936</u> | <u>-</u> | <u>2,634,812</u> |
| Operating expenses: | | | | | |
| Development costs | 785,083 | - | - | - | 785,083 |
| Salaries and benefits | 142,129 | - | - | - | 142,129 |
| General and administrative | 1,238,831 | 375 | 2,139 | - | 1,241,345 |
| Management fee | 19,583 | - | - | - | 19,583 |
| Depreciation | - | - | 1,005,413 | - | 1,005,413 |
| Total operating expenses | <u>2,185,627</u> | <u>375</u> | <u>1,007,552</u> | <u>-</u> | <u>3,193,554</u> |
| Operating income | (20,751) | (375) | (537,616) | - | (558,742) |
| Non-operating revenues (expenses): | | | | | |
| Interest expense | (4,031) | - | (155,660) | - | (159,691) |
| Amortization expense | - | - | (18,718) | - | (18,718) |
| Interest income | 1,473 | - | 169 | - | 1,642 |
| Total non-operating revenues (expenses) | <u>(2,558)</u> | <u>-</u> | <u>(174,209)</u> | <u>-</u> | <u>(176,767)</u> |
| Change in net position | (23,309) | (375) | (711,825) | - | (735,509) |
| Net position - beginning of year | 82,204,170 | (485,509) | 42,219,146 | (45,333,911) (1) | 78,603,896 |
| Add: capital contributions | - | - | 1,916,417 | (1,916,417) (1) | - |
| Net position - end of period | <u>\$ 82,180,862</u> | <u>\$ (485,884)</u> | <u>\$ 43,423,738</u> | <u>\$ (47,250,328)</u> | <u>\$ 77,868,388</u> |

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

BUFFALO URBAN DEVELOPMENT CORPORATION
Budget to Actual Comparison
Year to Date March 31, 2020

| | YTD March 2020 | YTD Budget 2020 | Variance |
|---|----------------------|-----------------------|----------------|
| Operating revenues: | | | |
| Grant revenue | \$ 2,024,253 | \$ 2,100,125 | \$ (75,872) |
| Brownfield funds | 55,475 | 28,750 | 26,725 |
| Loan interest and commitment fees | 41,049 | 28,416 | 12,633 |
| Rental and Developer Fees | 506,658 | 1,875,227 | (1,368,568) |
| Proceeds from land sales, net | 7,377 | 33,887 | (26,510) |
| Total operating revenues | 2,634,812 | 4,066,405 | (1,431,593) |
| Operating expenses: | | | |
| Development costs | 785,083 | 261,093 | 523,990 |
| Salaries and benefits | 142,129 | 150,112 | (7,983) |
| General and administrative | 1,241,345 | 771,287 | 470,058 |
| Management fee | 19,583 | 25,625 | (6,042) |
| Depreciation | 1,005,413 | 1,125,000 | (119,587) |
| Total operating expenses | 3,193,554 | 2,333,118 | 860,436 |
| Operating income (loss) | (558,742) | 1,733,287 | (2,292,029) |
| Non-operating revenues (expenses): | | | |
| Interest expense | (159,691) | (132,169) | (27,523) |
| Amortization expense | (18,718) | (18,718) | - |
| Interest income | 1,642 | 2,500 | (858) |
| Total non-operating revenues (expenses) | (176,767) | 2,500 | (858) |
| Change in net position | \$ (735,509) | \$ 1,735,787 | \$ (2,292,886) |

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. BUDC expects to recognize the remaining Workforce Training Center grant revenue (\$1.8 million) and Restore NY 5 grant revenue (\$2.7 million) by the end of 2020.
- 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.

Buffalo Urban Development Corporation

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Buffalo, New York 14203

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Item 3.3

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors

FROM: Mollie Profic, Treasurer

RE: Guarantees of the 683 Northland LLC \$1,000,000 Non-Revolver
Senior Secured Credit Facility

DATE: April 28, 2020

At its February 25, 2020 meeting, the Board of Directors of Buffalo Urban Development Corporation authorized the BUDC executive team to proceed with establishing a \$1,000,000 Non-Revolver Senior Secured Credit Facility (the "Line of Credit Facility") for 683 Northland LLC through KeyBank.

At the time of the Board approval, KeyBank's collateral requirements for the Line of Credit Facility were undetermined. We have since learned that KeyBank is requiring guarantees of the Line of Credit Facility from (i) BUDC, (ii) 683 WTC, LLC, a wholly-owned subsidiary company of BUDC, and (iii) BBRC Land Company I, LLC, wholly-owned subsidiary of Buffalo Brownfield Restoration Corporation (BBRC).

At its April 21, 2020 meeting, the BBRC Board of Directors authorized BBRC Land Company I, LLC to execute a guaranty of the Line of Credit Facility. We are seeking the same approval from the BUDC Board of Directors for the guarantees from BUDC and 683 WTC, LLC.

Action:

We are requesting that the BUDC Board of Directors 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, authorize the President or Executive Vice President of BUDC to execute 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.

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Item 4.1

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors

FROM: Peter M. Cammarata, President

RE: Paycheck Protection Program (PPP) Loan

DATE: April 28, 2020

On April 4th, I informed the Board of Directors of BUDC's intention to submit an application on an expedited basis to borrow funds through the SBA's Paycheck Protection Program (PPP), and Board input was solicited at that time regarding the proposed borrowing. As noted, the COVID-19 pandemic has impacted BUDC operations, and having additional funds from the PPP program to cover payroll costs would help BUDC continue to execute its mission during this difficult time.

The PPP loan program is designed to encourage employers to keep employees on their payroll, and includes a unique loan forgiveness provision that would convert a portion or all of the loan into a grant, as long as the employer uses the loan proceeds for payroll costs, mortgage, rent and utilities, and the employer does not reduce staff, or reduce salaries or wages by 25% or more. Unlike other SBA loan programs, not-for-profit 501(c)(3) organizations like BUDC are eligible to participate.

With the SBA releasing its final program rules on April 2nd, banks geared up to accept a flood of applications, including BUDC's primary lender (KeyBank). Funds were made available on a first-come, first-served basis. SBA expected demand to be very high, and it was - by April 16th, the initial 350 billion dollar program fund allocation had already been exhausted.

On April 5th, BUDC submitted an application for \$85,620 in PPP loan funds. The terms and the loan documentation for the PPP loan program are uniform for all borrowers, and are very favorable: two year term, 1% interest rate, and no collateral or personal guarantees are required.

On April 6th, KeyBank informed us that BUDC's PPP loan application had been accepted. Loan documents were executed for the loan on April 17th, and funding was received on April 20th.

Action:

We are requesting that the BUDC Board of Directors ratify, confirm and approve the following: (i) the submission of an application for PPP loan funding in the amount of \$85,620; (ii) the execution and delivery by BUDC executive officers of the loan agreement and promissory note for a PPP loan in the amount of \$85,620 and (iii) all actions taken by the officers in connection with the PPP application and closing of the loan.

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Item 4.2

MEMORANDUM

TO: BUDC Board of Directors

FROM: Brandye Merriweather, BUDC Vice President – Downtown Development

SUBJECT: Ralph C. Wilson, Jr. Centennial Park – Ralph C. Wilson, Jr. Foundation Grant # 3 Agreement

DATE: April 28, 2020

The BUDC Board of Directors has previously authorized BUDC to accept grant funding for efforts related to the redevelopment of the Ralph C. Wilson, Jr. Centennial Park. BUDC has recently applied for additional funding to the Wilson Foundation for costs related to a new pedestrian bridge in the amount of \$5.97 million. The grant award will cover costs associated with the design and the Foundation's share of construction of a signature pedestrian bridge that will connect the adjacent neighborhoods to Ralph C. Wilson, Jr. Centennial Park, ensuring a safe, attractive, and more inviting entry to the newly transformed park.

This grant is pending final approval by the Wilson Foundation Trustees.

This proposed grant agreement was reviewed with the Downtown Committee at their meeting of April 15, 2020 and recommended for approval by the Board.

ACTION

We are requesting authorization from the BUDC Board of Directors 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 Wilson Foundation Trustees; and to authorize the BUDC President or BUDC Executive Vice President to take such actions as are necessary to implement this authorization.



sbp
schlich
bergmann partner

**Ralph C. Wilson, Jr. Centennial Park
Pedestrian Bridge**

Buffalo Urban Development Corporation

95 Perry Street, Suite 404

Buffalo, New York 14203

phone: 716-856-6525

fax: 716-856-6754

Buffalo Urban Development Corporation

web: buffalourbandevelopment.com**Item 4.4****MEMORANDUM**

TO: BUDC Board of Directors

FROM: David A. Stebbins, Executive Vice President

SUBJECT: 631 Northland – Rehabilitation Project Financing Proposal

DATE: April 28, 2020

On January 7, 2020, BUDC Released a Request for Proposals (RFP) for Legal and Accounting Services for rehabilitation project financing for 631 Northland Avenue. 631 Northland Avenue is a vacant, 40,000 square foot industrial building that is immediately adjacent to Northland Central (683 Northland). It is already listed on the National Register and therefore eligible for Federal and State Rehabilitation Tax Credits. The RFP requested that respondents explore New Market Tax Credits (NMTC), Brownfield Cleanup Program (BCP) Tax Credits, Opportunity Zone (OZ) financing and Property Assessed Clean Energy (PACE) financing, in addition to rehabilitation tax credits. The requested services also included investor solicitation. The estimated rehabilitation costs are approximately \$11 million. The RFP requested qualifications, approach and pricing for:

1. Feasibility Phase
 - Initial Tax Credit Modeling
 - Initial solicitation of investor interest
2. Pre-Closing Services
 - Legal
 - Accounting
 - Financing & Investor Solicitation
3. Post-Closing Services
 - Accounting

The opportunity was advertised on the New York State Contract Reporter website on January 7, 2020 and sent directly to over a dozen firms with known expertise in these disciplines or that had expressed interest in the contract for 683 Northland. The RFP specifically requested joint proposals from legal and accounting firms. A Pre-Submission Information meeting was held on January 22, 2020 at the Northland Workforce Training Center.

Only one responsive proposal was received on February 14, 2020 from a team comprised of Cannon Heyman Weiss, Freed Maxick and Rubin Brown, with Divitta Alexander. The team was interviewed on Thursday, March 19, 2020 by representatives from BUDC (Peter Cammarata, David Stebbins and Arthur Hall), ECIDA (Mollie Profic) and Hurwitz & Fine (Kevin Zanner).

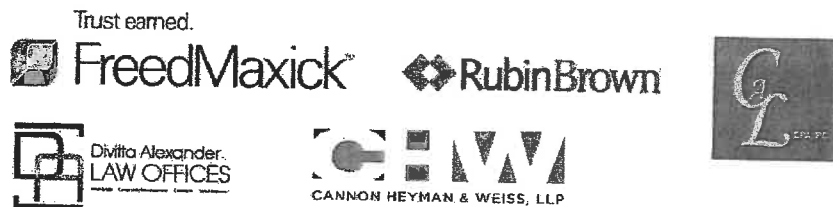
Based upon a review of their proposal, the interview and the team's performance on 683

Northland Avenue, we are recommending that BUDC engage the team of Cannon Heyman Weiss, Freed Maxick and RubinBrown, with Divitta Alexander, to provide legal and accounting services for the rehabilitation financing of 631 Northland Avenue. The initial cost of the project for Pre-Development Planning and Analysis is estimated at \$8,000. This Pre-Development Planning and Analysis will assist with determining if the project should be advanced to construction. The estimated total cost of the services should the project move forward is approximately \$316,000; these costs would be paid out of the project financing.

This proposal was reviewed with the Real Estate Committee at their meeting of April 21, 2020 and recommended for approval by the Board.

ACTION:

We are requesting Board approval of the selection of the team led by Cannon Heyman Weiss, Freed Maxick and RubinBrown, with Divitta Alexander, for legal and accounting services for rehabilitation financing of 631 Northland Avenue, and for an initial pre-development contract phase not-to-exceed \$8,000; and to authorize the BUDC President or BUDC Executive Vice President to take such actions as are necessary to implement this authorization.



February 14, 2020

David A. Stebbins
Buffalo Urban Development Corporation
95 Perry Street, Suite 404
Buffalo, New York 14203

Dear David:

Thank you for the opportunity to submit our proposal to Buffalo Urban Development Corporation's ("BUDC") project at 631 Northland Avenue ("the Project") for professional services related to the application, structuring and syndication of Federal and New York State Rehabilitation Tax Credits, New York State Brownfield Tax Credits, New Market Tax Credits and Opportunity Zone Funding. Freed Maxick CPAs, P.C. (Freed), along with RubinBrown, LLP (RubinBrown), Cannon Heyman and Weiss, LLP (CHW), Divitta Alexander PLLC (DAPLLC), and Christine A. Learman, CPA, P.C.: collectively known as (the "Team") appreciate your consideration for appointment. All of the Team's members in the response have extensive experience working together, both as the service team for BUDC's project at 683 Northland Avenue as well as other prominent tax credit projects.

The selection of business partners to provide tax, legal, assurance and business advisory services is an important decision and we know differences between Teams are often difficult to discern. We believe our Team demonstrates important distinctions concerning our ability and qualifications to serve and partner with you, in the following ways:

We know BUDC: The Team has successfully worked together in collaboration with BUDC previously to provide legal, accounting, and consulting services for the redevelopment and revitalization of 683 Northland Ave.

A History of Success – In addition to serving BUDC, the Team in this proposal has successfully executed or is in the process of successfully executing on numerous rehabilitation projects, including the Richardson Complex, the Trico Plant and the AM&As Department Store. Our past experience working together allows for a seamless and coordinated delivery of services. In addition, we are joined by Christine A. Learman, CPA, P.C., a New York State Certified Women Owned Business Enterprise ("WBE"). Freed and Christine Learman have worked together on numerous occasions to deliver a variety of services. Further, the team is joined by Divitta Alexander from DAPLLC as a subcontractor of CHW and DAPLLC is a certified MWBE. CHW and DAPLLC have a long-standing relationship of regularly working together on tax credit matters through a contractual arrangement.

Local Presence, National Expertise – Both Freed Maxick and CHW are located in Downtown Buffalo. Our local presence allows for easy access to the appropriate professionals on short

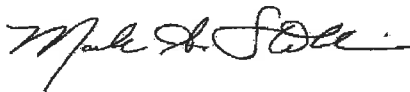
notice. RubinBrown is a nationally recognized firm with substantial experience in the syndicated tax credit industry. Dave Herdlick, (RubinBrown) who has previously consulted with BUDC on the Northland Avenue project, currently serves on the Board of Directors for the Historic Tax Credit Coalition, the largest historic tax credit lobbying organization in Washington D.C. Our Team has been involved with numerous tax credit projects in the Buffalo area and have provided consultation services to many of the local developers and investors. In addition, through our collective extensive national network, our Team can introduce national investors to support the Project.

These distinctions are reflected in our experience with the services that you require, coupled with our commitment to providing the highest quality professional services tailored to the needs and goals of your organization.

We trust the Team's proposal will reflect our enthusiastic desire to provide legal, assurance, tax, and business advisory consulting services to BUDC's project at 631 Northland Avenue.

If you should have any questions after your review of the proposal, please feel free to call Mark Stebbins, who will serve as the primary point of contact. We look forward working with you.

Very truly yours,



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Divitta Alexander, Esq.
Managing Member
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KEY TEAM RESPONSIBILITIES

One of the most important decisions we make is the selection of the engagement team. A match of both technical capabilities and personalities is imperative. Our Team takes great pride in the quality of our work product.

LEGAL SERVICES: Cannon Heyman and Weiss, LLP & The Law Offices of Divitta Alexander, Esq.

| | |
|---|--|
| Team | <ul style="list-style-type: none"> • Timmon Favaro, Esq., Legal Services Director • Steve Weiss, Esq., Legal Services Director • Divitta Alexander, Esq., Principal |
| Historic Tax Credit and Brownfield Tax Credit Services | <ul style="list-style-type: none"> • Miscellaneous consulting and preliminary transaction structuring guidance; • Review of financial projections for the Project and interface with accountants regarding the same; • Provide advice regarding the entity ownership structure of the transaction and overall project financing; • Perform formation of all required project entities, drafting of organizational documents, certificates, consents and resolutions, rendering of due formation and enforceability opinions; • Provide advice regarding risk and opportunities to maximize the historic and Brownfield tax credits and the equity derived therefrom; • Perform negotiation and closing of construction loan financing; • Perform review of any permanent loan commitments; • Perform negotiation and closing of tax-credit equity agreements, operating agreements, guarantees, leases and related documents with the investors' counsel, such as management, development and other fee agreements; • Provide advice regarding compliance requirements under tax credit programs; • Coordinate with accounting team with respect to preparation of financial projections; • Perform review of investor due diligence and checklist items for tax credits; • Prepare and issue a New York State historic tax opinion; • Meet with BUDC Board of Directors as necessary; • Provide advice regarding real property tax exemption options for the project; • Coordinate with counsel retained for purposes of qualifying the project for the New York State Brownfield Cleanup Program; and • Coordinate with BUDC general counsel, which will be responsible for performing real property conveyance work as may be necessary to effectuate the tax credit structure, including title examination and related work. |

LEGAL SERVICES: Cannon Heyman and Weiss, LLP & The Law Offices of Divitta Alexander, Esq.**New Market
Tax Credit
Services**

- Structuring of the transaction and documentation of the anticipated leverage loans, QLICI loans, grants and capital contributions;
- Establishing a QALICB borrower (or portion of business thereof) for purposes of utilizing NMTC enhanced financing;
- Review and negotiation of term sheets, loan agreements, community benefits agreements, guarantees, etc., with respect to QLICIs made by the CDE to the QALICB as required to facilitate the use of NMTC;
- Review and negotiation of NMTC transaction structure, financial projections and documents ancillary to these purposes;
- Coordination of and assistance with the legal due diligence processes and checklists to be undertaken or prepared by CDEs, NMTC investor and/or leverage lender;
- Issuance of QALICB, true debt and other customary tax opinions required of counsel to QALICB by CDEs and NMTC investors; and
- Closing of the transaction with NMTC investor, CDEs and leverage and direct loan providers.

**Opportunity
Zone Benefit
Services**

- Provide advice on opportunity zone investment feasibility and structuring (provided however this does not include any securities work or private placement memorandum work)

**Financing &
Investor
Solicitation
Services**

- Work with Freed Maxick & Rubin Brown to assist with identification and outreach to investors for the tax credits, provided, however, NMTC allocation acquisition shall be delegated to a qualified consultant if CDE interest is not readily identifiable; and
- Assist with negotiation of investment term sheets.

PRE-CLOSING PROCEDURES: RubinBrown, LLP**Team**

- David Herdlick, CPA, Partner

**Historic Tax
Credit Services**

- Tax Credit Model, including revisions, through tax credit investor closing
- Investor Recruitment
- Tax Consulting relating to:
 - Safe harbor
 - Substantial rehab analysis
 - Development fee analysis
- Participate on conference calls with development team and/or entire working group through tax credit investor closing.

**New Market
Tax Credit
Services**

- Tax Credit Model, including revisions, through tax credit investor closing
- Incorporation of federal new markets tax credit schedules into the projections for the investment fund and Sub-CDE(s).
- Preparation of revised tax credit projections for changes in project assumptions and deal structure
- Tax consulting services related to hypothetical exit of federal new markets tax credit investor

PRE-CLOSING PROCEDURES: RubinBrown, LLP**Opportunity Zone Benefit Services**

- Work with Freed Maxick and Cannon Heyman & Weiss to provide advice on opportunity zone investment feasibility and structuring
- Incorporation of the opportunity zone funds into the projections at the tax landlord level
- Preparation of revised tax credit projections for changes in project assumptions and deal structure
- Tax consulting services related to the structure of the tax landlord entity to correspond with opportunity zone fund requirements

Financing & Investor Solicitation Services

- Work with Freed Maxick and Cannon Heyman & Weiss to assist with identification and outreach to investors for the tax credits, provided, however, NMTC allocation acquisition shall be delegated to a qualified consultant if CDE interest is not readily identifiable; and
- Assist with negotiation of investment term sheets.

POST-CLOSING PROCEDURES: Freed Maxick CPAs, PC & Christine A. Learman, CPA, PC**Team**

- Mark Stebbins, CPA, Tax Engagement Director
- Barbara Danner, CPA, Assurance Engagement Director
- Don Warrant, CPA, Brownfield Subject Matter Expert
- Christine Learman, CPA, Partner

Historic Tax Credit and Brownfield Tax Credit Services

- Consulting for IRC47 and Brownfield tax credits during course of construction
- Provide Annual Partnership Income Tax Returns for the Project:
 - Single entity Structure
 - Master tenant structure
- Provide Cost Certification Report for the qualified rehabilitation expenditures for IRC 47 credits
- Provide "Pre-Admission" Cost Certification Report, if required
- Provide "Pre-Close" Cost Certification Report, if required
- Provide Cost Certification Report for New York State Brownfield Tax Credits both Phase I (site work) & Phase II (tangible property), if applicable
- Provide Annual Audit of Financial Statements for the Project:
 - Single entity structure
 - Master tenant structure
- Participate on conference calls with development team and/or entire working group through tax credit investor closing.
- Provide annual tax return(s) for any BUDC-owned entity created during the structuring of the tax credits related to the project.
- Provide agreed upon procedures report for audit of grant monies received by BUDC, if required.

New Market Tax Credit Services

- Work with the CDE in providing the necessary information requested for purposes of necessary CDFI and IRS compliance services.

Opportunity Zone Benefit Services

- Work with Cannon Heyman & Weiss and RubinBrown to provide advice on opportunity zone investment feasibility and structuring

POST-CLOSING PROCEDURES: Freed Maxick CPAs, PC & Christine A. Learman, CPA, PC**Financing &
Investor
Solicitation
Services**

- Work with Cannon Heyman & Weiss and Rubin Brown to assist with identification and outreach to investors for the tax credits, provided, however, NMTC allocation acquisition shall be delegated to a qualified consultant if CDE interest is not readily identifiable; and
- Assist with negotiation of investment term sheets.

Other

- Provide agreed upon procedures report for audit of grant monies received by BUDC, if required.