

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, May 31, 2022
Via Conference Call
Time: 12 Noon

1.0 CALL TO ORDER

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

3.0 MONTHLY FINANCIAL REPORTS

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

3.2 BUDC Consolidated Financial Statements *(Action)(Encl.)*

4.0 NEW BUSINESS

4.1 Ralph C. Wilson, Jr. Centennial Park – Third Amendment to BUDC/COB Subgrant Agreement *(Action)(Encl.)*

4.2 Buffalo's Race For Place – Project for Public Spaces Community Placemaking Grant Agreement *(Action)(Encl.)*

4.3 Buffalo Lakeside Commerce Park - Sale to Zephyr Investors - Brownfield Cleanup Program *(Action)(Encl.)*

4.4 Buffalo Lakeside Commerce Park - Project Update *(Information)*

4.5 Ralph C. Wilson, Jr. Centennial Park - Project Update *(Information)*

4.6 Northland Beltline Corridor Update *(Information)*

4.7 Race For Place Project Update *(Information)*

4.8 308 Crowley Project Update *(Information)*

5.0 LATE FILES

6.0 TABLED ITEMS

7.0 EXECUTIVE SESSION

8.0 ADJOURNMENT *(Action)*

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

**Minutes of the Meeting
of the
Board of Directors
of
Buffalo Urban Development Corporation**
Via Video Conference Call & Live Stream Audio

**March 29, 2022
12:00 p.m.**

Directors Present:

Catherine Amdur
Mayor Byron W. Brown (Chair)
Trina Burruss
Daniel Castle
Janique S. Curry
Michael J. Finn
Darby Fishkin
Thomas Halligan
Thomas A. Kucharski
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Dennis M. Penman (Vice Chair)
Maria R. Whyte

Directors Absent:

Dennis W. Elsenbeck
Dottie Gallagher
Darius G. Pridgen

Officers Present:

Brandye Merriweather, President
Rebecca Gandour, Executive Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Guests Present: Barbara Danner, Freed Maxick CPAs P.C.; Alexis M. Florczak, Hurwitz & Fine, P.C.; Laurie Hendrix, ECIDA Administrative Coordinator; Lisa Hicks, Mayor's Office of Strategic Planning; and Antonio Parker, BUDC Project Manager.

- 1.0 Roll Call** – The meeting was called to order at 12:02 p.m. by Mayor Brown. The Secretary called the roll of directors and a quorum of the Board was determined to be present. Mr. Kucharski and Mr. Mehaffy joined the meeting during the presentation of item 3.1.

The meeting was held via Zoom in accordance with the provisions of Article 7 of the Public Officers Law, as amended effective January 14, 2022, which authorizes public bodies to conduct meetings and take such action authorized by law without permitting in public in-person access to meetings and to authorize such meetings to be held remotely by conference call or similar service, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed.

2.0 Approval of Minutes – Meeting of February 22, 2022 – The minutes of the February 22, 2022 meeting of the Board of Directors were presented. Ms. Burruss made a motion to approve the meeting minutes. The motion was seconded by Ms. Curry and unanimously carried (12-0-0).

3.0 New Business

3.1 Audit & Finance Committee Report – Ms. Profic presented the Audit & Finance Committee report. Four items to be presented as part of the Audit & Finance Committee report require a Board vote. Ms. Profic noted that a quorum was not present at the March 22, 2022 Audit & Finance Committee meeting in order for the Committee to make formal recommendations on these items, but that the members present at the meeting reviewed each item and the consensus was to advance each item to the Board for review and approval.

3.1.1 2021 683 Northland Master Tenant, LLC Audited Financial Statements – Ms. Profic introduced Barbara Danner of Freed Maxick CPAs P.C. to present for information purposes the 2021 audited financial statements of 683 Northland Master Tenant, LLC. Ms. Danner reported that an unmodified (clean) opinion is being issued with respect to the financial statements of 683 Northland Master Tenant, LLC.

3.1.2 2021 BUDC Audited Consolidated Financial Statements Approval – Ms. Danner reviewed the draft 2021 audited consolidated financial statements. She noted that BUDC is being issued an unmodified (clean) opinion that the financial statements present fairly, in all material respects, the financial position of BUDC as of December 31, 2021, and the changes in its financial position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States. No material weaknesses or control deficiencies were found during the audit process. Following Ms. Danner's presentation, Mr. Penman made a motion to accept the 2021 BUDC consolidated audited financial statements. The motion was seconded by Mr. Nasca and, by roll call vote, unanimously carried (14-0-0).

3.1.3 2021 Audited Financial Statements – BBRF – Ms. Profic presented for information purposes the 2021 audited financial statements for the Buffalo Brownfields Redevelopment Fund (BBRF).

3.1.4 2021 Investment Report and Approval – Ms. Profic presented the 2021 Investment Report. Ms. Fishkin made a motion to approve the 2021 Investment Report. The motion was seconded by Ms. Minkel and unanimously carried (14-0-0).

3.1.5 Investment and Deposit Policy Re-adoption – Ms. Profic presented the BUDC Investment and Deposit Policy. No changes were made to the policy from the prior year. Mr. Nasca made a motion to approve the Investment & Deposit Policy as presented. The motion was seconded by Mr. Finn and unanimously carried (14-0-0).

3.1.6 Reimbursement of 2021 Brownfield Expenses from BBRF – Ms. Profic presented her March 29, 2022 memorandum to the Board regarding the reimbursement of third-party expenses from the Buffalo Brownfields Redevelopment Fund (BBRF) relating to the RiverBend property and the Northland Beltline projects. Ms. Profic noted that no reimbursement of costs relating to 308 Crowley or Buffalo Lakeside Commerce Park are being requested this year. Mr. Penman made a motion to approve the reimbursement of BUDC from the BBRF for 2021 third party costs incurred by BUDC for RiverBend and the Northland Beltline project in the amount of \$136,615, as detailed in the March 29, 2022 memorandum to the Board. The motion was seconded by Ms. Curry and unanimously carried (14-0-0).

3.2 Monthly Financial Report Approval – Ms. Profic presented the financial statements for 683 Northland Master Tenant LLC for the period ending February 28, 2022 for information purposes only. Ms. Profic then presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending February 28, 2022. Ms. Fishkin made a motion to accept the BUDC consolidated financial statements. The motion was seconded by Ms. Whyte and unanimously carried (14-0-0).

3.3 Governance Committee Report – Ms. Merriweather and Mr. Kucharski presented the Governance Committee report. Mr. Kucharski noted that there are five items to be presented as part of the Governance Committee report that require a Board vote. The Board consented to conducting a single roll call vote with respect to items 3.3.2, 3.3.3, 3.3.4 and 3.3.5 of the meeting agenda.

3.3.1 2021 Mission Statement and Performance Measurements w/ Results – Ms. Merriweather presented a report of BUDC's achievement of the Performance Measurements that were established by the BUDC Board of Directors for the 2021 calendar year.

3.3.2 2021 Mission Statement and Performance Measurements Approval – Ms. Merriweather presented the 2022 mission statement and proposed performance measurements for 2022. One change is proposed to the BUDC Mission Statement for 2022, which would recognize that BUDC is serving as the lead management entity for the Centennial Park Project. The performance measurements for 2022 have been updated to reflect new measurements applicable to BUDC projects and initiatives. The Governance Committee reviewed the 2022 Mission Statement and Performance Measurements and is recommending Board approval.

3.3.3 Procurement Policy Re-adoption – Ms. Merriweather presented the Procurement Policy, which is being recommended by the Governance Committee for re-adoption without changes.

3.3.4 Property Disposition Guidelines Re-adoption – Ms. Merriweather presented the Property Disposition Guidelines, which are being recommended by the Governance Committee for re-adoption without changes.

3.3.5 Updated Whistleblower Policy – Ms. Merriweather presented the Whistleblower Policy, noting that updates were made to this policy to reflect recent changes in whistleblower laws. The updated policy was reviewed by the Governance Committee and recommended for approval.

At the conclusion of the presentation of items 3.3.2, 3.3., 3.3.4 and 3.2.5, Mr. Nasca made a motion to approve (i) the 2022 Mission Statement and Performance Measurements, (ii) the Procurement Policy, (iii) the Property Disposition Guidelines, and (iv) the Whistleblower Policy, as amended. The motion was seconded by Mr. Finn and by roll call vote unanimously carried (14-0-0).

3.3.6 2021 Public Authorities Annual Report – Ms. Profic presented the 2021 Public Authorities Annual Report. Mr. Kucharski made a motion to approve the 2021 Public Authorities Annual Report. The motion was seconded by Mr. Castle and unanimously carried (14-0-0).

3.4 Ralph C. Wilson, Jr. Centennial Park – MLB-MLBPA Youth Development Foundation Grant Agreement – Mr. Parker presented his March 29, 2022 memorandum regarding the MLB-MLBPA Youth Development Foundation Grant Agreement. Following the presentation, Mr. Nasca made a motion to: (i) accept the \$960,000 grant award from the MLB Youth Development Foundation, and (ii) authorize the BUDC President or Executive Vice President to execute the Grant

Agreement and take such other actions as are necessary to implement this authorization. The motion was seconded by Mr. Finn and unanimously carried (14-0-0).

3.5 Ralph C. Wilson, Jr. Centennial Park – MVVA Master Service Agreement

Amendment: ADA Accessible Kayak Launch – Mr. Parker presented his March 29, 2022 memorandum on the MVVA Master Service Agreement Amendment relating to the ADA Accessible Kayak Launch. In response to a question from Ms. Curry, Mr. Parker indicated that the project remains on budget. Ms. Minkel made a motion to: (i) approve an amendment to the MVVA Master Service Agreement in the amount of \$41,814.16 for additional design work to include an ADA Accessible Kayak Transfer Platform at Centennial Park; and (ii) authorize the President or Executive Vice President to execute the amendment and take such other actions as are necessary to implement this authorization. The motion was seconded by Mr. Finn and unanimously carried (14-0-0).

3.6 308 Crowley Street – Sale of Approx. 3.65 Acres of Land

– Ms. Merriweather presented her March 29, 2022 memorandum and proposed Resolution regarding the sale of approximately 3.65 acres of improved real property at 308 Crowley to Douglas Development Corporation. Following her presentation, several members of the BUDC Board expressed their support for the sale of BUDC's final parcel at 308 Crowley, noting BUDC's commitment to removing blight from this property and returning it to productive use. Mr. Kucharski further noted that the sale of the property at its appraised value of \$120,000 is consistent with BUDC's property disposition guidelines. Following this discussion, Ms. Whyte made a motion to adopt the Resolution approving the sale of an approximately 3.65-acre parcel at 308 Crowley to Douglas Development Corporation. The motion was seconded by Mr. Kucharski and unanimously carried (14-0-0).

3.7 308 Crowley Project Update

– Ms. Merriweather noted that BUDC closed on the most recent land sale to Enterprise Folding Box Co., Inc.

3.8 Northland Corridor Project Update

– Ms. Gandour reported that BUDC submitted its component of the project proposal for the Build Back Better phase 2 application, requesting \$32 million in funding. Construction continues at the Bank on Buffalo space, which is anticipated to open in late April—early May.

3.9 Race for Place Project Update

– Ms. Merriweather reported that the City Department of Public Works, Office of Strategic Planning, Wendel, and GoBike Buffalo are partnering for work on the Ellicott Street Placemaking Strategy, which also received grant funding from the Project for Public Spaces to further this project. Ms. Merriweather thanked the Office of Strategic Planning and other partners' work in promoting Black-owned and other small businesses during the City's March Madness and St. Patrick's Day weekend. The Loan Committee is reviewing proposed modifications to the loan program and is planning a meeting with developers in the area to gather further input, including small-scale and minority developers.

3.10 Buffalo Lakeside Commerce Park – Project Update

– Presentation of this item was deferred.

4.0 Late Files – None.

5.0 Tabled Items – None.

6.0 Executive Session – None.

7.0 Adjournment – There being no further business to come before the Board, on motion made by Ms. Amdur, seconded by Mr. Nasca and unanimously carried (14-0-0), the March 29, 2022 meeting of the Board of Directors was adjourned at 1:10 p.m.

Respectfully submitted,

Kevin J. Zanner, Secretary

683 Northland Master Tenant, LLC
Financial Statements
April 30, 2022
(Unaudited)

683 NORTHLAND MASTER TENANT, LLC
Balance Sheet

ASSETS	April 2022	March 2022	December 2021
Current assets:			
Cash	\$ 193,267	\$ 138,294	\$ 107,787
Tenant receivable	63,355	68,938	74,685
Prepaid expenses	65,290	67,405	106,662
Total current assets	321,912	274,637	289,134
Prepaid rent - sublessee	450,521	444,468	426,309
Prepaid leasing commission	208,288	210,700	217,938
Tenant security deposits	84,850	84,850	84,854
Cash reserves	366,027	366,012	365,968
Equipment, net	6,535	6,535	6,535
Prepaid rent - Master Lease Agreement	25,528,601	25,528,601	25,528,601
Total assets	\$ 26,966,734	\$ 26,915,803	\$ 26,919,339
LIABILITIES & MEMBERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 97,803	\$ 78,142	\$ 144,550
Due to related parties	254,935	254,935	254,935
Total current liabilities	352,738	333,077	399,485
Operating deficit loan	132,359	132,359	132,359
Tenant security deposits	84,850	84,850	84,854
Deferred rent liability - Master Lease Agreement	5,774,496	5,658,225	5,309,411
Deferred rent liability - sublessee	5,966,481	6,012,570	6,150,839
Distribution payable - priority return	263,941	263,941	263,941
Total noncurrent liabilities	12,222,127	12,151,945	11,941,404
MEMBERS' EQUITY	14,391,869	14,430,781	14,578,450
Total liabilities and net position	\$ 26,966,734	\$ 26,915,803	\$ 26,919,339

683 NORTHLAND MASTER TENANT, LLC
Income Statement

Year-to-Date For the Period Ended:

	April 2022	March 2022	December 2021
Revenues:			
Rental revenue	\$ 488,712	\$ 366,535	\$ 1,468,498
Additional rental revenue	244,239	183,180	648,676
Interest and other revenue	99	73	261
Total revenues	<u>733,050</u>	<u>549,788</u>	<u>2,117,435</u>
Expenses:			
Rent expense	626,581	469,936	1,879,742
Payroll	46,023	35,299	149,471
Utilities expense	34,338	34,566	150,924
Insurance expense	40,634	30,475	120,629
Professional fees	38,209	29,902	85,899
Property management fee	23,244	17,433	67,515
Real estate taxes	4,081	4,081	19,626
Repairs and maintenance	96,521	75,765	120,242
Asset management fee	10,000	-	10,000
Miscellaneous expense	-	-	7,920
Depreciation expense	-	-	2,429
Total expenses	<u>919,631</u>	<u>697,457</u>	<u>2,614,397</u>
Net loss	(186,581)	(147,669)	(496,962)
Members' equity - beginning of period	<u>14,578,450</u>	<u>14,578,450</u>	<u>9,658,723</u>
Change in members' equity	(186,581)	(147,669)	(496,962)
Members' capital contributions	-	-	5,680,517
Distributions	-	-	(263,828)
Members' equity - end of period	<u>\$ 14,391,869</u>	<u>\$ 14,430,781</u>	<u>\$ 14,578,450</u>

683 NORTHLAND MASTER TENANT, LLC
Statement of Cash Flows

Year-to-Date For the Period Ended:

	<u>April 2022</u>	<u>March 2022</u>	<u>December 2021</u>
Cash flows from operating activities:			
Net loss	\$ (186,581)	\$ (147,669)	\$ (496,962)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	-	-	2,429
Decrease (increase) in assets:			
Tenant receivables	11,330	5,747	(44,152)
Prepaid insurance	41,372	39,257	(16,307)
Accrued rental income	(24,212)	(18,159)	(119,344)
Prepaid leasing commission	9,650	7,238	(105,715)
Prepaid rent - Master Lease Agreement	465,085	348,814	1,393,059
Increase (decrease) in liabilities:			
Security deposit liability	(4)	(4)	9,104
Accounts payable	(46,747)	(66,408)	25,216
Due to related parties	-	-	(126,346)
Operating deficit loan	-	-	82,428
Deferred rent liability - sublessee	(184,358)	(138,269)	(553,074)
Net cash provided (used) by operating activities	<u>85,535</u>	<u>30,547</u>	<u>50,336</u>
Cash flows from investing activities:			
Equipment purchases	-	-	-
Net cash used by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from financing activities:			
Members' contributions	-	-	5,680,517
Distributions	-	-	(148,096)
Payments of prepaid rent under Master Lease Agreement	-	-	(5,532,421)
Net cash provided by financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	85,535	30,547	50,336
Cash and restricted cash - beginning of period	<u>558,609</u>	<u>558,609</u>	<u>508,273</u>
Cash and restricted cash - end of period	<u>\$ 644,144</u>	<u>\$ 589,156</u>	<u>\$ 558,609</u>

683 NORTHLAND MASTER TENANT, LLC
Budget to Actual Comparison

	<u>YTD April 2022</u>	<u>YTD Budget 2022</u>	<u>Variance</u>
Revenues:			
Rental revenue	\$ 488,712	\$ 490,984	\$ (2,272)
Additional rent revenue	244,239	211,667	32,572
Interest and other revenue	99	167	(68)
Total revenues	<u>733,050</u>	<u>702,817</u>	<u>30,233</u>
Expenses:			
Rent expense	626,581	626,581	0
Payroll	46,023	57,920	(11,897)
Utilities	34,338	30,667	3,671
Insurance	40,634	41,000	(366)
Professional fees	38,209	22,667	15,542
Property management fee	23,244	24,667	(1,423)
Real estate taxes	4,081	8,000	(3,919)
Repairs and maintenance	96,521	70,667	25,854
Asset management fee	10,000	3,333	6,667
Miscellaneous	-	1,667	(1,667)
Depreciation	-	810	(810)
Total expenses	<u>919,631</u>	<u>887,977</u>	<u>31,654</u>
Net income (loss)	\$ (186,581)	\$ (185,160)	\$ (1,421)

Budget variances:

- Additional rent represents amounts charged to tenants for common area maintenance (CAM) charges, insurance, etc. This is ahead of budget due to higher utility costs charged back to tenants.
- Utility costs are trending above budget due to increases in rates. Costs incurred must be paid by the Master Tenant, then billed back to tenants in the following month based on leased area. Some common area charges are absorbed.
- Professional fees include tax/audit, legal, consulting, and leasing commissions. Tax/audit costs are typically front loaded and therefore ahead of budget.
- Repairs and maintenance includes building automation system costs and snow removal, and are ahead of budget mainly due to timing (snow removal season begins and ends the calendar year).

Buffalo Urban Development Corporation
Consolidated Financial Statements
April 30, 2022
(Unaudited)

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidated Statements of Net Position
(Unaudited)

ASSETS	April 2022	March 2022	December 2021
Current assets:			
Cash	\$ 8,808,847	\$ 1,743,786	\$ 2,817,690
Restricted cash	4,230,908	4,408,133	4,487,462
Grants receivable	16,606,777	16,556,777	10,160,553
Other current assets	6,501,330	6,545,072	6,626,745
Total current assets	<u>36,147,862</u>	<u>29,253,768</u>	<u>24,092,450</u>
Noncurrent assets:			
Loans receivable	9,666,400	9,666,400	9,666,400
Equity investment	178,051	178,051	178,051
Capital assets, net	107,427,254	107,762,998	108,785,225
Land and improvement held for sale, net	3,336,886	3,363,434	3,363,434
Total noncurrent assets	<u>120,608,592</u>	<u>120,970,883</u>	<u>121,993,110</u>
Total assets	<u>\$ 156,756,453</u>	<u>\$ 150,224,651</u>	<u>\$ 146,085,560</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 670,660	\$ 376,820	\$ 959,332
Lines of credit	677,158	677,158	677,158
Loans payable, current	10,180,810	10,180,810	10,180,810
Unearned grant revenue	20,046,687	20,485,479	14,373,673
Total current liabilities	<u>31,575,316</u>	<u>31,720,267</u>	<u>26,190,973</u>
Note payable	257,381	257,381	257,381
Deferred rent liability	19,754,105	19,870,376	20,219,190
Loans payable, noncurrent	14,099,750	14,099,750	14,099,750
Total noncurrent liabilities	<u>34,111,236</u>	<u>34,227,508</u>	<u>34,576,321</u>
NET POSITION			
Net investment in capital assets	86,483,581	86,845,872	87,868,099
Restricted	3,669,440	3,669,440	3,624,405
Unrestricted	916,880	(6,238,436)	(6,174,238)
Total net position	<u>91,069,901</u>	<u>84,276,876</u>	<u>85,318,266</u>
Total liabilities and net position	<u>\$ 156,756,453</u>	<u>\$ 150,224,651</u>	<u>\$ 146,085,560</u>

Balance Sheet Notes:

- Overall cash increased due to receipt of brownfield tax credits (prior to paydown of loan).
- Capital assets decrease is due to monthly depreciation expense.
- Lines of credit: balances at end of April are BUDC: \$0 ; 683 Northland: \$677,158. 683 Northland took no advances during the month and BUDC's line is currently paid down.
- Unearned grant revenue increased due to new grant receivable and recognition of grant revenue.

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

	<u>April 2022</u>	<u>March 2022</u>	<u>December 2021</u>
Operating revenues:			
Grant revenue	\$ 1,283,035	\$ 794,243	\$ 4,425,140
Brownfield funds	30,170	30,170	40,821
Loan interest and commitment fees	32,221	24,166	112,107
Rental and other revenue	7,675,390	512,990	14,869,875
Proceeds from sale of land, net	26,309	59,397	-
Total operating revenues	<u>9,047,126</u>	<u>1,420,966</u>	<u>19,447,943</u>
Operating expenses:			
Development costs	1,332,835	821,249	4,253,370
Adjustment to net realizable value	58,575	50,875	98,713
Salaries and benefits	121,092	89,128	482,778
General and administrative	610,940	352,206	2,091,562
Management fee	27,200	20,400	70,408
Depreciation	1,362,969	1,022,227	4,225,517
Total operating expenses	<u>3,513,611</u>	<u>2,356,084</u>	<u>11,222,348</u>
Operating income (loss)	5,533,514	(935,118)	8,225,595
Non-operating revenues (expenses):			
Loss on disposal	-	-	(118,382)
Interest expense	(130,485)	(106,406)	(450,479)
Amortization expense	-	-	(43,675)
Interest income	281	135	722
Total non-operating revenues (expenses)	<u>(130,203)</u>	<u>(106,271)</u>	<u>(611,814)</u>
Change in net position	5,403,311	(1,041,389)	7,613,781
Net position - beginning of period	<u>85,318,266</u>	<u>85,318,266</u>	<u>76,742,639</u>
Add: Capital contribution	348,325	-	961,846
Net position - end of period	<u>\$ 91,069,902</u>	<u>\$ 84,276,877</u>	<u>\$ 85,318,266</u>

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Net Position
April 30, 2022 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
ASSETS					
Current assets:					
Cash	\$ 1,528,165	\$ 42,558	\$ 7,238,124	\$ -	\$ 8,808,847
Restricted cash	3,875,203	-	355,704	-	4,230,908
Grants receivable	16,606,777	-	-	-	16,606,777
Other current assets	7,866,333	14,140	132,359	(1,511,501)	6,501,330
Total current assets	29,876,478	56,698	7,726,187	(1,511,501)	36,147,862
Noncurrent assets:					
Loans receivable	61,853,679	-	-	(52,187,279)	9,666,400
Equity investment	-	66,291,763	-	(66,113,712)	178,051
Capital assets, net	8,334,381	-	99,092,873	-	107,427,254
Land and improvement held for sale, net	3,336,886	-	-	-	3,336,886
Total noncurrent assets	73,524,947	66,291,763	99,092,873	(118,300,991)	120,608,592
Total assets	\$ 103,401,425	\$ 66,348,460	\$ 106,819,060	\$ (119,812,492)	\$ 156,756,453
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expense	\$ 624,976	\$ 1,511,501	\$ 45,684	(1,511,501)	(1)\$ 670,660
Line of credit	-	-	677,158	-	677,158
Loans payable, current	-	-	10,180,810	-	10,180,810
Unearned grant revenue	20,046,687	-	-	-	20,046,687
Total liabilities	20,671,663	1,511,501	10,903,652	(1,511,501)	31,575,316
Noncurrent liabilities:					
Note payable	257,381	-	-	-	257,381
Deferred rent liability	-	-	19,754,105	-	19,754,105
Loans payable, noncurrent	369,750	52,187,279	13,730,000	(52,187,279)	14,099,750
Total noncurrent liabilities	627,131	52,187,279	33,484,105	(62,187,279)	34,111,236
NET POSITION					
Net investment in capital assets	11,301,518	-	75,182,063	-	86,483,581
Restricted	3,669,440	-	-	-	3,669,440
Unrestricted	67,131,672	12,649,680	(12,750,760)	(66,113,712)	916,880
Total net position	82,102,630	12,649,680	62,431,303	(66,113,712)	91,069,901
Total liabilities and net position	\$ 103,401,425	\$ 66,348,460	\$ 106,819,060	\$ (119,812,492)	\$ 156,756,453

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

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Revenues, Expenses and Changes in Net Position
Year to Date: April 30, 2022 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
Operating revenues:					
Grant revenue	\$ 1,283,035	\$ -	\$ -	\$ -	\$ 1,283,035
Brownfield funds	30,170	-	-	-	30,170
Loan interest and commitment fees	32,221	-	-	-	32,221
Rental and other revenue	55,653	6,993,156	626,581	-	7,675,390
Proceeds from land sales, net	26,309	-	-	-	26,309
Total operating revenue	<u>1,427,389</u>	<u>6,993,156</u>	<u>626,581</u>	<u>-</u>	<u>9,047,126</u>
Operating expenses:					
Development costs	1,332,835	-	-	-	1,332,835
Adjustment to net realizable value	58,575	-	-	-	58,575
Salaries and benefits	121,092	-	-	-	121,092
General and administrative	398,668	148,344	63,928	-	610,940
Management fee	27,200	-	-	-	27,200
Depreciation	-	-	1,362,969	-	1,362,969
Total operating expenses	<u>1,938,370</u>	<u>148,344</u>	<u>1,426,897</u>	<u>-</u>	<u>3,513,611</u>
Operating income	(510,981)	6,844,812	(800,317)	-	5,533,514
Non-operating revenues (expenses):					
Interest expense	(3,640)	-	(126,845)	-	(130,485)
Amortization expense	-	-	-	-	-
Interest income	129	115	37	-	281
Other income/expenses	-	-	-	-	-
Total non-operating revenues (expenses)	<u>(3,511)</u>	<u>115</u>	<u>(126,808)</u>	<u>-</u>	<u>(130,203)</u>
Change in net position	(514,492)	6,844,927	(927,124)	-	5,403,311
Net position - beginning of year	82,617,122	5,804,753	56,217,310	(59,320,920)	(1) 85,318,265
Add: capital contributions	-	-	7,141,117	(6,792,792)	(1) 348,325
Net position - end of period	<u>\$ 82,102,630</u>	<u>\$ 12,649,680</u>	<u>\$ 62,431,303</u>	<u>\$ (66,113,712)</u>	<u>\$ 91,069,901</u>

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

BUFFALO URBAN DEVELOPMENT CORPORATION
Budget to Actual Comparison
Year to Date April 30, 2022 (Unaudited)

	<u>YTD April 2022</u>	<u>YTD Budget 2022</u>	<u>Variance</u>
Operating revenues:			
Grant revenue	\$ 1,283,035	\$ 4,468,333	\$ (3,185,298)
Brownfield funds	30,170	22,333	7,836
Loan interest and commitment fees	32,221	32,221	(0)
Rental and other revenue	7,675,390	969,594	6,705,796
Proceeds from land sales, net	26,309	(23,833)	50,143
Total operating revenues	<u>9,047,126</u>	<u>5,468,649</u>	<u>3,578,477</u>
Operating expenses:			
Development costs	1,332,835	3,309,072	(1,976,237)
Adjustment to net realizable value	58,575	-	58,575
Salaries and benefits	121,092	161,610	(40,518)
General and administrative	610,940	419,047	191,893
Management fee	27,200	31,500	(4,300)
Depreciation	1,362,969	1,360,667	2,303
Total operating expenses	<u>3,513,611</u>	<u>5,281,895</u>	<u>(1,768,284)</u>
Operating income (loss)	5,533,514	186,753	5,346,761
Non-operating revenues (expenses):			
Interest expense	(130,485)	(131,225)	740
Interest income	281	333	(52)
Other income	-	-	-
Total non-operating revenues (expenses)	<u>(130,203)</u>	<u>(130,891)</u>	<u>688</u>
Change in net position	<u>\$ 5,403,311</u>	<u>\$ 55,862</u>	<u>\$ 5,347,449</u>

Budget variances:

- Grant revenue relates mainly to Ralph C. Wilson, Jr. Centennial Park and Northland Solar Projects. The variance is due to lower grant revenue recognition than anticipated as a result of project timing.
- Rental and other revenue consists of recognition of prepaid rent income (straight-line basis) by 683 Northland LLC from 683 Northland Master Tenant, LLC, and rent income at properties other than 683 Northland Avenue. Also included is 2019 brownfield tax credit refund to 683 WTC, LLC of \$6.9 million.
- Proceeds from land sales (net) is a result of the Crowley St. land sale.
- Development costs consist of property/project-related costs (e.g. construction, operations and maintenance, legal and utility costs). Some costs may be capitalized upon project completion.
- General and administrative costs consist of consultants, insurance, rents, audit, marketing and other G&A costs. Rents include BUDC offices, Buffalo Manufacturing Works base rent (per ESD grant agreement) and recognition of prepaid rent for Workforce Training Center. Consultant costs for Ralph C. Wilson, Jr. Centennial Park are also captured here, with the variance due mainly to timing.
- Depreciation relates mainly to capitalized assets at 683 Northland Avenue.
- Interest expense represents cost of borrowing related to construction of 683 Northland and the related line of credit.

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



Item 4.1

MEMORANDUM

TO: BUDC Board of Directors

FROM: Brandye Merriweather, President

SUBJECT: Ralph C. Wilson, Jr. Centennial Park – Third Amendment to BUDC - City of Buffalo Subgrant Agreement

DATE: May 31, 2022

At its June 30, 2020 meeting, the BUDC Board of Directors approved the second amendment to the subgrant agreement between BUDC and the City of Buffalo. The subgrant agreement allows for the transfer of grant funding from BUDC to the City of Buffalo for work related to the Ralph C. Wilson, Jr. Centennial Park Project.

As the project moves into the first phase of construction, a third amendment is needed. The first phase of construction focuses on the pedestrian bridge and playfields. The third amendment will allow for the transfer of funds from Ralph C. Wilson, Jr. Foundation Grants 5, 6 and Edith Wilson & Linda Bodgan Memorial Garden as well as the Community Foundation for Southeast Michigan's Edith Wilson Linda Bodgan Tennis Fund award. This item was reviewed by the Downtown Committee on May 18, 2022 and was recommended for BUDC Board approval.

As construction progresses and additional grants become available, there may be a need for additional amendments.

ACTION:

I am requesting that the Board of Directors: (i) approve the Third Amendment to the BUDC-City of Buffalo Subgrant Agreement allowing BUDC to move funds to the City for Phases 1 and 1 A construction of Centennial Park; and (ii) authorize the BUDC President or Executive Vice President to execute the Third Amendment to the Subgrant Agreement and take such other actions as are necessary to implement this authorization.

Hon. Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Brandye Merriweather, President
Rebecca Gandour, Executive 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 4.2

MEMORANDUM

TO: BUDC Board of Directors

FROM: Brandy Merriweather, President

SUBJECT: Buffalo’s Race for Place-Project for Public Spaces Community Placemaking Grant Agreement

DATE: May 31, 2022

In furtherance of the Race for Place initiative, BUDC submitted a grant application to the Project for Public Spaces (PPS) and General Motors for placemaking improvements near the Buffalo and Erie County Public Library. This project will allow BUDC to create a vibrant, accessible space that provides safe pedestrian and bicycle connections, promotes traffic calming and improves upon public transit access, consistent with the goals of Race for Place and the Ellicott Street Placemaking Strategy.

PPS has approved BUDC’s grant application for an award in the amount of \$40,000 and has circulated a grant agreement (the “Grant Agreement”). As a condition of receiving the funding, BUDC will be required to submit a proposed grant budget and interim and final grant reports to PPS and inform PPS of any additional funding BUDC may be awarded for the project. The terms of the Grant Agreement also specify that BUDC will work with PPS on aspects of the project’s administration, community engagement, implementation of the improvements, coordination of an opening event to commemorate the improvements, and marketing collaboration for the project. The project is anticipated to be completed by November 2022.

ACTION:

I am requesting that the BUDC Board of Directors: (i) accept the \$40,000 grant award from the Project for Public Spaces, Inc.; and (ii) authorize the BUDC President or Executive Vice President to execute the Grant Agreement and take such other actions as are necessary to implement this authorization.

Hon. Byron W. Brown, Chairman of the Board • Dennis Penman, Vice Chairman • Brandy Merriweather, President
Rebecca Gandour, Executive 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 4.3

MEMORANDUM

TO: BUDC Board of Directors

FROM: Rebecca Gandour, Executive Vice President

SUBJECT: Buffalo Lakeside Commerce Park - Sale to Zephyr Investors – Brownfield Cleanup Program

DATE: May 31, 2022

The BUDC Board of Directors previously approved the sale of 310 Ship Canal Parkway and 15, 24, 51, 70, 87, 125 and 126 Laborers Way to Zephyr Investors, LLC (“Zephyr”). The parties (along with Buffalo Lakeside Commerce Park-I, LLC (“BLCP-I”), a BUDC subsidiary) subsequently entered into a Land Sale Agreement (“LSA”) as of January 25, 2019, which has been amended several times.

At its November 30, 2021 meeting, the BUDC Board of Directors authorized BUDC and BLCP-I to enter into a multi-party agreement with Zephyr and its affiliates in order to authorize Zephyr and its affiliates to submit applications to the New York State Brownfield Cleanup Program (“BCP”) for the parcels located at 15 Laborer’s Way and 310 Ship Canal Parkway and to conduct testing in furtherance of on-site BCP projects.

Zephyr recently requested that BUDC execute an additional consent to authorize Zephyr to submit a BCP application for the parcel located at 24 Laborer’s Way. In order to facilitate that request, the multi-party agreement with Zephyr and its affiliates will need to be amended to include the additional parcel. There will be no material changes to the existing terms of the multi-party agreement.

This item was reviewed by the BUDC Real Estate Committee on May 24, 2022 and was recommended for approval by the BUDC Board.

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

ACTION:

We are requesting that the Board of Directors (i) authorize BUDC and BLCP-I to enter into an amendment of the multi-party agreement with Zephyr and its affiliates consistent with the terms set forth in this memorandum; (ii) upon execution of the amendment to the multi-party agreement, authorize the President or Executive Vice President to execute the consent authorizing Zephyr or its affiliates to submit an additional BCP application for 24 Laborers' Way; and (iii) authorize the President or Executive Vice President to execute the amendment to the multi-party agreement, the consent, and such other documents as may be necessary to implement this action.