

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Audit & Finance Committee Meeting Thursday - November 19th, 2020 - Noon Via Video Conference Call & Live Stream Audio

Agenda

1. Approval of Minutes from the October 14, 2020 Meeting (*Action*) (*Enclosure*)
2. 2020 Annual Audit Plan – Freed Maxick (*Information*)
3. 683 Northland Project Phase II – Inter-Company Transactions (*Action*) (*Enclosure*)
4. Loan from BBRC to BBRC Land Company I, LLC (*Information*)
5. 683 Northland Project Sources & Uses Analysis – Final Report (*Information*) (*Enclosure*)
6. 683 Northland Line of Credit Update (*Information*)
7. Funding Updates (Northland) (*Information*)
8. Adjournment (*Action*)

ITEM 1

**Minutes of the Meeting
of the
Audit & Finance Committee
of
Buffalo Urban Development Corporation**

Via Video Conference Call & Live Stream Audio

**October 14, 2020
12:00 p.m.**

Call to Order:

Committee Members Present:

Trina Burruss
Janique S. Curry
David J. Nasca
Dennis M. Penman (Committee Chair)

Committee Members Absent:

James Comerford

Officers Present:

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

Others Present: Jenna Bichler, Buffalo Urban Renewal Agency; Barb Danner, Freed Maxick; and Arthur Hall, BUDC.

Roll Call – The Secretary called the roll of the members of the Audit & Finance Committee at 12:05 p.m. A quorum of the Committee was present.

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.

- 1.0 Approval of Minutes of the September 21, 2020 Meeting** – The minutes of the September 21, 2020 meeting of the Audit & Finance Committee were presented. Mr. Nasca made a motion to approve the meeting minutes. The motion was seconded by Ms. Burruss and unanimously carried (4-0-0).

- 2.0 BUDC Line of Credit Update** – Ms. Profic reported that BUDC plans to use the KeyBank line of credit to advance funds in connection with the Great Lakes Commission (GLC) grant for the shoreline and aquatic habitat project at Ralph C. Wilson, Jr. Centennial Park. Ms. Profic noted that the GLC grant is a reimbursement-based grant and that line of credit advances will be repaid as grant dollars are received. BUDC has inquired regarding GLC's response time for fulfilling grant reimbursement requests, and GLC indicated that grant reimbursement payments are promptly issued.

- 3.0 Cash Flow Analysis Update** – Ms. Profic continued a discussion with the Committee regarding BUDC cash flow, including the presentation of an updated two-page graphic outlining the projected vs. actual receipt of historic and brownfield tax credits and the utilization of KeyBank construction loan proceeds and the 683 Northland LLC line of credit. Due to delays in receipt of the tax credit equity, BUDC has incurred approximately \$330,000 in additional interest expenses to date. In response to a question from Mr. Nasca, Ms. Profic indicated that the 4th and 5th installment of historic tax credit equity, along with the BCP tax credits refund, are anticipated to be in an amount sufficient to pay off the construction loan. The Committee discussed the presentation of the cash flow analysis to the Board, with Mr. Penman suggesting that a visual cash flow statement be prepared. Ms. Danner offered to assist Ms. Profic in preparing the document for the Board meeting.
- 4.0 2021 Buffalo Urban Development Corporation Draft Budget & Three-Year Forecast**
Ms. Profic presented the proposed 2021 budget and 2022-2024 forecast, which was reviewed in detail at the September 21st Audit & Finance Committee meeting. Ms. Profic indicated that the budget is essentially the same budget that was presented at the September meeting, except for adjustments that were made to Northland rental income and property operations and maintenance expenses. Ms. Profic reviewed these adjustments with the Committee. She then reviewed the 2022-2024 budget forecast, which includes substantial revisions from the draft document presented last month. The three-year projections are conservative, and do not include anticipated revenue from any land sales at Buffalo Lakeside Commerce Park. The Committee discussed the proposed budget and three-year projections. In response to a question from Mr. Nasca about revenue, Mr. Cammarata indicated that there are additional opportunities at Northland to generate lease revenue as more buildings are redeveloped, as well as possible land sales at Northland and BLCP. At the conclusion of the discussion, Ms. Burruss made a motion to recommend that the Board of Directors approve the proposed 2021 BUDC budget and three-year forecast. The motion was seconded by Ms. Curry and unanimously carried (4-0-0).
- 5.0 2021 683 Northland Master Tenant Budget** – Ms. Profic reviewed the proposed 2021 budget for 683 Northland Master Tenant, LLC, which was initially presented at the September 21st Audit & Finance Committee meeting. Ms. Profic noted that this budget is presented for information purposes only. Adjustments were made to account for increased capital contributions, as it is anticipated that the final dollar amounts for the 4th and 6th installments of historic tax credit equity will be higher than initially projected. Ms. Profic also reviewed a three-year budget projection for 683 Northland Master Tenant, LLC, which shows a projected net cash increase in each of 2022, 2023 and 2024.
- 6.0 EDA Grant Application – 631 Northland** – Mr. Cammarata reported that BUDC has been working on an application for a federal EDA grant for the 631 Northland Avenue rehabilitation project. This is a twelve million dollar rehabilitation project. BUDC is seeking approximately three million dollars in EDA grant funds to help pay for the work. EDA requires a Board resolution authorizing the submission of the grant application. Mr. Nasca made a motion to recommend that the Board of Directors approve the submission of an application for EDA grant funding for the 631 Northland project. The motion as seconded by Ms. Burruss and unanimously carried (4-0-0).
- 7.0 Funding Updates** - Mr. Cammarata presented the funding update for Northland, including reports on the Restore NY IV grant, the Restore NY V grant and the ESD equipment grant. Ms. Profic presented an update regarding the 2018 BCP tax credits refund process and the timing for receipt of the 4th and 5th installments of historic tax credit equity.

- 8.0 **Adjournment** – There being no further business to come before the Committee, upon motion made by Ms. Curry, seconded by Mr. Nasca and unanimously carried, the October 14, 2020 meeting of the Audit & Finance Committee was adjourned at 12:55 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kevin J. Zannier', written over a horizontal line.

Kevin J. Zannier
Secretary

Buffalo Urban Development Corporation

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MEMORANDUM

TO: Audit & Finance Committee
FROM: Mollie Profic, Treasurer
SUBJECT: 683 Northland Project Phase II - Inter-Company Transactions
DATE: November 19, 2020

In December 2017, the BUDC Board of Directors approved a series of resolutions for the 683 Northland tax credits transaction. BUDC is the 95% owner of the project through its wholly owned subsidiary company, 683 WTC, LLC. The remaining 5% owner is Buffalo Brownfield Restoration Corporation, which owns its project interest through its wholly owned subsidiary company, BBRC Land Company I, LLC. The organizational chart attached to the memorandum shows this ownership structure, which was a requirement of the investors in the project.

The transaction identified as “Transaction 18” in the BUDC Board resolutions provides that:

“BUDC is expected to use a portion of the proceeds of the grants to make a donation to BBRC, that will use the proceeds of such donation to make a loan to BBRC Land Company I, LLC that will use such loan proceeds to make a capital contribution to 683 Northland LLC to facilitate the rehabilitation of the project.”

The donation referred to above is documented by a Subrecipient Agreement between BUDC and BBRC, pursuant to which BUDC agreed to grant to BBRC up to 5% of the proceeds it received from various grant sources (“Grants”) up to a maximum amount of \$2,049,294.00 (the “BUDC Grant”). The BUDC Grant was then used by BBRC to make a loan to BBRC Land Company I, LLC. This loan was documented by a promissory note dated as of December 29, 2017 and executed by BBRC Land Company I, LLC in favor of BBRC.

The remaining 95% of the proceeds from the Grants were contributed by BUDC to its wholly-owned subsidiary, 683 WTC, LLC in the form of a loan. This loan was documented by a promissory note dated as of December 29, 2017 and executed by 683 WTC, LLC in favor of BUDC.

In February 2020, the BUDC Board approved the execution of additional documentation related to the December 2017 financial model:

1. A subrecipient agreement between BUDC and BBRC for grant funding from BUDC in the maximum amount of \$1,250,000.00 (the “Phase II Subrecipient Agreement”); and

Hon. Byron W. Brown, Board Chair • Dennis Penman, Vice Chair • Peter M. Cammarata, President • David A. Stebbins, Executive Vice President
 Mollie Profic, Treasurer • Bradley Bach, Assistant Treasurer • Kevin J. Zanner, Secretary • Brandye Merriweather, Vice President

2. A promissory note from 683 WTC, LLC to BUDC in the maximum amount of \$23,750,000.00 (the "Phase II Promissory Note").

Due to timing issues related to the original funding projections, which have been exacerbated by the COVID-19 pandemic, we have determined that there are final modifications needed to the Phase II Subrecipient Agreement and Phase II Promissory Note. The original projections contemplated the receipt and use of Brownfield tax credit proceeds prior to the closeout of Phase II construction. Those credits have not yet been realized, obliging 683 Northland LLC to use Historic Tax Credit equity to satisfy the remaining developer fee payable to BUDC. As such, funds from BUDC must then follow the financial model to pay the outstanding payables of 683 Northland LLC and begin to pay down the related construction loans.

The modifications necessary are as follows:

1. Increase Phase II Subrecipient Agreement amount by \$179,000.00 (from \$1,250,000.00 to \$1,429,000.00)
2. Increase Phase II Promissory Note amount by \$3,392,000.00 (from \$23,750,000.00 to \$27,142,000.00)

ACTION: We are requesting that the BUDC Audit & Finance Committee recommend to the BUDC Board: (i) the execution and delivery of the Phase II Subrecipient Agreement between BUDC and BBRC; (ii) the execution and delivery by 683 WTC, LLC of the Phase II Promissory Note; and (iii) to authorize the President or Vice President for Finance & Development to execute such other documents or instruments and take such actions as may be necessary in connection with the transactions outlined in the memorandum.

ACTUAL TO PROJECTED SOURCES AND USES

**683 NORTHLAND LLC
(A LIMITED LIABILITY COMPANY)**

APRIL 7, 2015 THROUGH AUGUST 31, 2020

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED UPON PROCEDURES**

To the Members
683 Northland LLC
(A Limited Liability Company)

We have performed the procedures enumerated below to the accompanying Actual to Project Sources and Uses (the Schedules) for 683 Northland LLC (the Company) related to the rehabilitation and operations of 683 Northland (the Building). The procedures are performed solely to assist you in determining the major fluctuations between amounts budgeted and actual sources and expenditures incurred. The sufficiency of these procedures is solely the responsibility of the Company's management. Consequently, we make no representation regarding the sufficiency of the procedures described below with for the purpose for which this report has been requested or any other purposes.

The procedures we performed were as follows:

1. We determined the placement in service dates of the various portions of the Building based upon the executed certificates of compliance.
2. For each of placement in service dates of the Building and as of August 31, 2020, we obtained the budgeted values for both sources and expenditures of funds directly from the Project's original projections schedule "Forecasted Sources and Uses of Funds Over Time on Income Tax Basis" as prepared by Rubin Brown.
3. For the aforementioned dates, we obtained the actual expenditures incurred from the cost certification reports for Phase I and Phase II, the Company's general ledger detail and the Company's schedule of construction in progress as applicable.
4. For each of the placed in-service dates, we obtained the actual sources utilized from the Company's general ledger detail.
5. Upon the placement in service of Phase I of the Building we noted the following variances between budget to actual:
 - a. Prepaid rent was underfunded by approximately \$6.6M. Payments of prepaid rent are dictated by the Master Lease Agreement between the Company and 683 Northland Master Tenant, LLC ("Master Tenant"). As of the placement in service for Phase I, the requirements for the payments of base rent included in the projections had not yet been met as those payments are comprised of capital contributions into the Master Tenant entity by the investor member. The requirements for receipt of capital contributions had not yet been met as of August 27, 2018 as defined by the Operating Agreement for the Master Tenant entity. Those capital contributions were received and prepaid rent was paid to the Company in September and December 2018 and July 2019. The funding gap for Phase I was closed upon receipt of the July 2019 payment. Under the projections, prepaid rent was anticipated to be received in installments from February through August 2018 resulting in the variance in budget to actual funding sources.
 - b. Equity from Buffalo Brownfield Redevelopment Corp Land Company ("BBRC") (member of the Company) was underfunded by approximately \$2.0M. The member made the equity contribution on August 30, 2018 for the full amount noted. As such, variance is due to timing.

- c. Equity from the Managing Member was underfunded by approximately \$10.7M. Funding was provided to the Company from the Managing Member upon receipt of invoices and request of payment by vendors for construction costs incurred during Phase I. All costs incurred as of placement in service of Phase I were not determinable at that point in time and therefore equity was not provided until the costs were quantified and billed. Equity was provided by the Managing Member to cover a portion of the gap in sources noted above due to variances in timing of their receipt. As of December 31, 2018, total equity provided by the Managing Member to the Company totaled approximately \$20.2M covering the majority of Phase I costs and gaps in funding.
 - d. Equity from the Managing Member in connection with payment of the Developer Fee was underfunded by approximately \$1.8M. Under the projections, the Phase I Developer Fee was to be paid upon placement in service. However, only a portion of the Developer Fee was paid at that time. The remaining balance of the Phase I Developer Fee was not paid until July 2019.
 - e. Funds provided by the Key Bank loan – Tranche A were overfunded by approximately \$3.2M and interest expense incurred exceeded the budgeted expense by approximately \$0.8M. Under the projections, the Key Bank loan was not anticipated to be drawn in full until November 2018. Further, draws were anticipated to be made in smaller monthly amounts. However, due to timing of construction costs incurred and gaps in sources of funding as noted above, the loan was fully drawn by August 2018. As the loan was fully drawn earlier than noted in the projections and larger draws were made than anticipated, interest expense increased significantly.
 - f. Construction costs incurred for Phase I exceeded the budgeted amount by approximately \$2.9M. Under the projections, a portion of the Phase I expenditures were incurred in 2018 subsequent to the placed in-service date. As of the end of 2018, the overall budgeted Phase I construction costs was \$45,725,705 and the actual construction costs exceeded the budget by approximately \$623k. The majority of the additional expenditures in construction costs relate to site prep costs incurred through the Gilbane pay application which exceeded the budgeted amount by approximately \$2.9M. A portion of this overrun in expenditures was offset by the contingency budgeted.
 - g. Architectural and engineering costs exceeded the budgeted amount by approximately \$0.6M. The projections included architectural and engineering expenditures only for Phase I. Overages in expenditures related to Phase I pertained to unforeseen sitework and structural changes needed. The remaining excess relates to the Phase II expenditures that were not accounted for.
 - h. Furnitures, fixtures and equipment (“FF&E”), kitchen and lab training equipment expenditures incurred were underbudget by approximately \$1.9M. Per the projections, all expenditures related to these items were anticipated to be incurred by placement in service date. However, various equipment was not ordered until funding specific to their purchase was secured by the Managing Member. The grant funding was received and purchases were made during late 2018 and throughout 2019.
6. Upon the placement in service of the Phase II – Buffalo Manufacturing Works (“BMW”) portion of the Building we noted the following variances between budget to actual not previously discussed above:
- a. Prepaid rent was underfunded by approximately \$2.9M. Payments of prepaid rent are dictated by the Master Lease Agreement. As of the placement in service of the Phase II “BMW”, the requirements for the related payments of base rent included in the projections had not yet been met. Those payments are comprised of capital contributions into the Master Tenant entity by the investor member. Further, subsequent prepaid rent was anticipated to be received as of the May 11, 2020 (placement in service date of the Office Space and Red Shed). The requirements for receipt of all related capital contributions aforementioned from the investor member have not yet been met as of the date of our report under the Master Tenant entity’s Operating Agreement.
 - b. Equity from the Managing Member was overcontributed by approximately \$1.5M due to the Managing Member funding the gap resulting from timing differences in receipt from prepaid rent (see 6a for further discussion).

- c. Equity from the Managing Member in connection with payment of the Developer Fee was underfunded by approximately \$5.1M. Under the projections the Phase II Developer Fee was to be paid upon placement in service. \$0.6M of the fee was paid in November 2019. The remaining Developer Fee remains outstanding as of the date of our report.
 - d. Funds provided by the Key Bank loan – Tranche B were overfunded by approximately \$1.6M and interest expense incurred exceeded the projections by approximately \$1.0M. Under the projections the Key Bank loan – Tranche B was not anticipated to have its first draw until April 2019. The loan was intended to be drawn in full by November 2019. The first draw on the Tranche B loan occurred in October 2018 and was drawn in full by April 2019. Funds were drawn down quicker than anticipated due to gap and timing variances in funding by prepaid rent, member's equity in connection with the developer fee and Brownfield credits. As a result, interest related to the Key Bank - Tranche B loan incurred was higher than budgeted as other sources of funding originally anticipated to be utilized do not incur interest. Further, as noted above (see 5e), interest incurred on Key Bank – Tranche A loan account for a significant portion of the overrun in interest expense. As of the completion of all portions of Phase II, total interest exceeded the budget by approximately \$1.0M.
 - e. Construction costs incurred for Phase II (CIP and PIS) exceeded budgeted amount by approximately \$3.4M. By final placement in service of Phase II portions of the Building, total construction costs exceeded the budget by approximately \$2.4M. The original budget did not account for the rehabilitation of office space or Grey Shed (approximately \$1.1M and \$1.4M in costs respectively).
 - f. Architectural and engineering costs were overbudget by approximately \$2.1M. By final placement in service of Phase II portions of the Building, total architectural expenditures exceeded the budget by approximately \$2.4M. The majority of the overrun in expenditures is due to the exclusion of fees related to Phase II which amounted to \$2.3M.
7. Upon the placement in service of the Phase II – Grey Shed and Phase II – Red Shed and Office Space portions of the Building we noted the following variances between budget to actual not previously discussed above:
- a. Equity from the Managing Member was overcontributed by approximately \$8.0M and \$15.1M, respectively, due to the Managing Member funding the gap resulting from timing differences in receipt of funding from prepaid rent and developer fee.
 - b. Approximately \$7.0M of the Key Bank Tranche A was anticipated to be paid back as of May 2020 with the proceeds received from prepaid rent. However, due to unfulfilled requirements for capital contributions (see 6a above) prepaid rent had not yet been received and the loan remains outstanding. As a result, interest expense incurred exceeded the budgeted amount by approximately \$1.0M.
8. The following represent the remaining sources to be received and an estimated timeline of their receipt.
- a. Total sources to be received as of August 31, 2020:
 - i. \$10,442,349 is the remaining required capital contributions of the investor member into the Master Tenant. \$8,800,338 is anticipated to be received in 2020 and the remaining \$1,642,011 is anticipated to be received in 2021.
 - ii. Due to additional costs incurred to Phase II that qualified for the historic tax credits, the Company has an upward adjustor to the capital contributions from the investor member amounting to \$448,792. Payment is anticipated in 2020.
 - iii. Due to additional costs that qualify for the historic tax credits incurred in 2019 that pertain to Phase I, an additional capital contributions of approximately \$83,000 is anticipated to be received in 2020.

- iv. \$13,390,404 is to be received in 2020 related to the Brownfield tax credits claimed for Phase I. \$7,362,009 is to be received in 2021 related to Phase II.
- v. Brownfield tax credits are anticipated to be claimed in 2020 in connection with the rehabilitation of Phase II – Red Shed and Office Space.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention and would have been reported to you.

This report is intended solely for the information and use of the Members of the 683 Northland LLC and is not intended to be and should not be used by anyone other than the Members.

Freed Maxick CPAs, P.C.

Buffalo, New York
October 30, 2020

ACTUAL TO PROJECTED SOURCES AND USES SCHEDULES
APRIL 7, 2015 THROUGH AUGUST 31, 2020

Cumulative Construction Sources and Uses

Sources:	Budget	Actual	Fluctuation
Section 467 Loan - prepaid rent	27,119,945	16,929,540	(10,190,405)
Equity - Member (Buffalo Brownfield Redevelopment Corp)	2,049,294	2,049,294	-
Equity - Managing Member	33,491,334	48,802,928	15,311,594
Equity - Managing Member (Development Fee)	11,886,746	7,381,746	(4,505,000)
QLICI Loans	13,730,000	13,730,000	-
Bridge loan - Key Bank - Tranche A	12,991,796	20,000,000	7,008,204
Bridge loan - Key Bank - Tranche B	10,000,000	10,000,000	-
Line of Credit	-	221,443	221,443
Total Sources	111,269,115	118,893,508	7,624,393
Uses:			
Property Acquisition	2,946,361	2,946,361	-
Construction Costs - Phase I	45,725,705	46,348,641	622,936
Construction Costs - Phase II	34,095,144	36,497,444	2,402,300
Architectural / engineering	3,873,830		2,478,544
Architectural / engineering - Phase I		4,025,074	
Architectural / engineering - Phase II		2,327,300	
Furnitures, fixtures, equipment, kitchen and lab training equipment	7,467,729	7,604,773	137,044
Professional & Legal	1,522,512		145,241
Professional & Legal - Phase I		1,116,253	
Professional & Legal - Phase II		551,500	
Interest	1,598,289		715,941
Interest - Phase I		477,248	
Interest - Phase II		274,087	
Interest expensed		1,562,895	
Insurance	350,000		115,141
Insurance- Phase I		331,181	
Insurance- Phase II		133,960	
Developer fee	11,886,746	11,886,746	-
Taxes	50,000	-	(50,000)
Utilities	-	266,057	266,057
HVAC Repairs - Phase I	-	475,403	475,403
Total Uses	109,516,316	116,824,923	7,308,607

ACTUAL TO PROJECTED SOURCES AND USES SCHEDULES
APRIL 7, 2015 THROUGH AUGUST 27, 2018

**Cumulative Construction Sources and Uses
As of Placement in Service of Phase I**

Sources:	Budget	Actual	Fluctuation	Procedure
Section 467 Loan - prepaid rent	16,677,596	10,048,786	(6,628,810)	5a
Equity - Member (Buffalo Brownfield Redevelopment Corp)	2,049,294	-	(2,049,294)	5b
Equity - Managing Member	15,705,334	4,957,247	(10,748,087)	5c
Equity - Managing Member (Development Fee)	6,741,746	4,924,392	(1,817,354)	5d
QLICI Loans	13,730,000	13,730,000	-	
Bridge loan - Key Bank - Tranche A	16,830,157	20,000,000	3,169,843	5e
Total Sources	71,734,127	53,660,425	(18,073,702)	
Uses:				
Property Acquisition	2,946,361	2,946,361	-	
Construction Costs - Phase I	43,452,924	46,348,641	2,895,717	5f
Construction Costs - Phase II	2,546,800	3,100,668	553,868	
Architectural / engineering	3,772,763		643,014	5g
Architectural / engineering - Phase I		4,025,074		
Architectural / engineering - Phase II		390,703		
Furnitures, fixtures, equipment, kitchen and lab training equipment	7,467,729	5,548,732	(1,918,997)	5h
Professional & Legal	1,482,136		(127,995)	
Professional & Legal - Phase I		1,116,253		
Professional & Legal - Phase II		237,888		
Interest	197,661		783,073	5e
Interest capitalized within Phase I		477,248		
Interest expensed		503,486		
Insurance	311,112		34,872	
Insurance- Phase I		331,181		
Insurance- Phase II		14,803		
Developer fee	6,741,746	6,741,746	-	
Taxes	50,000	-	(50,000)	
Utilities	-	139,413	139,413	
Total Uses	68,969,232	71,922,197	2,952,965	

ACTUAL TO PROJECTED SOURCES AND USES SCHEDULES
APRIL 7, 2015 THROUGH JULY 8, 2019

**Cumulative Construction Sources and Uses
As of Placement in Service of Phase II - Buffalo Manufacturing Works**

Sources:	Budget	Actual	Fluctuation	Procedure
Section 467 Loan - prepaid rent	19,797,417	16,929,540	(2,867,877)	6a
Equity - Member (Buffalo Brownfield Redevelopment Corp)	2,049,294	2,049,294	-	
Equity - Managing Member	33,491,334	34,945,315	1,453,981	6b
Equity - Managing Member (Development Fee)	11,886,746	6,741,746	(5,145,000)	6c
QLICI Loans	13,730,000	13,730,000	-	
Bridge loan - Key Bank - Tranche A	20,000,000	20,000,000	-	
Bridge loan - Key Bank - Tranche B	8,436,000	10,000,000	1,564,000	6d
Total Sources	109,390,791	104,395,895	(4,994,896)	
Uses:				
Property Acquisition	2,946,361	2,946,361	-	
Construction Costs - Phase I	45,725,705	46,348,641	622,936	
Construction Costs - Phase II Placed in Service	30,817,394	32,865,575	2,048,181	6e
Construction Costs - Phase II Construction in Process	-	1,312,061	1,312,061	6e
Architectural / engineering	3,873,830	-	2,163,662	6f
Architectural / engineering - Phase I	-	4,025,074	-	
Architectural / engineering - Phase II Placed in Service	-	1,481,671	-	
Architectural / engineering - Phase II Construction in Process	-	530,747	-	
Furnitures, fixtures, equipment, kitchen and lab training equipment	7,467,729	6,723,233	(744,496)	5h
Professional & Legal	1,522,512	-	124,155	
Professional & Legal - Phase I	-	1,116,253	-	
Professional & Legal - Phase II	-	530,414	-	
Interest	960,759	-	1,076,334	6d
Interest capitalized within Phase I	-	477,248	-	
Interest capitalized within Phase II	-	274,087	-	
Interest expensed	-	1,285,758	-	
Insurance	350,000	-	69,352	
Insurance- Phase I	-	331,181	-	
Insurance- Phase II	-	88,171	-	
Developer fee	11,886,746	11,886,746	-	
Taxes	50,000	-	(50,000)	
Utilities	-	234,531	234,531	
HVAC Repairs - Phase I	-	149,249	149,249	
Total Uses	105,601,036	112,607,001	7,005,965	

ACTUAL TO PROJECTED SOURCES AND USES SCHEDULES
APRIL 7, 2015 THROUGH AUGUST 19, 2019

**Cumulative Construction Sources and Uses
As of Placement in Service of Phase II - Grey Shed**

Sources:	Budget	Actual	Fluctuation	Procedure
Section 467 Loan - prepaid rent	19,797,417	16,929,540	(2,867,877)	6a
Equity - Member (Buffalo Brownfield Redevelopment Corp)	2,049,294	2,049,294	-	
Equity - Managing Member	33,491,334	41,448,627	7,957,293	7a
Equity - Managing Member (Development Fee)	11,886,746	6,741,746	(5,145,000)	6c
QLICI Loans	13,730,000	13,730,000	-	
Bridge loan - Key Bank - Tranche A	20,000,000	20,000,000	-	
Bridge loan - Key Bank - Tranche B	9,004,296	10,000,000	995,704	
Total Sources	109,959,087	110,899,207	940,120	
Uses:				
Property Acquisition	2,946,361	2,946,361	-	
Construction Costs - Phase I	45,725,705	46,348,641	622,936	
Construction Costs - Phase II Placed in Service	32,456,269	33,782,571	1,326,302	6e
Construction Costs - Phase II Construction in Process		476,802	476,802	6e
Architectural / engineering	3,873,830		2,213,504	6f
Architectural / engineering - Phase I		4,025,074		
Architectural / engineering - Phase II Placed in Service		1,795,276		
Architectural / engineering - Phase II Construction in Process		266,984		
Furnitures, fixtures, equipment, kitchen and lab training equipment	7,467,729	6,927,768	(539,961)	5h
Professional & Legal	1,522,512		126,950	
Professional & Legal - Phase I		1,116,253		
Professional & Legal - Phase II		533,209		
Interest	1,031,849		1,072,258	6d
Interest capitalized within Phase I		477,248		
Interest capitalized within Phase II		274,087		
Interest expensed	-	1,352,772		
Insurance	350,000		83,655	
Insurance- Phase I		331,181		
Insurance- Phase II		102,474		
Developer fee	11,886,746	11,886,746	-	
Taxes	50,000	-	(50,000)	
Utilities		244,553	244,553	
HVAC Repairs - Phase I	-	337,867	337,867	
Total Uses	107,311,001	113,225,867	5,914,866	

**Cumulative Construction Sources and Uses
As of Placement in Service of Phase II - Red Shed and Office Space**

Sources:	Budget	Actual	Fluctuation	Procedure
Section 467 Loan - prepaid rent	27,119,945	16,929,540	(10,190,405)	6a
Equity - Member (Buffalo Brownfield Redevelopment Corp)	2,049,294	2,049,294	-	
Equity - Managing Member	33,491,334	48,556,928	15,065,594	7a
Equity - Managing Member (Development Fee)	11,886,746	7,381,746	(4,505,000)	6c
QLICI Loans	13,730,000	13,730,000	-	
Bridge loan - Key Bank - Tranche A	12,991,796	20,000,000	7,008,204	7b
Bridge loan - Key Bank - Tranche B	10,000,000	10,000,000	-	
Key Bank Line of Credit	-	53,032	53,032	
Total Sources	111,269,115	118,700,540	7,431,425	
Uses:				
Property Acquisition	2,946,361	2,946,361	-	
Construction Costs - Phase I	45,725,705	46,348,641	622,936	
Construction Costs - Phase II	34,095,144	36,497,444	2,402,300	6e
Architectural / engineering	3,873,830		2,478,544	6f
Architectural / engineering - Phase I		4,025,074		
Architectural / engineering - Phase II		2,327,300		
Furnitures, fixtures, equipment, kitchen and lab training equipment	7,467,729	7,604,773	137,044	5h
Professional & Legal	1,522,512		145,241	
Professional & Legal - Phase I		1,116,253		
Professional & Legal - Phase II		551,500		
Interest	1,598,289		505,818	7b
Interest - Phase I		477,248		
Interest - Phase II		274,087		
Interest expensed		1,352,772		
Insurance	350,000		115,141	
Insurance- Phase I		331,181		
Insurance- Phase II		133,960		
Developer fee	11,886,746	11,886,746	-	
Taxes	50,000	-	(50,000)	
Utilities	-	266,057	266,057	
HVAC Repairs - Phase I	-	475,403	475,403	
Total Uses	109,516,316	116,614,800	7,098,484	