

Buffalo Urban Development Corporation

95 Perry Street

Suite 404

Buffalo, New York 14203

phone: 716-856-6525

fax: 716-856-6754

web: buffalourbandevelopment.com



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

Date: Tuesday, October 27, 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 *(Zoom Share)*

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

3.2 BUDC Consolidated Financial Statements *(Action)*

4.0 NEW BUSINESS

4.1 683 Northland Project Sources & Uses Analysis *(Information) (Enclosure)*

4.2 2021 BUDC Draft Budget & Three Year Forecast Approval *(Action) (Enclosure)*

4.3 2021 683 Northland Master Tenant Budget *(Information) (Enclosure)*

4.4 RCWJ Centennial Park – RCWJ Foundation Grant Agreement #4 Approval *(Act.) (Encl.)*

4.5 RCWJ Centennial Park – Gardiner & Theobald Change Order Approval *(Action) (Enclosure)*

4.6 BBRP Loan Program – Phoenix Brewery Apartments Loan Extension Approval *(Act.) (Encl.)*

4.7 BLCP – Lawncare & Snow Removal Services Contract Approval *(Action) (Enclosure)*

4.8 Procurement Procedures Applicable to the Expenditure of Federal Funds Adoption *(Action) (Enclosure)*

4.9 631 Northland Project – Resolution Authorizing an EDA Grant Application *(Action) (Encl.)*

4.10 Northland Beltline Corridor Project Update *(Information)*

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

4.12 308 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
Buffalo Urban Development Corporation
Via Video Conference Call & Live Stream Audio**

**September 29, 2020
12:00 p.m.**

1.0 Call to Order

Directors Present:

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

Directors Absent:

Hon. Byron W. Brown (Chair)
Michael J. Finn
Dottie Gallagher
Thomas Halligan
Craig A. Slater
Maria R. Whyte

Officers Present:

Peter M. Cammarata, President
Brandye Merriweather, Vice President, Downtown Development
Rebecca Gandour, Vice President, Finance & Development
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqah Abidi, Assistant Treasurer

Others Present: Jenna Bichler, BURA Director of Operations; Evan Y. Bussiere, Hurwitz & Fine, P.C; and Arthur Hall, BUDC.

Roll Call – The Secretary called the roll of directors and a quorum was determined to be present. Ms. Curry, Mr. Hersey and Mr. Pridgen joined the meeting during the presentation of item 4.1.

The meeting was held via video/telephone conference in accordance with the provisions of Executive Order 202.1, issued by Governor Andrew Cuomo on March 12, 2020, as amended. 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.

- 2.0 Presentation of the Minutes** – The minutes of the August 25, 2020 meeting of the Board of Directors were presented. Ms. Burruss made a motion to approve the meeting minutes. The motion was seconded by Mr. Comerford and unanimously carried (10-0-0).

- 3.0 Monthly Financial Reports** – Ms. Profic presented the consolidated financial statements for 683 Northland Master Tenant LLC and for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending August 31, 2020. Mr. Kucharski made a motion to accept the financial report. The motion was seconded by Ms. Mays and unanimously carried (10-0-0).

4.0 New Business

4.1 Reimbursement of Expenses from the Buffalo Brownfields Redevelopment Fund (BBRF)

– Ms. Profic presented her September 29, 2020 memorandum regarding a request for reimbursement from the Buffalo Brownfields Redevelopment Fund (BBRF). Ms. Profic explained that BUDC is obligated to pay unrelated business income tax (UBIT) due to interest income received from a loan to 683 WTC, LLC as part of the 683 Northland tax credits structure. The amount of UBIT due to federal and NYS taxing authorities from the 2019 tax returns totaled \$57,796. Estimated tax payments totaling \$40,640 must be deposited during 2020 toward the 2020 UBIT liability. To date, BUDC has made \$30,480 in estimated tax payments. In consideration of BUDC's cash flow interruptions during the COVID-19 pandemic, Ms. Profic requested authorization to immediately reimburse BUDC the amount of \$98,436 from the BBRF. This item was recommended for approval by the Audit & Finance Committee at its September 21st meeting. Mr. Nasca made a motion to approve the reimbursement to BUDC from the BBRF of \$98,436 for unrelated business income tax payments for the 683 Northland project. The motion was seconded by Mr. Comerford and unanimously carried (13-0-0).

4.2 Northland Corridor – 2020-2023 Snow Removal Contract Approval

– Mr. Cammarata presented his September 29, 2020 memorandum regarding the proposed award of a three-year contract for snow removal services for the Northland Corridor. Mr. Cammarata explained the solicitation process undertaken by Mancuso Management Inc. BUDC received four responses to the request for proposals. Landscape Associates of WNY, a women-owned business, submitted the lowest cost proposal in the amount of \$120,000 per year. This item was recommended for approval by the Real Estate Committee at its September 22nd meeting. Mr. Pridgen made a motion to authorize a contract between Mancuso Management Inc. and Landscape Associates of WNY to provide snow removal services at the Northland Beltline campus, for the total cost of \$120,000 per year, for three consecutive snow removal seasons. The motion was seconded by Mr. Comerford and unanimously carried (12-0-0). Ms. Curry's vote was not recorded.

4.3 Northland Corridor – Amended and Restated Leasing Policy

– Mr. Cammarata noted that the final version of the Amended and Restated Leasing Policy as approved by the Board is included in the meeting agenda packet.

4.4 Northland Beltline Corridor Project Update

– Mr. Cammarata began his update with a report on a modification of the Manna Culinary lease that was approved by the Real Estate Committee at its September 22nd meeting. The COVID-19 pandemic has significantly impacted Manna's operations. To assist the company, a revised rent schedule was developed to back-load a greater portion of the base rent into the final thirty-six months of the lease term and reduce the total base rent payments for the sixty month term by \$23,890. No adjustments were made to Manna's obligation to pay monthly additional rent. Mr. Cammarata noted that the modification was approved in accordance with the recently approved Amended and Restated Leasing Policy. He then presented a detailed update regarding Northland Beltline project funding as follows:

631 Northland: BUDC continues to compile data for a potential grant application to the U.S. Economic Development Administration (EDA) for building rehabilitation. Staff has resubmitted information and the grant application for the \$300,000 Brownfield Redevelopment Grant to National Grid.

612 Northland: BUDC submitted the final reimbursement request for Restore NY IV grant funds in the amount of \$384,069.49.

777 Northland: BUDC received a \$100,000 National Grid Brownfield Redevelopment Grant for the select demolition project. The budget for the first phase of site clearance is approximately \$650,000 and will be primarily funded with Restore NY V funds, with a local match.

541 E. Delavan: The first reimbursement request for Restore NY V funds was submitted in May in the amount of \$815,467.37 and is expected shortly. BUDC staff is finalizing the second reimbursement request, which will total \$1,171,547.08.

683 Northland: BUDC has submitted three reimbursement requests to ESD related to the Northland Workforce Training Center equipment grant. Staff is expecting a small reimbursement from NYSERDA in the amount of \$7,827. BUDC has provided the final documents required for the fourth installment of historic tax credits, which will total \$3.1 million dollars. Ms. Profic continues to work with Freed Maxick to respond to the audit request from NYS regarding the Phase I (2018) brownfield tax credits.

Northland Solar/Microgrid Project: The potential two million dollar Buffalo Billion grant for this project is expected to be considered by the ESD Board sometime this fall. Discussions with National Grid continue with respect to utilization of their economic development and infrastructure programs for the solar/microgrid project.

Mr. Hall then presented additional Northland Corridor updates as follows:

LISC Grant – The supplemental grant agreement with the Local Initiatives Support Corporation expired at the end of September. BUDC has submitted the final report and an action strategy.

683 Northland Avenue: Retech Systems is working on the tenant improvements to its space, with base rent payments anticipated to begin as of January 1, 2021. Rodriguez Construction is constructing its tenant improvements, which are expected to be completed by October 31, 2020. Base rent will begin as of November 1, 2020. The Mancuso Group is actively marketing the red shed building and BUDC staff is working with a potential tenant for the vacant first floor space.

Brick by Brick Awards: Northland Central Phase 2 was selected as the winner of this year's Business First Brick by Brick Award under the Adaptive Re-Use category.

612 Northland: Albright Knox Art Gallery (AKAG) reopened as of September 26th with a special exhibition. Attendance is by reservation only. AKAG continues to develop neighborhood engagement projects.

537 and 541 E. Delavan: BUDC counsel is in the final stages of the subdivision for 537 E. Delavan parcel. Core and shell rehabilitation work continues at 541 E. Delavan, with 34 Group providing construction management services for the project. Apollo Steel is presently on site and its work is anticipated to be completed by October 15th. All other Phase 1(C) work remains on hold.

Northland Corridor Property Management: The Mancuso Group continues to coordinate a parking plan for the corridor as well as the bid process for snow removal. Mancuso is also scheduling a tenant meeting for early October.

Property Exchanges. BUDC counsel continues to work on two property exchange transactions, one involving an exchange of properties with Plesh Industries and the other an exchange of properties with the City of Buffalo.

Neighborhood Planning and Development: The BOA nomination document has received comments from the New York Department of State (NYSDOS). BUDC staff, along with OSP, BURA and the Buffalo Sewer Authority are preparing responses to those comments. Next steps

include the receipt of nomination document comments from NYSDOS and holding a final public meeting.

Community Outreach: The next Business Network Series is set for November 19, 2020.

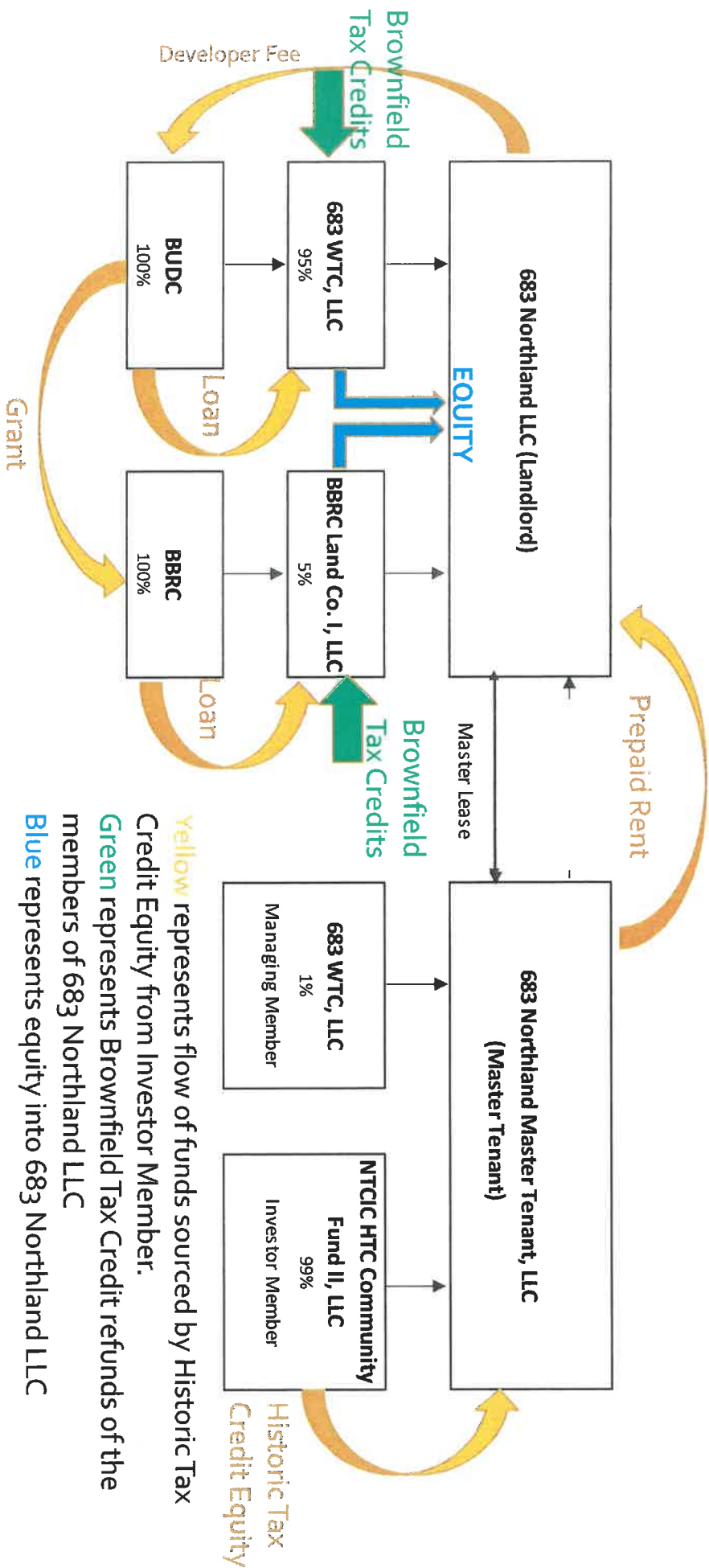
- 4.5 Waterfront/Ralph C. Wilson, Jr. Centennial Park Project Update** – Ms. Merriweather reported that the grant agreement with the Great Lakes Commission has been executed. This grant funding will be used for design and engineering services for shoreline and aquatic habitat work at Centennial Park. Design work on the project continues to advance.
- 4.6 BBRP/Race for Place Project Update** – Ms. Merriweather presented an update regarding BBRP and the Race for Place. She reported on a shared mobility event held at Cathedral Park last week promoting electric bicycles and scooters. She also noted that a public session for the Ellicott Node project is scheduled for October 21st. Mr. Mehaffy indicated that the Congress for the New Urbanism (CNU) will release its report on the multi-day program and workshop sessions that were held in Buffalo in late February to examine the future of transportation and mobility. Mr. Kucharski commented on the Be-in-Buffalo initiative of Invest Buffalo Niagara, which has pivoted to virtual meetings and outreach due to the pandemic.
- 4.7 Buffalo Lakeside Commerce Park Project Update** – Mr. Cammarata presented an update regarding Buffalo Lakeside Commerce Park. The land sales to Project Flora and Uniland remain subject to due diligence contingencies. BUDC is working with a prospect that is interested in 193 Ship Canal Parkway. A draft land sale agreement has been provided to the prospect. A request for proposals for snow removal services at BLCP has been issued. A proposed award for this work will be presented at the next meeting of the Board.
- 4.8 308 Crowley Project Update** – Mr. Cammarata presented an update on the 308 Crowley project. Enterprise Folding Box Company is interested in purchasing the adjacent cinderblock building to accommodate the company's need for additional space for the expansion of its business operations.
- 4.9 2021 BUDC Board of Directors Meeting Schedule** - Mr. Cammarata noted that copies of the 2021 Board of Directors meetings were included in the meeting agenda packet.
- 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 Mr. Hersey, seconded by Ms. Curry and unanimously carried, the September 29, 2020 meeting of the Board of Directors was adjourned at 12:51 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary

TAX CREDITS ORGANIZATIONAL CHART & FLOW OF FUNDS



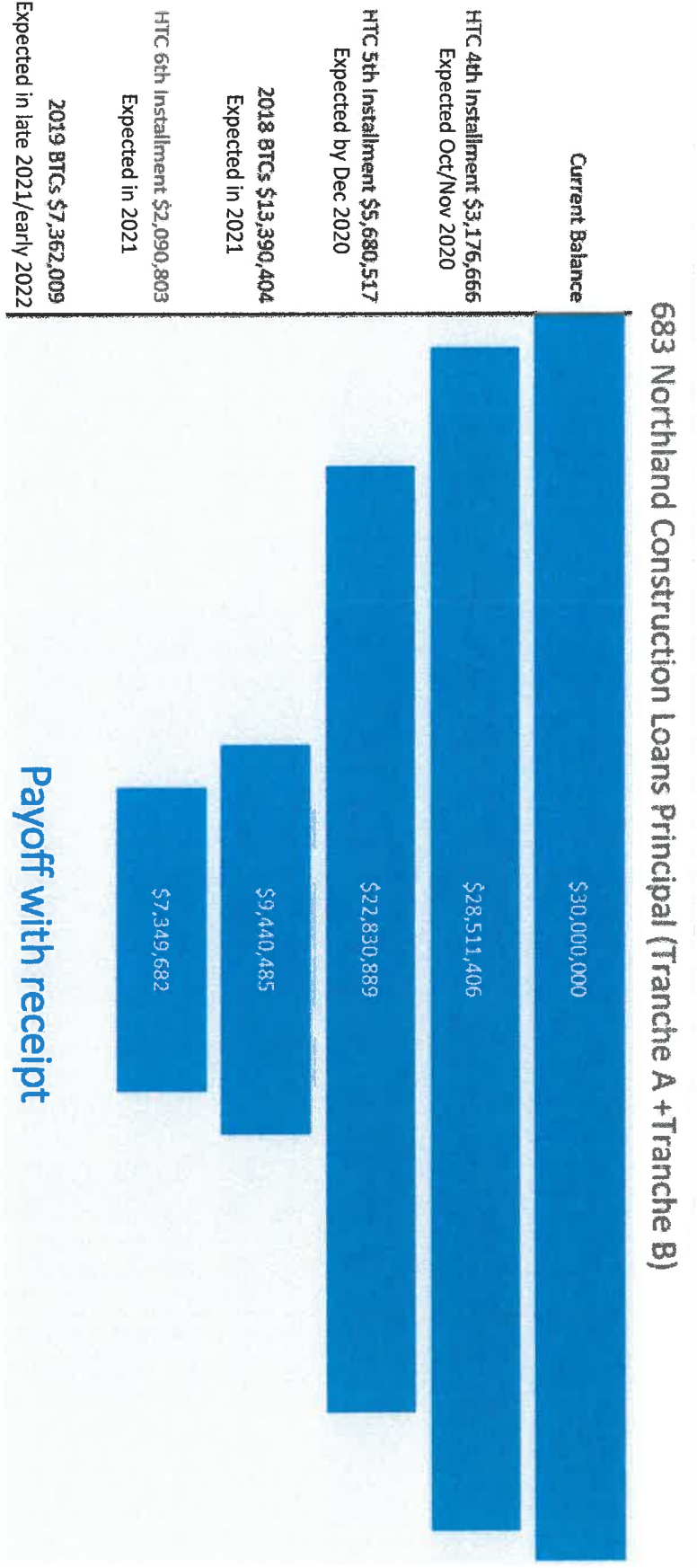
Yellow represents flow of funds sourced by Historic Tax Credit Equity from Investor Member.

Green represents Brownfield Tax Credit refunds of the members of 683 Northland LLC

Blue represents equity into 683 Northland LLC

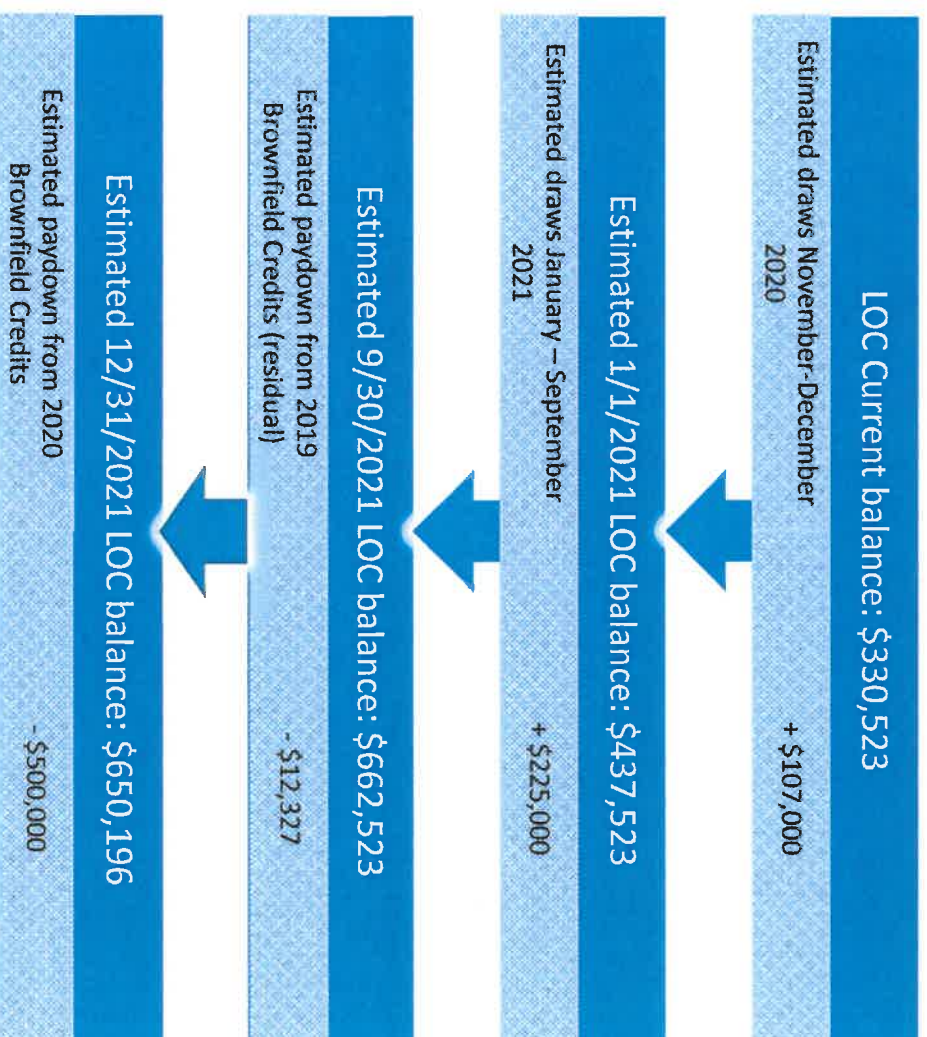
683 Northland: Sources & Uses

Tranche A: \$20,000,000 principal, variable interest rate 1.875% (current)
 Tranche B: \$10,000,000 principal, variable interest rate 2.6875% (current)



683 Northland: Construction Loan Interest/Line of Credit

- December 2017 - \$2,000,000 construction loan interest reserve fund fully funded at closing
- Draw periods on construction loans were accelerated due to HTC equity installment delays
 - Tranche A drawn down August-November 2018 (within projections)
 - Tranche B drawn down November 2018-April 2019, ahead of projected draw down period of April – November 2019
- Overall increase in interest cost of \$333,092 through September 2020
- \$1 million line of credit established in April 2020, drawn on to fund interest payments
 - \$330,523 advanced through 10/1/20
 - Interest rate: 3.325%
- Paydown to occur after paying off construction loans
- Possible other paydown sources include operational cash flow, Master Tenant rent payments



Buffalo Urban Development Corporation

2021 Proposed Budget

Presented to the Board of Directors October 27, 2020



Buffalo Urban Development Corporation

2021 Budget

A. Overview:

Throughout 2020, Buffalo Urban Development Corporation (“BUDC”) has continued to make significant progress in advancing all projects related to the transformational Northland Corridor Redevelopment on Buffalo’s East Side.

This development project began in late 2014, with the acquisition of the eleven (11) acre former Houdaille Industries/Vibratech facility at 537 East Delavan Avenue. A major portion of this building was demolished in 2017, and a NYSDEC superfund investigation of the site continued in 2020. In 2018, BUDC began developing a portion of the site by reconstructing a 15,000 square foot building. In December 2019, this building became the interim home of the Albright Knox Art Gallery, as the gallery renovates their historic Elmwood Avenue complex. The BUDC project was funded in part with Restore NY IV funding. In addition, the 537 East Delavan property continues to be enhanced by another project that began in 2019 and continued through 2020. A 40,000 square foot building in the northeast corner of the property is being rehabilitated to potentially house a neighborhood food and wellness facility. The early phases of this project were started in 2019, and the rehabilitation is anticipated to be completed in 2022. This project is funded in part with Restore NY V funding.

In 2015, an additional twenty-four (24) acres of property were acquired by BUDC in the Northland Corridor that included four (4) derelict manufacturing buildings. In 2016, Watts Architecture & Engineering was selected as the lead design firm for future projects in the corridor. After a thorough building analysis process, it was decided that 683 Northland (“Northland Central”) would become the focus building on the campus for initial renovation. Buffalo Billion I funds were obtained from New York State to move the first phase of rehabilitation forward, and Gilbane Building Company was selected as the construction management team for the project. Contractors were then procured to initiate remediation and renovation in order to transform a portion of Northland Central into the \$44 million advanced manufacturing and clean energy related Northland Workforce Training Center (“NWTC”), Northland Central’s first anchor tenant. A team was also engaged to perform work related to the historic preservation, new market and brownfield tax credits that would be obtained for the Northland Central project, with BUDC taking the developer role. The NWTC opened in September 2018 and Phase 1 work was completed in January 2019.

In 2018, BUDC secured Buffalo Billion II funds to begin Phase 2 rehabilitation of Northland Central for a second anchor tenant, Buffalo Manufacturing Works (“BMW”). The majority of the BMW build-out took place in 2019, for an October grand opening. BMW occupies approximately 50,000 square feet of the building. Phase 2 included the preparation of approximately 50,000 additional square feet for other potential tenants. In 2020, additional leases were signed with Rodriguez Construction, SparkCharge, and Retech Systems; which brings the occupancy at Northland Central to 95%.

As an amenity for the Northland Central building, BUDC created a food service space that serves the NWTC, BMW, and the surrounding East Side community. A lease was signed in 2019 with a local food purveyor, Manna @ Northland to operate a restaurant and catering kitchen. Manna has weathered the difficult conditions brought on by COVID-19 and continues to be an integral part of the Northland Campus.

Buffalo Urban Development Corporation 2021 Budget

In 2020, to complement the Northland Corridor redevelopment, the City of Buffalo completed a road and right-of-way reconstruction project for Northland Avenue which includes on-street parking, LED lighting, pedestrian amenities, and a small “pocket park” on a parcel owned by BUDC.

In 2012, BUDC began the Buffalo Building Reuse Project (BBRP) for Downtown Buffalo. Following the positive strides made through BBRP, with the adaptive reuse of historic buildings, development of residential housing units and significant investment in streetscape and infrastructure; our recently introduced Buffalo’s Race for Place initiative looks to take downtown to the next level, by closing the gaps within our public realm and by creating a vibrant sense of place. Through continued improvement and maintenance of public infrastructure with a focus on place-making, innovation, and integration of “smart city” technology, Race For Place looks to boost Buffalo as an attractive home for businesses, entrepreneurs, new talent and residents alike.

BUDC is in the process of funding loans through the BBRP Loan Program. In 2016, with assistance from the Buffalo Niagara Partnership and the New York State Business Development Council, BUDC successfully leveraged additional private bank funding to add to the BBRP Revolving Loan pool, allowing BUDC to fund additional adaptive reuse projects that add to downtown’s residential base. BUDC also utilized the previously released Infrastructure & Public Realm Master Plan as a guide for strategic infrastructure investments for a more cohesive and vibrant downtown. The guidance of the Master Plan was critical in BUDC’s preparation of several successful grant applications for infrastructure improvements including the Entertainment District project; which includes Chippewa, Franklin and Court Streets, which will hopefully begin construction in Spring 2021 after a COVID-19 delay.

The Queen City Pop Up Program was created in 2014 to encourage small business retail along Main Street. This ongoing program acts as a springboard for small business retailers by allowing them to set up shop on downtown Main Street on a temporary basis, rent free. Queen City Pop Up also provides comprehensive onsite training for participating retailers. The project looks to encourage participants to open permanent retail locations after completing the program. To date, the program has assisted approximately fifty (50) small business retailers, resulting in seven (7) retailers opening permanent stores along downtown Main Street and five (5) retailers permanently locating in other commercial corridors in the City of Buffalo. Although the Queen City Pop Up Program was paused in 2020 due to the COVID-19 pandemic, BUDC is hopeful that the program can be reinvigorated in 2021.

As a natural extension of BUDC’s role in supporting the development and growth of downtown Buffalo, BUDC has assisted the Department of Public Works and the Mayor’s Office of Strategic Planning with downtown waterfront planning and development activities. BUDC is providing planning and coordination support for the redevelopment of LaSalle Park into The Ralph C. Wilson, Jr. Centennial Park. BUDC also assists with the administration of funding from the Ralph C. Wilson Foundation, as well as coordination of the recent public and private development projects underway along the downtown waterfront extending from Michigan Avenue and connecting through to Porter Avenue.

BUDC will continue to operate and market the Buffalo Lakeside Commerce Park (“BLCP”) in 2021. The 2021 budget assumes that 21 acres of BLCP property will be sold for gross proceeds of \$682,500.

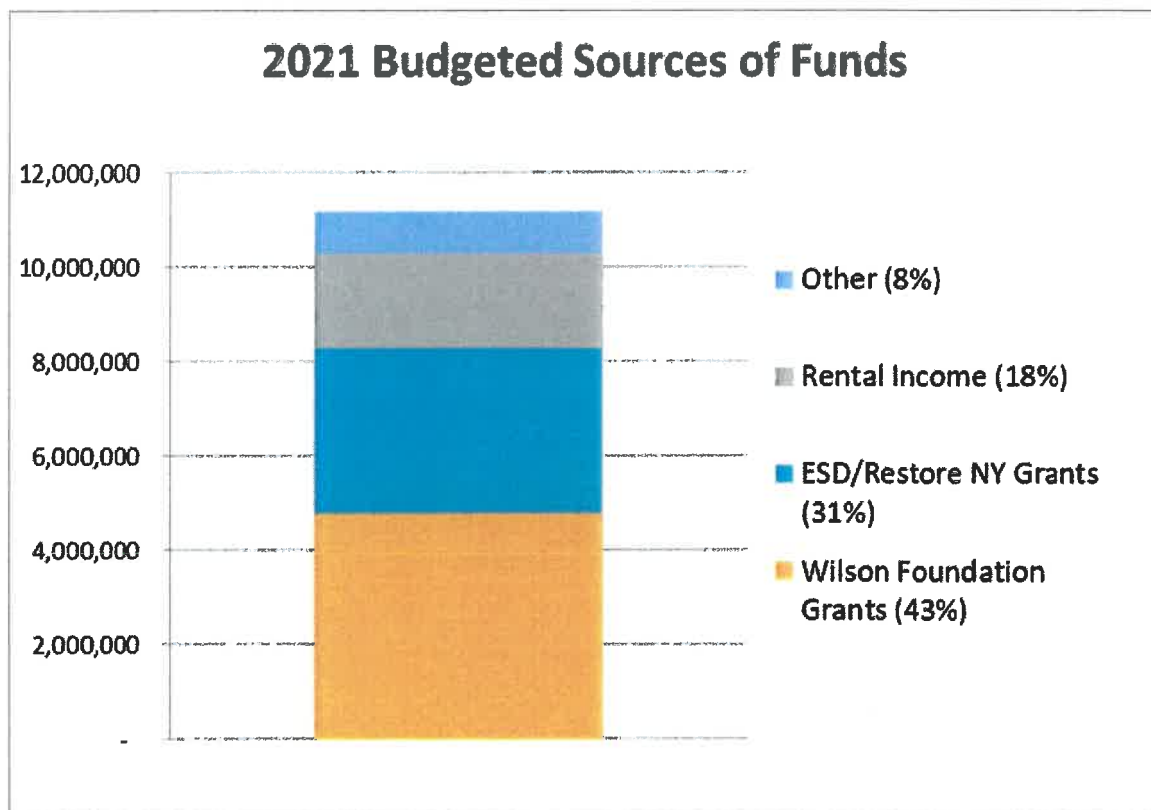
Buffalo Urban Development Corporation 2021 Budget

Property acquired by BUDC at 308 Crowley Street in 2018 has been a part of pre-demolition site work and an environmental investigation funded by the City of Buffalo. The City will also develop bid documents for a select demolition at the site, that is intended to be completed in 2021.

B. Sources of BUDC Funds:

The following chart summarizes the significant sources of the \$16.3 million in funds that have been budgeted for BUDC projects in 2020:

The key sources of BUDC funds are as follows:



- (1) **Ralph C. Wilson, Jr. Foundation Grants** – In 2021 BUDC expects to recognize \$4,777,000 in grant revenue from the Wilson Foundation associated with four separate grant agreements. Each grant supports the redevelopment of LaSalle Park into the Ralph C. Wilson, Jr. Centennial Park along the city's shoreline.
- (2) **Empire State Development/Restore NY Grants** – In 2020 BUDC expects to recognize \$3,500,000 in grant revenue from Empire State Development & Restore NY grants for the Northland Corridor Project, specifically a solar microgrid project and core and shell renovations at 541 East Delavan Avenue.

Buffalo Urban Development Corporation 2021 Budget

B. Sources of BUDC Funds (Continued):

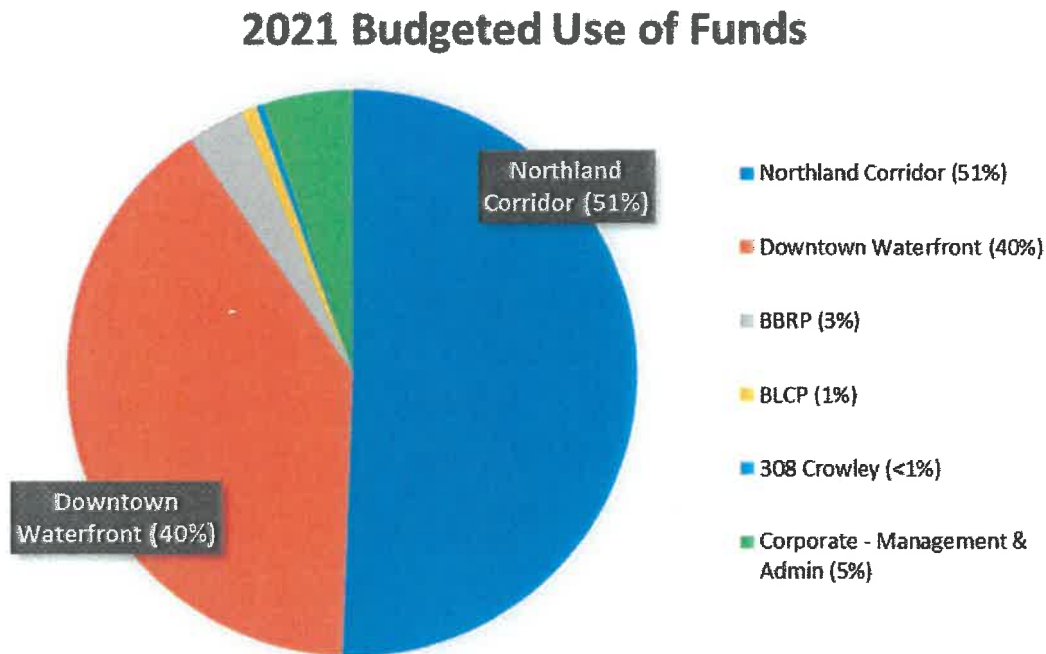
(3) **Rental Income** – In 2020 BUDC expects to realize rental income of approximately \$2,003,000 for leased space in the Northland Corridor from tenants, the majority under the terms of a Master Lease Agreement between 683 Northland Master Tenant, LLC and 683 Northland LLC. It is of note that rent payments for leased space within the Northland Central complex are paid to 683 Northland Master Tenant, LLC, a separate entity for financial reporting purposes.

(4) **Other Income** – Other income totaling approximately \$903,000 reflects the following:

- a. \$675,000 from National Grid grants for certain projects.
- b. BUDC anticipates the sale of property at BLCP, accounting for gross proceeds of \$682,500 less related costs, netting to a loss of approximately \$83,000.
- c. \$83,000 net revenue to the Buffalo Brownfields Redevelopment Fund.
- d. \$97,000 net loan fee and interest revenue.
- e. \$100,000 grant from the Erie County Industrial Development Agency.
- f. \$5,200 collected from property owners for public infrastructure maintenance at BLCP.

C. Uses of BUDC Funds:

BUDC expects to spend \$12.0 million in 2021 as outlined in the following chart:



Buffalo Urban Development Corporation 2021 Budget

C. Uses of BUDC Funds (Continued):

The key uses of BUDC funds are as follows:

- (1) **Northland Corridor** – As part of the continuing Northland Corridor project, BUDC anticipates spending \$6.1 million on capital and development costs, in addition to operating costs at Northland Corridor properties. The majority of 2021 spending will focus on core and shell renovations at 537 East Delavan Avenue and the solar microgrid.
- (2) **Downtown Waterfront** – BUDC anticipates spending \$4.8 million in 2021 to support the development of Ralph C. Wilson, Jr. Centennial Park. The majority of funds will be used in the planning stages to support design, project management and environmental due diligence for this transformational project.
- (3) **BBRP** – The Buffalo Building Reuse Project anticipates spending \$397,000 in 2021. \$143,000 is anticipated to be spent for personnel, marketing, administrative and legal costs; \$4,000 is expected to be spent on the downtown pop-up project and \$250,000 for urban corridor development.
- (4) **BLCP** – In 2021, BUDC has budgeted \$58,000 for operations and maintenance costs of Ship Canal Commons. Other ongoing costs, including legal, insurance, marketing and other administrative costs are estimated at an additional \$34,000.
- (5) **308 Crowley** –2021 costs for 308 Crowley include \$59,000 budgeted for the property, and includes consulting for potential environmental issues, insurance and general development.
- (6) **Corporate – Management & Administrative** – In 2021, BUDC expects to spend \$600,000 on management and administrative costs. This includes salary and benefit costs of BUDC staff, totaling \$281,000. In addition, \$90,000 in other administrative, financial and property management services provided by ECIDA staff are budgeted to be reimbursed based on the number of hours ECIDA employees devote to these activities. Other management and administrative costs total \$229,000 and include legal, audit and tax, insurance, marketing, rent and other general and administrative costs.

Buffalo Urban Development Corporation
Proposed 2021 Budget

REVENUE	Budget 2021	Projected 2020	YTD Aug 2020	Actual 2019
Grant Revenue				
Empire State Development	\$ 2,000,000	\$ 1,175,725	\$ 1,047,340	\$ 15,046,849
Restore NY	1,500,000	1,685,444	1,356,965	1,758,395
Ralph C. Wilson, Jr. Foundation	4,776,667	6,235,604	2,911,235	1,907,200
National Grid (various)	675,000	250,000	-	550,000
NYPA (carryover)	-	1,200,236	1,200,236	1,310,783
ECIDA	100,000	100,000	66,667	100,000
Other	-	49,250	27,157	126,408
Gross Proceeds from Land Sales	732,500	31,609	31,609	-
Less: Cost of Land Sales	(790,386)	(24,232)	(24,232)	-
Buffalo Brownfield Fund Revenue (net)	83,000	146,773	121,642	298,920
Developer Fee	-	-	-	11,886,746
Rental Income	2,002,845	2,020,708	1,346,942	2,946,446
BCLP Property Owners' Association	5,200	5,200	-	5,200
Interest Income & Fees - Loans	96,664	133,535	101,313	149,707
Investment Interest Income/Miscellaneous	1,000	1,453	1,147	19,278
Other Income	-	1,000	1,000	4,229
Total	11,182,490	13,012,304	8,189,020	36,110,161
OPERATING EXPENSES				
Property Operations & Maintenance	158,705	194,759	140,599	180,968
Legal	125,000	135,964	100,479	192,276
Insurance	187,000	254,308	169,988	351,803
Marketing	35,000	43,739	26,986	42,989
Utilities	22,398	19,803	13,202	2,560
Misc.	11,000	9,888	6,566	32,447
Consultants	4,452,500	5,483,461	2,936,543	2,325,883
General Development Expenses	481,667	136,950	1,691,300	1,482,781
Personnel Costs	533,659	538,327	373,809	481,747
Interest	728,675	997,305	627,104	1,172,004
Rent	25,000	25,000	16,667	23,226
ECIDA Management Fee	103,000	95,000	63,333	78,855
Audit & Tax	101,550	111,264	105,943	65,533
Operating Expenses	11,000	1,000	639	-
Grant Expense	912,768	1,602,846	1,053,835	1,569,848
General & Administrative	181,045	109,364	75,519	62,096
Depreciation	4,600,000	4,021,665	2,681,110	3,224,019
Amortization	43,676	74,872	49,915	74,872
Total	12,713,643	13,855,513	10,133,536	11,363,905
Net Income / (Loss)	\$ (1,531,153)	\$ (843,209)	\$ (1,944,516)	\$ 24,746,256
CAPITAL/LOAN FUND BUDGET				
Capital expenditures/equipment	(3,925,000)	(2,000,000)	(1,600,000)	(45,915,225)
Proceeds from loans/line of credit	510,000	1,485,773	1,135,773	5,065,740
Prepaid rent - Master Lease Agreement	1,500,092	8,695,312	-	4,121,175
Capital contributions	12,051,364	2,746,198	446,198	500,000
Repayment of debt	(13,551,456)	(11,789,022)	-	-
	(3,415,000)	(861,739)	(18,029)	(36,228,310)
CASH FLOW ADJUSTMENTS				
Cost of Land Sales	746,386	24,232	24,232	-
Prepaid rental income	(1,393,058)	(1,844,742)	(1,076,100)	(1,844,742)
Deferred lease liability	511,932	511,932	298,627	511,932
Use of reserves	97,182	96,286	73,786	85,909
Construction loan interest (prefunded)	-	361,690	361,690	1,243,950
Depreciation/amortization	4,643,676	4,096,537	2,731,025	3,298,891
Net Cash Increase/(Decrease)	\$ (340,035)	\$ 1,540,987	\$ 450,715	\$ (8,186,114)

Buffalo Urban Development Corporation
Proposed 2021 Budget - Project Detail

	BLCP*	BBRP**	Downtown Waterfront	Northland Corridor	308 Crowley	Corporate Operations	Total
REVENUE							
Grant Revenue							
Restore NY 5	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Ralph C. Wilson, Jr. Foundation	-	-	4,776,667	-	-	-	4,776,667
National Grid	-	250,000	-	425,000	-	-	675,000
ESD - Solar Microgrid	-	-	-	2,000,000	-	-	2,000,000
ECIDA	-	100,000	-	-	-	-	100,000
Gross Proceeds from Land Sales	682,500	-	-	-	50,000	-	732,500
Less: Cost of Land Sales + closing costs	(765,386)	-	-	-	(25,000)	-	(790,386)
Buffalo Brownfield Fund Revenue (net)	-	-	-	-	-	83,000	83,000
Rental Income	-	-	-	2,002,845	-	-	2,002,845
BLCP Property Maintenance	5,200	-	-	-	-	-	5,200
Interest Income & Fees - Loans	-	-	-	96,664	-	-	96,664
Investment Interest Income/Miscellaneous	-	-	-	-	-	1,000	1,000
Total	(77,686)	350,000	4,776,667	6,024,509	25,000	84,000	11,182,490
OPERATING EXPENSES							
Property Operations & Maintenance	58,000	-	-	95,705	5,000	-	158,705
Legal	10,000	5,000	10,000	45,000	5,000	50,000	125,000
Insurance	18,000	-	-	105,000	22,000	42,000	187,000
Marketing	1,000	14,000	-	-	-	20,000	35,000
Utilities	2,398	-	-	20,000	-	-	22,398
Misc.	2,500	-	-	-	1,000	7,500	11,000
Consultants	-	-	4,400,000	25,000	25,000	2,500	4,452,500
General Development Expenses	-	250,000	216,667	15,000	-	-	481,667
Personnel Costs	-	122,853	130,000	-	-	280,806	533,659
Interest	-	-	-	718,675	-	10,000	728,675
Operating Expenses	-	-	-	10,000	1,000	-	11,000
Rent	-	-	-	-	-	25,000	25,000
ECIDA Management Fee	-	-	7,500	5,000	-	90,500	103,000
Audit & Tax	-	-	5,000	45,000	-	51,550	101,550
General & Administrative	-	5,000	7,500	1,061,313	-	20,000	1,093,813
Depreciation	-	-	-	4,600,000	-	-	4,600,000
Amortization	-	-	-	43,676	-	-	43,676
Total	91,898	396,853	4,776,667	6,789,369	59,000	599,856	12,713,643
Net Income / (Loss)	(169,584)	(46,853)	-	(764,860)	(34,000)	(515,856)	(1,531,153)
CAPITAL BUDGET							
Capital expenditures/equipment	-	-	-	(3,925,000)	-	-	(3,925,000)
Prepaid rent - Master Lease Agreement	-	-	-	1,500,092	-	-	1,500,092
Capital contributions (BTCs)	-	-	-	12,051,364	-	-	12,051,364
Repayment of debt	-	-	-	(13,551,456)	-	-	(13,551,456)
Total	-	-	-	(3,925,000)	-	-	(3,925,000)
CASH FLOW ADJUSTMENTS							
Cost of Land Sales	721,386	-	-	-	25,000	-	746,386
Prepaid Rental Income	-	-	-	(1,393,058)	-	-	(1,393,058)
Deferred lease liability	-	-	-	511,932	-	-	511,932
Line of credit usage	-	-	-	510,000	-	-	510,000
Use of reserves	-	-	-	97,182	-	-	97,182
Depreciation	-	-	-	4,600,000	-	-	4,600,000
Amortization	-	-	-	43,676	-	-	43,676
Net Cash Increase/(Decrease)	\$ 551,802	\$ (46,853)	\$ -	\$ (320,128)	\$ (9,000)	\$ (515,856)	\$ (340,035)

* Buffalo Lakeside Commerce Park

** Buffalo Building Reuse Project

Buffalo Urban Development Corporation
Proposed 2021 Budget - Northland Corridor Project Breakout

	BUDC	683 WTC, LLC	683 Northland LLC	Eliminations ¹	Northland Corridor Total
REVENUE					
Grant Revenue					
Restore NY 5	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
National Grid	425,000	-	-	-	425,000
ESD - Solar Microgrid	2,000,000	-	-	-	2,000,000
Loan interest	446,664	-	-	(350,000)	96,664
Rental Income	123,103	-	1,879,742	-	2,002,845
Total	4,494,767	-	1,879,742	(350,000)	6,024,509
OPERATING EXPENSES					
Property Operations & Maintenance	95,705	-	-	-	95,705
Legal	40,000	-	5,000	-	45,000
Insurance	105,000	-	-	-	105,000
Utilities	20,000	-	-	-	20,000
Operating expenses	-	-	10,000	-	10,000
Administrative	912,768	-	77,290	-	990,058
Consultants	20,000	-	5,000	-	25,000
General Development Expenses	15,000	-	-	-	15,000
Interest	15,000	350,000	703,675	(350,000)	718,675
Asset Management Fee	-	-	55,000	-	55,000
Audit & Tax	-	5,000	40,000	-	45,000
Loan servicing fees	-	-	21,255	-	21,255
Depreciation	100,000	-	4,500,000	-	4,600,000
Amortization	-	-	43,676	-	43,676
Total	1,323,473	355,000	5,460,896	(350,000)	6,789,369
Net Income/(Loss)	3,171,294	(355,000)	(3,581,154)	-	(764,860)
CAPITAL BUDGET					
Capital expenditures/equipment	(3,925,000)	-	-	-	(3,925,000)
Prepaid rent - Master Lease Agreement	-	-	1,500,092	-	1,500,092
Capital contributions (BTCs)	-	-	12,051,364	-	12,051,364
Repayment of debt	-	-	(13,551,456)	-	(13,551,456)
	(3,925,000)	-	-	-	(3,925,000)
CASH FLOW ADJUSTMENTS					
Payment of deferred developer fee	4,505,000	-	(4,505,000)	-	-
Prepaid rent	-	-	(1,393,058)	-	(1,393,058)
Deferred lease liability	511,932	-	-	-	511,932
Line of credit usage	-	-	510,000	-	510,000
Deferred interest payments	(350,000)	350,000	-	-	-
Use of/(additions to) reserves	-	-	97,182	-	97,182
Depreciation/amortization	100,000	-	4,543,676	-	4,643,676
Net Cash (Increase)/Decrease	\$ 4,013,226	\$ (5,000)	\$ (4,328,354)	\$ -	\$ (320,128)

¹ Eliminations consist of interest revenue/expense between BUDC and 683 WTC, LLC.

Buffalo Urban Development Corporation

Proposed 2021 Budget and 3 Year Forecast

REVENUE	Budget 2021	Projected 2022	Projected 2023	Projected 2024
Grant Revenue	\$ 9,051,667	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Gross Proceeds from Land Sales	732,500	-	-	-
Less: Cost of Land Sales	(790,386)	-	-	-
Buffalo Brownfield Fund Revenue (net)	83,000	33,000	15,000	-
Rental Income	2,002,845	1,922,727	1,879,742	1,879,742
BLCP Property Owners' Association	5,200	10,200	10,200	10,200
Interest Income & Fees - Loans	96,664	96,664	96,664	96,664
Investment Interest Income	1,000	1,000	1,000	1,000
Other Income	-	1,000	1,000	1,000
Total	11,182,490	4,064,591	4,003,606	3,988,606
OPERATING EXPENSES				
Property Operations & Maintenance	158,705	163,770	168,683	168,683
Legal	125,000	100,000	100,000	100,000
Insurance	187,000	135,000	135,000	135,000
Marketing	35,000	35,000	35,000	35,000
Utilities	22,398	23,070	23,762	24,475
Misc.	11,000	10,000	10,000	10,000
Consultants	4,452,500	1,000,000	1,000,000	1,000,000
General Development Expenses	481,667	750,000	750,000	750,000
Personnel Costs	533,659	489,929	504,626	519,765
Interest	728,675	584,000	204,000	204,000
Operating Expenses	11,000	11,000	11,330	11,670
Rent	25,000	25,750	26,523	26,523
ECIDA Management Fee	103,000	100,000	100,000	100,000
Audit & Tax	101,550	105,612	109,836	114,230
General & Administrative	1,093,813	949,792	962,176	974,938
Depreciation	4,600,000	4,600,000	4,600,000	4,600,000
Amortization	43,676	-	-	-
Total	12,713,643	9,082,922	8,740,936	8,774,283
Net Income / (Loss)	\$ (1,531,153)	\$ (5,018,331)	\$ (4,737,330)	\$ (4,785,677)
CAPITAL BUDGET				
Capital expenditures/equipment	(3,925,000)	-	-	-
Prepaid rent - Master Lease Agreement	1,500,092	-	-	-
Capital contributions (BTCs/HTCs)	12,051,364	9,452,803	500,000	-
Repayment of debt	(13,551,456)	(9,000,000)	-	-
Total	(3,925,000)	452,803	500,000	-
CASH FLOW ADJUSTMENTS				
Cost of Land Sales	746,386	-	-	-
Prepaid rental income	(1,393,058)	(1,395,256)	(1,387,319)	(1,351,696)
Deferred lease liability	511,932	511,932	511,932	511,932
Line of credit usage	510,000	-	-	-
Use of reserves	97,182	97,847	98,533	99,238
Depreciation/amortization	4,643,676	4,600,000	4,600,000	4,600,000
Net Cash Increase/(Decrease)	\$ (340,035)	\$ (751,005)	\$ (414,184)	\$ (926,203)

683 Northland Master Tenant, LLC
2021 Proposed Budget

683 Northland Master Tenant, LLC
2021 Proposed Budget

	2021 Budget	2020 Projected	2019 Actual
Revenues:			
Rental revenue	\$ 1,414,000	\$ 1,076,842	\$ 754,631
Additional rental revenue	523,000	400,427	167,996
Interest and other revenue	500	692	4,565
Total	<u>1,937,500</u>	<u>1,477,960</u>	<u>927,192</u>
Expenses:			
Rent expense	1,879,742	1,879,743	1,879,742
Payroll	148,800	146,147	129,470
Utilities	23,000	34,304	111,798
Insurance	123,000	89,153	120,670
Professional fees	52,000	265,072	46,936
Property management fee	71,000	49,635	41,493
Real estate taxes	50,000	19,132	22,473
Repairs and maintenance	113,000	146,035	18,400
Asset management fee	10,000	10,000	10,000
Depreciation	2,430	2,340	1,870
Miscellaneous	5,000	2,049	8,851
Total	<u>2,477,972</u>	<u>2,643,608</u>	<u>2,391,703</u>
Net Income / (Loss)	<u>(540,472)</u>	<u>(1,165,648)</u>	<u>(1,464,511)</u>
Members' Equity			
Members' equity - beginning of period	15,081,039	7,494,530	4,533,262
Members' capital contributions	2,090,803	8,857,183	4,536,758
Distributions	(289,000)	(105,026)	(110,979)
Members' equity - end of period	<u>16,342,370</u>	<u>15,081,039</u>	<u>7,494,530</u>
Cash Flow Adjustments			
Net Income / (Loss)	(540,472)	(1,165,648)	(1,464,511)
Members' capital contributions	2,090,803	8,857,183	4,536,758
Distributions	(289,000)	(105,026)	(110,979)
Prepaid rent - rent expense	1,393,058	1,445,129	1,844,742
Prepaid rent - Master Lease Agreement	(1,443,247)	(8,752,157)	(4,121,175)
Deferred lease liability	(553,074)	(553,074)	(223,931)
Usage of/(additions to) reserves	(39,440)	(38,000)	(435,000)
Depreciation	2,430	2,340	1,870
Net Cash Increase/(Decrease)	<u>\$ 621,058</u>	<u>\$ (309,253)</u>	<u>\$ 27,774</u>

683 Northland Master Tenant, LLC's 1% owner and Managing Member is 683 WTC, LLC.
An investor-owned fund owns 99% of the entity.

683 Northland Master Tenant, LLC
2021 Proposed Budget + 3 Year Projection

	2021 Budget	2022 Projected	2023 Projected	2024 Projected
Revenues:				
Rental revenue	\$ 1,414,000	\$ 1,414,000	\$ 1,416,000	\$ 1,413,000
Additional rental revenue	523,000	523,000	528,230	528,230
Interest and other revenue	500	500	500	500
Total	<u>1,937,500</u>	<u>1,937,500</u>	<u>1,944,730</u>	<u>1,941,730</u>
Expenses:				
Rent expense	1,879,742	1,879,742	1,879,742	1,879,742
Payroll	148,800	153,264	157,862	162,598
Utilities	23,000	23,690	24,401	25,133
Insurance	123,000	126,690	130,491	134,405
Professional fees	52,000	53,560	55,167	56,822
Property management fee	71,000	71,000	71,000	71,000
Real estate taxes	50,000	51,500	53,045	54,636
Repairs and maintenance	113,000	116,390	119,882	123,478
Asset management fee	10,000	10,000	10,000	10,000
Depreciation	2,430	2,430	2,430	2,430
Miscellaneous	5,000	5,150	5,305	5,464
Total	<u>2,477,972</u>	<u>2,493,416</u>	<u>2,509,324</u>	<u>2,525,708</u>
Net Income / (Loss)	<u>(540,472)</u>	<u>(555,916)</u>	<u>(564,594)</u>	<u>(583,978)</u>
Members' Equity				
Members' equity - beginning of period	15,081,039	16,342,370	15,536,454	14,721,860
Members' capital contributions	2,090,803	-	-	-
Distributions	(289,000)	(250,000)	(250,000)	(250,000)
Members' equity - end of period	<u>16,342,370</u>	<u>15,536,454</u>	<u>14,721,860</u>	<u>13,887,882</u>
Cash Flow Adjustments				
Net Income / (Loss)	(540,472)	(555,916)	(564,594)	(583,978)
Members' capital contributions	2,090,803	-	-	-
Distributions	(289,000)	(250,000)	(250,000)	(250,000)
Prepaid rent - rent expense	1,393,058	1,395,256	1,387,319	1,351,696
Prepaid rent - Master Lease Agreement	(1,443,247)	-	-	-
Deferred lease liability	(553,074)	(553,074)	(553,074)	(553,074)
Usage of/(additions to) reserves	(39,440)	34,100	32,550	211,000
Depreciation	2,430	2,430	2,430	2,430
Net Cash Increase/(Decrease)	<u>\$ 621,058</u>	<u>\$ 72,796</u>	<u>\$ 54,632</u>	<u>\$ 178,074</u>

683 Northland Master Tenant, LLC's 1% owner and Managing Member is 683 WTC, LLC.
An investor-owned fund owns 99% of the entity.

Buffalo Urban Development Corporation

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



Item 4.4

MEMORANDUM

TO: BUDC Board of Directors

FROM: Rebecca Gandour, BUDC Vice President – Finance & Development

SUBJECT: Ralph C. Wilson, Jr. Centennial Park - Ralph C. Wilson, Jr. Foundation Grant Agreement #4

DATE: October 27, 2020

The BUDC Board of Directors previously authorized BUDC to accept grant funding for efforts related to the redevelopment of the Ralph C. Wilson, Jr. Centennial Park. BUDC recently submitted an application for funding to the Ralph C. Wilson, Jr. Foundation to advance the project to the construction stage. The funds (Grant Agreement #4) will be used to contract with Michael Van Valkenburgh Associates (MVVA) for the preparation of Construction Drawings and Documents (CD's), early construction activities related to the placement of fill for the pedestrian bridge approaches, the purchase of granite blocks for use throughout the park, and a contingency for additional due diligence. BUDC has received notice that our grant application was approved by the Ralph C. Wilson, Jr. Foundation for an award in the amount of \$4,662,000. The Downtown Committee reviewed this item at its October 21, 2020 meeting and is recommending approval.

ACTION

I am requesting that the BUDC Board of Directors accept the \$4,662,000 grant from the Ralph C. Wilson, Jr. Foundation for costs associated with advancing the redevelopment of the Ralph C. Wilson, Jr. Centennial Park to the construction phase and authorize the BUDC President or the BUDC Vice President – Finance & Development to execute a grant agreement and take such actions as are necessary to implement this authorization.

Hon. Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Peter M. Cammarata, President • Rebecca Gandour, Vice President
• Brandye Merriweather, Vice President • Mollie Profic, Treasurer • Atiqah Abidi, Assistant Treasurer • Kevin J. Zanner, Secretary

Buffalo Urban Development Corporation

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



Item 4.5

MEMORANDUM

TO: BUDC Board of Directors

FROM: Rebecca Gandour, BUDC Vice President – Finance & Development

SUBJECT: Ralph C. Wilson, Jr. Centennial Park – Gardiner & Theobald Change Order

DATE: October 27, 2020

At the November 26, 2019 meeting, the BUDC Board of Directors approved a contract with Gardiner & Theobald Inc. (“G&T”) to provide project management services for the redevelopment of Lasalle Park into the Ralph C. Wilson, Jr. Centennial Park.

Since contract execution, G&T has prepared and updated written estimates of the cost of the work in increasing detail and refinement. G&T is proposing to self-perform additional cost estimation work in the amount of \$32,000, which has been deemed necessary during the design development phase. Self-performing the work will help ensure the project scope remains within budget and will result in savings on cost estimating services of approximately \$83,000. This additional work will be paid with funds from the first grant award from the Ralph C. Wilson, Jr. Foundation. This change order was presented to the Downtown Committee for review and comment on October 21, 2020. The Downtown Committee reviewed this item at its October 21, 2020 meeting and is recommending approval.

ACTION

I am requesting that the BUDC Board of Directors approve a change order to the project management contract with G&T in the amount of \$32,000 for additional cost estimation work to be performed by G&T for the Ralph C. Wilson, Jr. Centennial Park project, the cost of which will be paid with funds from the first grant award from the Ralph C. Wilson, Jr. Foundation, and authorize the BUDC President or BUDC Vice President – Finance & Development to execute the change order and take such actions as are necessary to implement this authorization.

Hon. Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Peter M. Cammarata, President • Rebecca Gandour, Vice President
• Brandye Merriweather, Vice President • Mollie Profic, Treasurer • Atiqa Abidi, Assistant Treasurer • Kevin J. Zanuer, Secretary



Item 4.6

MEMORANDUM

TO: BUDC Board of Directors
FROM: Brandye Merriweather, Vice President – Downtown Development
SUBJECT: BBRP Loan Extension Request - Phoenix Brewery Apartments
DATE: October 27, 2020

In January of 2016, the BUDC Board of Directors approved a \$750,000 Buffalo Building Reuse Project loan to Phoenix Brewery Apartments, LLC (Sinatra & Company Real Estate) for the redevelopment of 835 Washington Street. The loan was approved for a term of 36 months with monthly interest-only payments and a balloon payment due on February 28, 2019. The Board subsequently approved a twelve-month extension of the loan through March 31, 2020, which was then further extended by the Loan Committee through the end of May, 2020.

The borrower has continued to make monthly interest-only payments, but did not make the balloon payment at the end of May. BUDC staff, in conjunction with Pursuit (BUDC's underwriting consultant) have been in discussions with the borrower since that time regarding the borrower's request for an additional extension of the loan. Information was requested and provided by the borrower in order to evaluate the borrower's request for an extension through December 31, 2020.

Last week, the Loan Committee reviewed the extension request with BUDC staff and Pursuit. The Committee is recommending that the Board approve an extension of the loan as follows:

- New Maturity Date: February 28, 2021
- Increase the current interest rate on the loan from 5.5% to 6.5%, effective as of November 1, 2020
- BUDC to forego collecting interest at the default rate (which is the current rate plus 3%) during the period beginning June 1, 2020 through October 31st. If not paid in full at the new maturity date, the default rate would apply.
- The proposed modifications are subject to the borrower executing loan documents with the revised payment terms.

ACTION

I am requesting that the BUDC Board of Directors approve an extension of the Phoenix Brewery Apartments, LLC loan consistent with the above recommendation of the Loan Committee, with monthly-interest only payments at a new annual rate of 6.5% and the balloon payment due on February 28, 2021, subject to the borrower's execution of an amended note and loan agreement containing the new terms.

Buffalo Urban Development Corporation

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



Item 4.7

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors
FROM: Peter M. Cammarata, President
SUBJECT: BLCP - Lawncare & Snow Removal Services Contract Approval
DATE: October 27, 2020

As he has done in the past, Phil Riggs (ECIDA Facility & Site Manager) assisted BUDC staff in the procurement process for lawncare and snow removal services for Buffalo Lakeside Commerce Park. In September, a Request for Proposals (RFP) was issued to cover three snow removal seasons from November 1, 2020 through April 30, 2023. The lawncare services will cover three cutting/planting seasons from 2021 through 2023.

Respondents were requested to provide pricing in three separate categories:

- “Right-of-Way” (ROW) common lawn and signage areas along the city streets at BLCP.
- Ship Canal Commons (22 acres) lawn care, landscaping, and trash removal.
- Ship Canal Commons parking area plowing and limited snow-blowing

Over the years, Mr. Riggs has compiled and contacted an extensive list of potential bidders, and the RFP was placed on BUDC’s website. Twelve (12) bid packages were requested or provided, and four (4) proposals were received. The three most competitive bids were:

DMJ Property Services, Inc.	\$135,200
Elbers Landscape Services, Inc.	\$145,650
T&R Seasonal Services	\$147,810

T&R provided the services for the last three years at a cost of \$140,770. Positive references were obtained for all three firms. DMJ has twelve employees, 10 of which are City of Buffalo residents. The Real Estate Committee reviewed the proposals at its October 20, 2020 meeting and is recommending a contract with DMJ Property Services, Inc.

ACTION

I am requesting Board approval for the President to enter into a contract with DMJ Property Services, Inc. to provide all three categories of maintenance service at BLCP, for the total cost of \$135,200 for a three year period.

Buffalo Urban Development Corporation

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



Item 4.8

MEMORANDUM

TO: BUDC Board of Directors

FROM: Peter M. Cammarata, President

SUBJECT: Federal Procurement Procedures

DATE: October 27, 2020

At the June 30, 2020 Board of Directors meeting, the Board authorized BUDC to accept a grant from the Great Lakes Commission (GLC) for the Centennial Park project. As was noted at the time, these grant funds are being made available through a federal agency (the National Oceanic and Atmospheric Administration). BUDC's subrecipient agreement with GLC includes a host of federal requirements that are applicable to BUDC's use and administration of the grant funds.

As the Centennial Park project progresses, additional federal funding may become available for the construction of the project. The federal government has developed a set of comprehensive regulations that govern the procurement of goods and services that are paid for with federal funds. Federal funding sources require compliance with these federal procurement procedures. BUDC's legal counsel has developed the attached Procurement Procedures that would apply in instances where BUDC is utilizing federal funds to procure goods and services. BUDC's current Procurement Policy would continue to apply for all other non-federal procurements.

The attached guidelines were reviewed by the Governance Committee at its October 13th meeting and were recommended for approval by the Board of Directors.

ACTION

I am requesting that the BUDC Board of Directors approve the attached Procurement Procedures Applicable to the Expenditure of Federal Funds.

Hon. Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Peter M. Cammarata, President • Rebecca Gandour, Vice President
• Brandye Merriweather, Vice President • Mollie Profic, Treasurer • Atiqah Abidi, Assistant Treasurer • Kevin J. Zanner, Secretary

BUFFALO URBAN DEVELOPMENT CORPORATION

Procurement Procedures Applicable to the Expenditure of Federal Funds

ARTICLE I **Scope**

1.1 The procurement of goods and services made by Buffalo Urban Development Corporation or any of its affiliates or subsidiaries ("BUDC") involving the expenditure by BUDC of federal funds will be undertaken in accordance with the procurement procedures set forth herein (the "Policy") and the applicable provisions of 2 CFR Sections 200.318 through 200.326. All other procurements (i.e., those made with non-federal funds) shall be made in accordance with the BUDC procurement policy then in effect.

ARTICLE II **Procurement Standards**

2.1 All procurements subject to this Policy are to be undertaken in a manner that provides for full and open competition consistent with the standards set forth in 2 CFR Section 200.319. Regardless of the procurement method utilized, BUDC may only award contracts to responsible contractors or vendors possessing the ability to perform successfully under the terms and conditions of the procurement. Consideration will be given to such matters as contractor/vendor integrity, compliance with public policy, record of past performance and financial and technical resources in awarding contracts.

2.2 Solicitations will contain a clear and accurate description of the technical requirements for the material, product, or service to be procured and will identify all requirements that the bidders must fulfill and all other factors that will be used by BUDC in evaluating bids or proposals. In addition, BUDC will ensure that all solicitations include enough qualified sources to ensure maximum open and free competition.

2.3 In order to ensure objective contractor/vendor performance and eliminate unfair competitive advantages, contractors/vendors that develop or draft specifications, requirements, statements of work, invitations for bids, or requests for proposals will be excluded from competing for such procurements.

2.4 Solicitations will not contain features that unduly restrict competition. Some examples of situations considered under federal regulations to be restrictive of competition include, but are not limited to, the following:

- Placing unreasonable requirements on firms in order for them to qualify to do business with BUDC;
- Requiring unnecessary experience and excessive bonding;
- Non-competitive pricing practices between firms or between affiliated companies;
- Executing non-competitive contracts with consultants that are on retainer contracts
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered; and
- Any arbitrary action in the procurement process.

2.5 In undertaking procurements, BUDC shall avoid the acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach to procuring the specific good or service.

2.6 Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms. In accordance with 2 CFR Section 200.321, BUDC will take affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. These affirmative steps include the following:

- Placing qualified small and minority businesses and women's business enterprises on BUDC's solicitation lists;
- Assuring that BUDC solicits small and minority businesses and women's business enterprises whenever they are potential sources;
- When economically feasible, dividing total project requirements into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises;
- Using the services and assistance, as appropriate, of organizations such as the Small Business Administration and the Minority Business Development Agency of the United States Department of Commerce; and
- Requiring the prime contractor, if subcontracts are to be let, to take the above affirmative steps.

ARTICLE III

Methods of Procurement

3.1 Methods. In accordance with 2 CFR Section 200.320, BUDC shall procure good and services utilizing one of the following methods: (i) micro-purchase procedures; (ii) small purchase procedures; (iii) procurement by competitive proposals; or (iv) procurement by competitive sealed bids. In addition, BUDC may procure goods and services without competition under the circumstances set forth in Section 3.6.

3.2 Micro-purchases (2 CFR Section 200.67). Micro-purchases involve the acquisition of goods or services that in the aggregate, cost no more than the Micro-Purchase Threshold, as such threshold is set forth in 2 CFR Section 200.67 (currently \$10,000). Micro-purchases may be made without soliciting competitive quotations, provided that the BUDC President considers the price to be reasonable, and such determination is documented in the record of procurement.

3.3 Small Purchases (2 CFR Section 200.68). Small purchases involve the acquisition of goods or services that cost no more than the Simplified Acquisition Threshold, as such threshold is set forth in 2 CFR Section 200.68 (currently \$250,000). For small purchases, BUDC will obtain written price or rate quotations from an adequate number of qualified sources, which generally will involve soliciting written price or rate quotations from a minimum of two (2) vendors.

3.4 Procurement through Competitive Proposals. As provided in 2 CFR Section 200.320(d), the competitive proposals method of procurement is normally conducted with more than one source submitting an offer and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. When the competitive proposal method is used, the following requirements apply:

- Requests for proposals (RFP) must be publicized and identify all evaluation factors and their relative importance;
- Proposals must be solicited from an adequate number of qualified sources—three proposals will generally be deemed adequate;
- BUDC will utilize a documented method for conducting technical evaluations of the proposals received and for selecting recipients;
- Contracts will be awarded to the responsible firm whose proposal is most advantageous to BUDC, with price and other factors considered.

BUDC may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. This method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform such services.

3.5 Procurement by Sealed Bids. BUDC may procure goods and services through the use of a competitive sealed bid process. Where sealed bid procurement is used, bids must be publicly solicited with a firm fixed-price contract (lump sum or unit price) to be awarded to the responsible bidder whose bid is the lowest in price while conforming to all material terms and conditions of the solicitation.

3.5.1 Construction Services. As provided in 2 CFR Section 200.320, the competitive sealed bid method of procurement is the preferred method of procuring construction services, if the following conditions apply: (A) a complete, adequate, and realistic specification or purchase description is available; (B) two or more responsible bidders are willing and able to

compete effectively for the business; and (C) the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

Where sealed bids are used, the following requirements apply:

- Bids must be solicited from a sufficient number of known suppliers who are given adequate response time prior to the date set for opening the bids;
- The invitations for bids must define the items or services in order for the bidder to properly respond;
- All bids should be opened at the time and place identified in the invitation for bids;
- A firm fixed price contract will be made in writing to the lowest responsive and responsible bidder; and
- Any or all bids may be rejected if there is a sound documented reason for doing so.
- Bid bonds, performance bonds and payment bonds are required as provided in 2 CFR Section 200.325.

3.6 Procurements without Competition. BUDC may procure goods or services without competition when one or more of the following circumstances apply:

- The good or service being procured is available only from a sole source;
- The public exigency or emergency nature of the procurement will not permit a delay resulting from a competitive solicitation;
- The federal awarding agency or pass-through entity expressly authorizes non-competitive proposals in response to a written request from BUDC; or
- After solicitation of a number of sources, competition is determined by BUDC to be inadequate.

ARTICLE IV

Contracts: Incorporation of Federal Contract Provisions

4.1 All contracts entered into by BUDC shall contain the applicable provisions set forth in Appendix II to 2 CFR Part 200, or any successor regulation or appendix. BUDC shall undertake such cost or price analysis as may be required in accordance with 2 CFR Section 200.323. Time and materials contracts are discouraged and shall be utilized only in compliance with the provisions of 2 CFR 200.318(j)(i).

ARTICLE V

Records of Procurement Transactions

5.1 BUDC will maintain records of all procurements made pursuant to this Policy. Such records shall include, at a minimum, a written report with relevant source documents setting forth the rationale for the method of procurement selected, the type of contract, the basis

for contractor selection or rejection, and the basis for the contract price. Source documents for purposes of this Article shall include receipts, purchase orders, invoices, RFP/RFQ data and bid documents. These documents will be maintained for such period of time as the federal award or sub-grant requires, or if no such period is specified, in accordance with BUDC records retention policies.

ARTICLE VI

Conflicts of Interest

6.1 No employee, director, officer or agent of BUDC may participate in the selection, award or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, director, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. In the event that a conflict of interest, real or apparent, exists, the employee, director officer, or agent of BUDC shall notify the appropriate official(s) of BUDC, and such conflict of interest shall be processed in accordance with the provisions of the BUDC Code of Ethics.

6.2 No employee, director, officer or agent of BUDC shall solicit or accept gratuities, favors, or anything of monetary value from current or prospective consultants, contractors, vendors in connection with any federal procurements made under this Policy. For purposes of this Section, "gratuities, favors, or anything of monetary value" shall include money, services, loans, travel, entertainment, hospitality or any financial transaction on terms not available to the general public, but shall not include normal hospitality or promotional materials if such hospitality or materials do not exceed \$100.00 in value and are not received in circumstances in which it might reasonably be inferred that they were given with intention to influence or reward an employee, director, officer or agent of BUDC in relation to the performance of their duties.

6.3 Any BUDC employee, director, officer, or agent who knowingly and deliberately violates the provisions of this Article may be subject to disciplinary action up to and including termination or employment or removal from the board or office. Any contractor or potential contractor who knowingly and deliberately violates these provisions will be barred from future transactions with BUDC.

ARTICLE VII

Contract Approval Thresholds

7.1 The approval thresholds set forth in Section (I) of the BUDC Procurement Policy shall be applicable to the procurement of all goods and services made under this Policy, other than emergency procurements made pursuant to Section 3.6.

ARTICLE VIII
Amendments

8.1 This Policy may be amended from time to time by the BUDC Board of Directors.

Adopted. , _____, 2020

RESOLUTIONS OF THE BUFFALO URBAN DEVELOPMENT CORPORATION AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION'S PUBLIC WORKS ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM TO SUPPORT THE 631 NORTHLAND REHABILITATION PROJECT

WHEREAS, Buffalo Urban Development Corporation (BUDC) was formed under Sections 402 and 1411 of the Not-For-Profit Corporation Law of the State of New York to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, lessen the burdens of government and to combat community deterioration and blight in the City of Buffalo; and

WHEREAS, the U.S. Department of Commerce Economic Development Administration (the "EDA") administers the Economic Adjustment Assistance Program through the EDA's Public Works Economic Adjustment Assistance Program (the "PWEAA Program") to support work in Opportunity Zones and support the mission of the Department by, among other things, leading to the creation and retention of jobs and increased private investment, advancing innovation, enhancing manufacturing capabilities of regions, providing workforce development opportunities, and growing ecosystems that attract foreign investment; and

WHEREAS, in furtherance of its mission, BUDC has undertaken a project involving the comprehensive redevelopment of the Northland Corridor, which includes a number of vacant properties and buildings that were formerly utilized for industrial and manufacturing purposes; and

WHEREAS, BUDC owns a 41,000+/- square foot vacant industrial building located at 631 Northland Avenue and has proposed core and shell improvements that are necessary to prepare the building for occupancy; such improvements to consist of roof replacement, floor replacement, window replacement, mechanical infrastructure, and washrooms (collectively, the "631 Northland Rehabilitation Project"); and

WHEREAS, The 631 Northland Rehabilitation Project will address the local and regional need for vacant industrial-zoned buildings and properties to attract new and growing manufacturing companies to the City of Buffalo, and thereby create new job opportunities and increase employment; and

WHEREAS, BUDC desires to make an application to the PWEAA Program for approximately Three Million Dollars (\$3,000,000) in grant funding to support the 631 Northland Rehabilitation Project, which application includes a twenty percent (20%) local match component.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BUFFALO URBAN DEVELOPMENT CORPORATION AS FOLLOWS:

Section 1. The President and Vice President-Finance & Development of BUDC are each hereby authorized and directed on behalf of BUDC to submit a grant application to the EDA's PWEAA Program for an amount not to exceed Three Million Dollars (\$3,000,000) in grant funding to support the 631 Northland Rehabilitation Project and to execute and deliver all application materials and related documents, and take all necessary actions in connection therewith.

Section 2. These Resolutions shall take effect immediately.

Dated: October 27, 2020