

Buffalo Urban Development Corporation

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

web: buffalourbandevelopment.com



Audit & Finance Committee Meeting
Thursday, October 13, 2022
12:00 p.m.
95 Perry Street, 4th Floor Conference Room

Agenda

1. Minutes of September 21, 2022 Meeting (*Approval*) (*Enclosure*)
2. 2023 683 Northland Master Tenant Budget (*Recommendation*)
3. 2023 BUDC Draft Budget & Three-Year Forecast (*Recommendation*)
4. 683 Northland Construction Loan and LOC Update (*Information*)
5. Miscellaneous Funding Source Updates (*Information*)
6. Executive Session
7. Adjournment (*Approval*)

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

**95 Perry Street
Buffalo, New York
September 21, 2022
10:00 a.m.**

Call to Order:

Committee Members Present:

Catherine Amdur
Janique S. Curry
Dennis M. Penman (Committee Chair)

Committee Members Absent:

Trina Burruss
David J. Nasca

Officers Present:

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

Others Present: Soma Hawramee, ECIDA Compliance Officer; and Antonio Parker, BUDC Project Manager.

Roll Call – The meeting was called to order at 10:07 a.m. without a quorum present. Agenda item 4.0 was presented first, and Ms. Curry joined the meeting during the presentation, at which time a quorum of the Committee was present.

- 1.0 Approval of Minutes of the July 18, 2022 Meeting** – The minutes of the July 18, 2022 meeting of the Audit & Finance Committee were presented. Ms. Curry made a motion to approve the meeting minutes. The motion was seconded by Ms. Amdur and unanimously carried (3-0-0).
- 2.0 2023 683 Northland Master Tenant Budget** – Ms. Profic reviewed the draft 2023 budget for 683 Northland Master Tenant, LLC. The draft budget projects a net loss on a GAAP basis in the amount of \$520,348. Factoring in cash flow adjustments, there is a projected net cash increase of \$80,853. Ms. Profic noted that the budget does not include any further adjustment for member capital contributions, as the final historic tax credit equity installment payment for the project was received this past August. Ms. Profic also reviewed projections for 2024, 2025 and 2026.
- 3.0 2023 BUDC Draft Budget & Three-Year Forecast** – Ms. Profic reviewed the proposed 2023 budget and 2024-2026 forecast. Ms. Profic began the presentation by reviewing the proposed project budgets for Buffalo Lakeside Commerce Park, Buffalo Building Reuse Project/Race for Place, Centennial Park, Northland Corridor, and general corporate operations. She noted that with the completion of the land sales at 308 Crowley during 2022, the budget does not include any further expenditures for that project. Ms. Profic also reviewed a separate budget sheet that breaks

out the budgeted revenue, operating expenses, capital budget and cash flow adjustments for the Northland Corridor project. The overall draft budget projects a net income of approximately \$1,752,122. With respect to the proposed budget for BBRP/Race for Place, Mr. Penman asked whether the budget line for general development expenses could be reduced by \$10,000 to reduce the projected net loss in that project category to zero. The three-year forecast for 2024-2026 was also presented. Another Committee meeting will be scheduled in October to review and recommend approval of the proposed budget.

4.0 Miscellaneous Funding Source Updates – The following funding updates were presented:

American Rescue Plan Funds: Ms. Merriweather reported that the Common Council has approved BUDC’s request for ARPA funding. Lisa Hicks has been designated as the point person at City Hall for the distribution of ARPA funds. In response to a question from Ms. Amdur, Ms. Merriweather explained that \$300,000 of the funding is for reimbursement of COVID-19 related expenditures. She added that a portion of the grant funding will be used to expand Queen City Pop-up and other small business initiatives and for organizational sustainability.

Project for Public Spaces Grant: Ms. Merriweather reported on a \$40,000 grant from Project for Public Spaces that will be used for placemaking improvements to the Ellicott Street underpass area and the Ellicott/William/Broadways intersection near the public library. Funding is expected to be received in the next few weeks.

BUDC Grant Administration Policy: Ms. Merriweather reported that the Governance Committee reviewed a proposed grant administration and private sector donation acceptance policy that will be presented for approval at the September 27th Board of Directors meeting. Ms. Merriweather explained that BUDC, as a 501(c)(3) tax-exempt organization, is permitted to accept donations, subject to certain restrictions.

Inner Harbor and Waterfront Public Realm Study - BUDC received a \$75,000 CFA grant award for the inner harbor and waterfront public realm study. RFPs for the study were issued, and ten responses were received.

Build Back Better Grant: Ms. Gandour reported that EDA awarded BUDC a 14.4 million dollar grant for four separate Northland projects. This is a reimbursement-based grant with a 20% match component that will be contributed by ESD. BUDC will be seeking, through a competitive RFP process, a project manager to coordinate the work. Mr. Penman suggested that the RFP include a requirement that the project manager maintain an office at BUDC.

5.0 BBRP/BUDC Loan Program Update – Presentation of this update was deferred until the next meeting of the Committee.

6.0 Executive Session – None.

7.0 Adjournment – There being no further business to come before the Committee, upon motion made by Ms. Curry, seconded by Ms. Amdur and unanimously carried, the September 21, 2022 meeting of the Audit & Finance Committee was adjourned at 11:30 a.m.

Respectfully submitted,

Kevin J. Zanner
Secretary

683 Northland Master Tenant, LLC
2023 Proposed Budget

**683 Northland Master Tenant, LLC
Proposed 2023 Budget**

	<u>2023 Budget</u>	<u>2022 Projected</u>	<u>2021 Actual</u>
Revenues:			
Rental revenue	\$ 1,456,000	\$ 1,471,033	\$ 1,468,498
Additional rental revenue	742,000	766,243	648,676
Interest and other revenue	250	338	261
Total	<u>2,198,250</u>	<u>2,237,614</u>	<u>2,117,435</u>
Expenses:			
Rent expense	1,879,742	1,879,742	1,879,742
Payroll	166,100	143,736	149,471
Utilities	102,000	95,496	150,924
Insurance	127,000	122,769	120,629
Professional fees	67,700	84,085	85,899
Property management fee	73,000	69,885	67,515
Real estate taxes	26,000	18,828	19,626
Repairs and maintenance	261,000	226,038	120,242
Asset management fee	10,000	10,000	10,000
Depreciation	5,056	5,056	2,429
Miscellaneous	5,000	7,132	7,920
Total	<u>2,722,598</u>	<u>2,662,766</u>	<u>2,614,397</u>
Net Income / (Loss)	<u>(524,348)</u>	<u>(425,152)</u>	<u>(496,962)</u>
Members' Equity			
Members' equity - beginning of period	\$ 15,705,360	\$ 14,578,450	\$ 9,658,723
Members' capital contributions	-	2,090,803	5,680,517
Distributions	(274,800)	(538,741)	(263,828)
Members' equity - end of period	<u>\$ 14,906,212</u>	<u>\$ 15,705,360</u>	<u>\$ 14,578,450</u>
Cash Flow Adjustments			
Net Income / (Loss)	\$ (524,348)	\$ (425,152)	\$ (496,962)
Prepaid rent - rent expense	1,387,319	1,395,256	1,393,059
Prepaid rent - Master Lease Agreement	-	(1,826,862)	(5,532,421)
Deferred lease liability	(553,074)	(553,074)	(553,074)
Prepaid leasing commission	26,700	28,950	(105,715)
Use of reserves	10,000	10,000	10,000
Equipment purchases	-	(18,390)	-
Depreciation	5,056	5,056	2,429
Changes in assets/liabilities (net)	-	-	(199,401)
Cash Increase/(Decrease) before Equity Items	<u>351,653</u>	<u>(1,384,216)</u>	<u>(5,482,085)</u>
Members' capital contributions	-	2,090,803	5,680,517
Distributions	(274,800)	(538,741)	(148,096)
Net Cash Increase	<u>\$ 76,853</u>	<u>\$ 167,846</u>	<u>\$ 50,336</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
Proposed 2023 Budget + 3 Year Projection**

	<u>2023 Budget</u>	<u>2024 Projected</u>	<u>2025 Projected</u>	<u>2026 Projected</u>
Revenues:				
Rental revenue	\$ 1,456,000	\$ 1,427,000	\$ 1,409,000	\$ 1,321,000
Additional rental revenue	742,000	725,000	711,500	660,000
Interest and other revenue	250	250	250	250
Total	<u>2,198,250</u>	<u>2,152,250</u>	<u>2,120,750</u>	<u>1,981,250</u>
Expenses:				
Rent expense	1,879,742	1,879,742	1,879,742	1,879,742
Payroll	166,100	171,083	176,215	181,502
Utilities	102,000	105,060	108,212	111,458
Insurance	127,000	130,810	134,734	138,776
Professional fees	67,700	69,731	71,823	73,978
Property management fee	73,000	72,000	71,000	67,000
Real estate taxes	26,000	26,780	27,583	28,411
Repairs and maintenance	261,000	268,830	276,895	285,202
Asset management fee	10,000	10,000	-	-
Depreciation	5,056	3,200	3,200	3,200
Miscellaneous	5,000	5,150	5,305	5,464
Total	<u>2,722,598</u>	<u>2,742,386</u>	<u>2,754,710</u>	<u>2,774,733</u>
Net Income / (Loss)	<u>\$ (524,348)</u>	<u>\$ (590,136)</u>	<u>\$ (633,960)</u>	<u>\$ (793,483)</u>
Members' Equity				
Members' equity - beginning of period	\$ 15,705,360	\$ 14,906,212	\$ 14,041,275	\$ 13,132,516
Members' capital contributions	-	-	-	-
Distributions	(274,800)	(274,800)	(274,800)	(274,800)
Members' equity - end of period	<u>\$ 14,906,212</u>	<u>\$ 14,041,275</u>	<u>\$ 13,132,516</u>	<u>\$ 12,064,233</u>
Cash Flow Adjustments				
Net Income / (Loss)	\$ (524,348)	\$ (590,136)	\$ (633,960)	\$ (793,483)
Prepaid rent - rent expense	1,387,319	1,387,319	1,351,696	1,321,644
Deferred lease liability	(553,074)	(553,074)	(553,074)	(553,074)
Prepaid leasing commission	26,700	26,700	26,295	21,695
Usage of/(additions to) reserves	10,000	10,000	10,000	-
Depreciation	5,056	3,200	3,200	3,200
Cash Increase/(Decrease) before Equity Items	<u>351,653</u>	<u>284,009</u>	<u>204,158</u>	<u>(17)</u>
Members' capital contributions	-	-	-	-
Distributions	(274,800)	(274,800)	(274,800)	(274,800)
Net Cash Increase/(Decrease)	<u>\$ 76,853</u>	<u># \$ 9,209</u>	<u># \$ (70,642)</u>	<u># \$ (274,817)</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

2023 Proposed Budget

As of October 13, 2022



Buffalo Urban Development Corporation

2023 Budget

A. Overview:

Buffalo Urban Development Corporation (“BUDC”) continues to make significant progress in all of its initiatives by advancing projects related to the Northland Corridor Redevelopment on Buffalo’s East Side, the Buffalo’s Race for Place initiative in Downtown Buffalo, transformation of Ralph Wilson Centennial Park as well as other strategic planning efforts and small business support.

In late 2022 BUDC received confirmation of a \$14.4 million funding award through the Build Back Better Challenge through the U.S Economic Development Administration for the rehabilitation of additional properties and clean energy upgrades within the Northland Corridor. The grant funding will be used to complete the following project components: Renovation of the approximately 44,000 s.f. industrial building at 541 E. Delavan Avenue, including extensive environmental remediation, site work, and the installation of new green infrastructure for storm water management; renovation of the approximately 10,000 s.f. “B” building at 612 Northland; implementation of a Clean Energy Microgrid to advance NYS and federal clean energy goals, and construction of approximately 120 new parking spaces at 714 Northland and the south lot adjoining 683 Northland. These components are collectively budgeted to cost \$18 million to complete. BUDC continues to engage with Northland Campus businesses and anchors such as the Northland Workforce Training Center; Manna Culinary; Buffalo Manufacturing Works; Rodriguez Construction; Bank On Buffalo and others as well as the surrounding community on collaborations, public art and other opportunities that will add to the vitality of the corridor.

In 2018, Mayor Byron W. Brown and the Ralph C. Wilson Jr. Foundation announced a \$50 million funding commitment to transform around 100 acres of the current Lasalle Park into the Ralph C. Wilson Jr. Centennial Park. This reimagined park is intended to provide access to world-class park amenities and Lake Erie to the underserved local community and the entire region. The creation of the Ralph C. Wilson Jr. Centennial Park aligns with some of Mayor Byron W. Brown’s continuous goals by increasing employment opportunities for City of Buffalo residents, promote general diversity, community project involvement and increase the utilization of Minority and Women Business Owned Enterprises in major development projects. The overall project area is about 100 acres and includes a new pedestrian bridge crossing the I-190; multiple playgrounds including a 2.5-acre destination playground with custom equipment and features; softball, soccer, and football fields with furnishings and sports lighting; new comfort stations, offices, and food and beverage areas; new underground utilities for the overall park; fully redesigned pedestrian, bike, and vehicular circulation (paths and roadways); complete redevelopment of the shoreline.

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; BUDC introduced the Buffalo’s Race for Place initiative that 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, in conjunction with the City of Buffalo, released the Ellicott Street Placemaking Strategy to improve the public setting to attract and encourage continued investment, real estate development, talent attraction and add to down Buffalo’s quality of life for employees, residents and visitors. BUDC is also coordinating

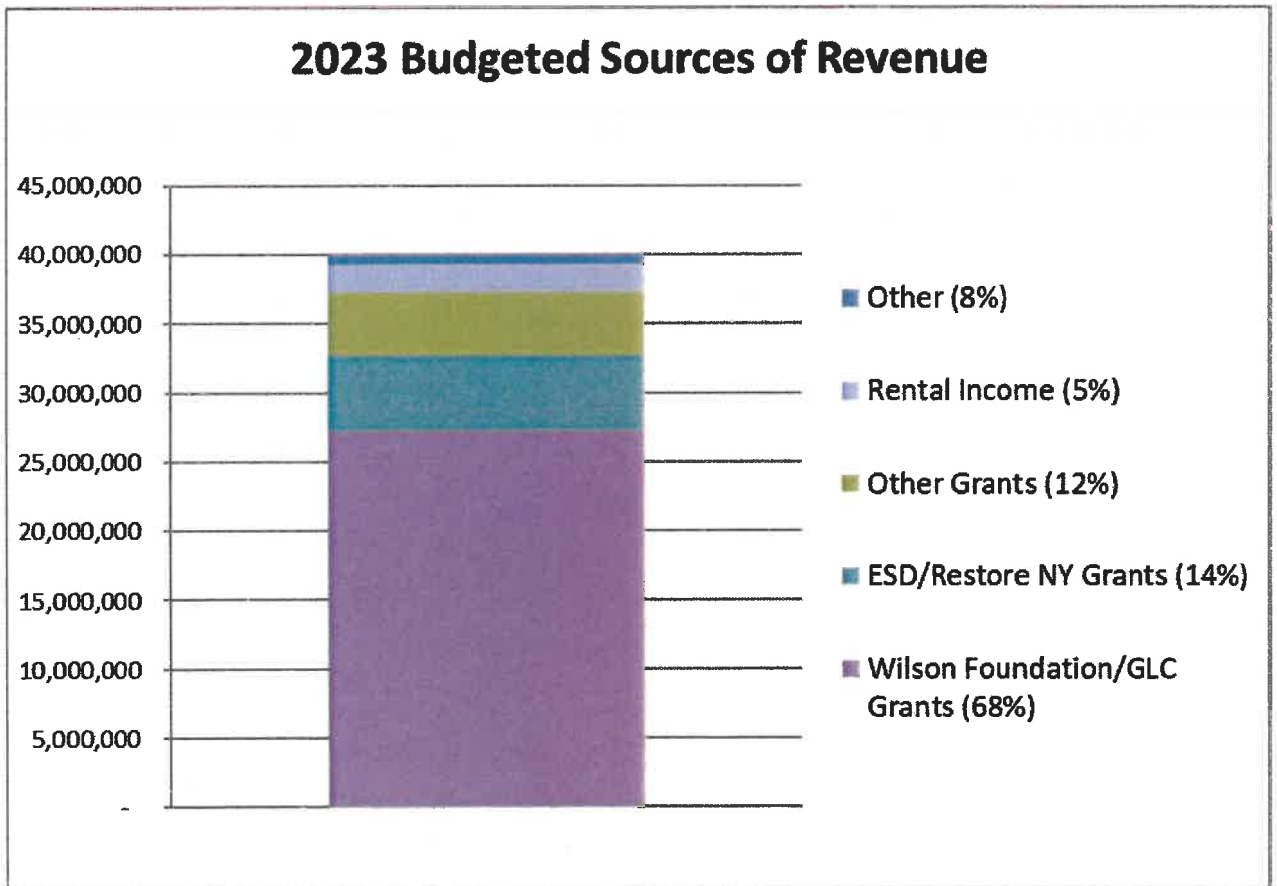
Buffalo Urban Development Corporation 2023 Budget

with the City of Buffalo on the redevelopment of the Mohawk Ramp into a mixed-use development and secured funding for infrastructure planning efforts to improve connections between the inner harbor and Ralph C. Wilson, Jr. Centennial Park as well as many other efforts related to furthering the Race for Place initiative. BUDC also revived the Queen City Pop Up Program following a brief pause during the pandemic.

BUDC will continue to operate and market the Buffalo Lakeside Commerce Park (“BLCP”) in 2023 with all remaining parcels under due diligence agreements with prospective purchasers. A Property Owners Association has been created for the long-term maintenance and operation as more companies locate within BLCP.

B. Sources of BUDC Funds:

The following chart summarizes the significant sources of the \$40.0 million in revenue that have been budgeted for BUDC projects in 2023:



(1) **Ralph C. Wilson, Jr. Foundation and Great Lakes Commission Grants** – In 2023 BUDC expects to recognize \$27,205,000 in grant revenue from the Wilson Foundation and Great Lakes Commission associated with multiple grant agreements supporting the redevelopment of LaSalle Park into the Ralph C. Wilson, Jr. Centennial Park along the city’s shoreline.

Buffalo Urban Development Corporation 2023 Budget

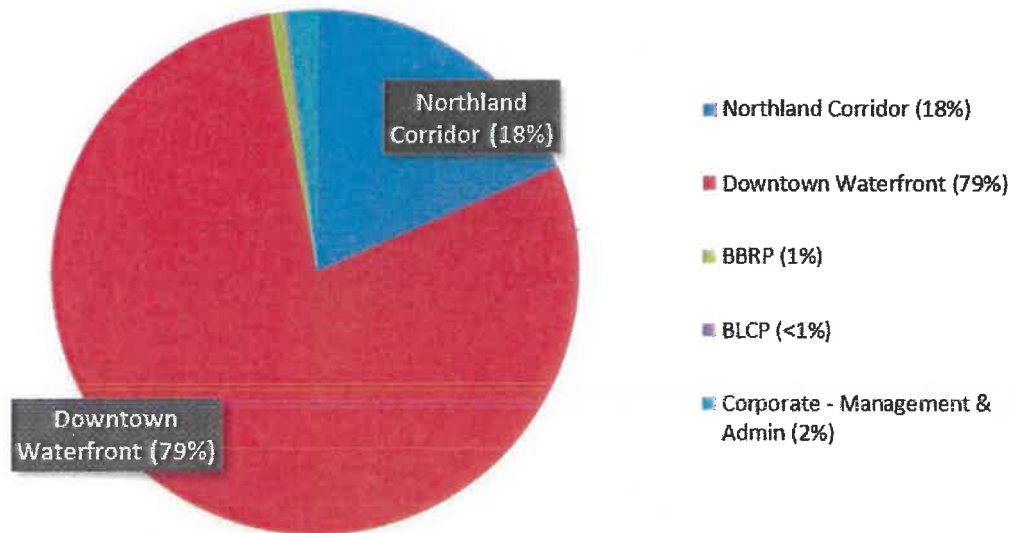
- (2) **Empire State Development/Restore NY Grants** – In 2022 BUDC expects to recognize \$5,500,000 in grant revenue from Empire State Development & Restore NY grants for projects along the Northland Corridor, specifically a solar microgrid project and core and shell renovations at 541 East Delavan Avenue.
- (3) **Other Grants** – In 2023 BUDC expects to recognize \$4,600,000 in grants from other various sources including (but not limited to): \$1,000,000 from the Economic Development Administration under the \$14.4 million Build Back Better Regional Challenge award, \$960,000 from the MLB-MLBPA Youth Development Foundation for youth baseball field construction and lighting at Ralph C. Wilson, Jr. Centennial Park, and \$600,000 passed through the City of Buffalo under the American Rescue Plan.
- (4) **Rental Income** – In 2022 BUDC expects to realize rental income of approximately \$1,959,000 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 (683 Northland) complex are paid to 683 Northland Master Tenant, LLC, a separate entity for financial reporting purposes.
- (5) **Other Income** – Other income totaling approximately \$706,000 on a consolidated basis reflects the following:
- a. \$250,000 from National Grid grants for certain projects.
 - b. BUDC anticipates the sale of property at BLCP, accounting for gross proceeds of \$540,000 less related costs, netting to a gain of approximately \$197,700.
 - c. \$100,000 grant from the Erie County Industrial Development Agency.
 - d. \$97,000 net loan fee and interest revenue.
 - e. \$40,000 net revenue to the Buffalo Brownfields Redevelopment Fund.
 - f. \$16,500 miscellaneous income.
 - g. \$5,200 collected from property owners for public infrastructure maintenance at BLCP.

Buffalo Urban Development Corporation 2023 Budget

C. Uses of BUDC Funds:

BUDC expects to spend \$38.4 million in 2023 as outlined in the following chart:

2023 Budgeted Use of Funds



- (1) Downtown Waterfront** – BUDC anticipates spending \$30.2 million in 2023 to support the development of Ralph C. Wilson, Jr. Centennial Park, as the project moves into the construction phase in 2023. Much of the funding will be passed through to the City of Buffalo.
- (2) Northland Corridor** – As part of the continuing Northland Corridor project, BUDC anticipates spending \$3.4 million on capital and development costs, in addition to operating costs at Northland Corridor properties. The majority of 2023 spending will focus on core and shell renovations at 537 East Delavan Avenue and the solar microgrid.
- (3) BBRP** – The Buffalo Building Reuse Project anticipates spending \$350,000 in 2023. \$85,000 is anticipated to be spent for personnel, marketing, and legal costs and \$265,000 is expected to be spent on urban corridor development.
- (4) BLCP** – In 2023 BUDC has budgeted \$19,000 for operations and maintenance costs of Ship Canal Commons, its share of costs under the Property Owners’ Association agreement. Other ongoing costs, including legal, insurance, and other administrative costs are estimated at an additional \$26,000.
- (5) Corporate – Management & Administrative** – In 2023, BUDC expects to spend \$747,000 on management and administrative costs. This includes salary and benefit costs of BUDC staff, totaling \$289,000. In addition, \$70,000 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 \$298,500 and include legal, audit and tax, insurance, marketing, rent and other general and administrative costs.

Buffalo Urban Development Corporation
Proposed 2023 Budget - Summary

REVENUE	Budget 2023	Projected 2022	YTD August 2022	Actual 2021
Grant Revenue				
Empire State Development/Restore NY	\$ 5,500,000	\$ 199,262	\$ 115,516	\$ 129,520
EDA - Build Back Better	1,000,000	-	-	-
Ralph C. Wilson, Jr. Foundation/GLC	27,205,000	4,735,614	3,157,076	4,126,388
National Grid (various)	250,000	267,450	17,450	-
NYSERDA	-	-	-	119,232
ECIDA	100,000	100,000	-	-
Other	3,600,000	325,000	300,000	50,000
Gross Proceeds from Land Sales	540,000	2,177,500	1,993,417	599,000
Less: Cost of Land Sales	(342,300)	(2,741,745)	(91,799)	(746,345)
Buffalo Brownfield Fund Revenue (net)	40,000	36,183	36,183	40,821
Rental Income	1,959,162	2,017,122	1,354,068	2,025,331
BLCF Maintenance Contribution	5,200	13,200	5,200	1,000
Interest Income & Fees - Loans	96,664	227,914	64,443	112,107
Investment Interest Income/Miscellaneous	16,500	646	587	722
Other Income	-	7,942,056	6,993,156	12,872,507
Total	<u>39,970,226</u>	<u>15,300,203</u>	<u>13,945,298</u>	<u>19,330,284</u>
OPERATING EXPENSES				
Property Operations & Maintenance	76,878	151,456	97,597	181,454
Legal	135,000	199,940	122,227	162,887
Insurance	202,000	201,203	139,300	159,401
Marketing	50,000	25,730	15,730	21,057
Utilities	5,250	2,763	1,842	3,347
Misc.	16,500	9,722	6,481	8,527
Consultants	1,553,500	5,054,102	3,370,061	3,622,222
General Development Expenses	29,770,000	1,255,204	127,675	417,450
Personnel Costs	519,094	394,163	250,739	482,780
Interest	245,674	326,290	211,343	450,479
Rent	27,000	23,741	15,728	23,338
ECIDA Management Fee	87,000	81,600	54,400	79,629
Audit & Tax	275,300	348,623	348,623	204,381
Operating Expenses	15,000	38,860	35,333	226,485
Grant Expense	937,176	921,741	614,494	1,209,773
General & Administrative	168,731	144,973	38,311	194,101
Depreciation	4,081,000	4,168,415	2,725,939	4,225,517
Amortization	-	-	-	43,675
Total	<u>38,165,104</u>	<u>13,348,525</u>	<u>8,175,825</u>	<u>11,716,502</u>
Net Income / (Loss)	<u>\$ 1,805,122</u>	<u>\$ 1,951,677</u>	<u>\$ 5,769,473</u>	<u>\$ 7,613,782</u>
CAPITAL/LOAN FUND BUDGET				
Capital expenditures/equipment	(3,400,000)	(28,391)	(28,391)	(175,794)
Proceeds from loans/line of credit	1,000,000	-	-	183,575
Prepaid rent - Master Lease Agreement	-	1,826,862	1,826,862	5,532,421
Capital contributions	-	398,267	348,325	961,846
Repayment of debt	(875,228)	(11,282,772)	(9,057,643)	(19,884,504)
	<u>(3,275,228)</u>	<u>(9,086,034)</u>	<u>(6,910,847)</u>	<u>(13,382,456)</u>
CASH FLOW ADJUSTMENTS				
Cost of Land Sales	312,300	2,741,745	91,799	746,345
Prepaid rental income	(1,387,319)	(1,395,256)	(928,837)	(1,393,059)
Deferred lease liability	511,932	511,932	341,288	511,932
Use of reserves	76,941	96,932	44,682	97,848
Depreciation/amortization	4,081,000	4,168,415	2,725,939	4,269,192
Principal repayment - BUDC loans	-	-	-	750,000
Net Cash Increase/(Decrease)	<u>\$ 2,124,748</u>	<u>\$ (1,010,589)</u>	<u>\$ 1,133,497</u>	<u>\$ (786,416)</u>

Buffalo Urban Development Corporation
Proposed 2023 Budget - Project Detail

	BCLCP	BBRP / Race for Place	Centennial Park	Northland Corridor	Corporate Operations	Total
REVENUE						
Grant Revenue						
Restore NY 5	\$ -	\$ -	\$ -	\$ 1,600,000	\$ -	\$ 1,600,000
Ralph C. Wilson, Jr. Foundation/GLC	-	-	27,205,000	-	-	27,205,000
National Grid	-	250,000	-	-	-	250,000
EDA - Build Back Better	-	-	-	1,000,000	-	1,000,000
ESD - Northland	-	-	-	3,900,000	-	3,900,000
ECIDA	-	100,000	-	-	-	100,000
Other	-	-	3,000,000	-	600,000	3,600,000
Gross Proceeds from Land Sales	540,000	-	-	-	-	540,000
Less: Cost of Land Sales + closing costs	(342,300)	-	-	-	-	(342,300)
Buffalo Brownfield Fund Revenue (net)	-	-	-	-	40,000	40,000
Rental Income	-	-	-	1,959,162	-	1,959,162
BCLCP Property Maintenance	5,200	-	-	-	-	5,200
Interest Income & Fees - Loans	-	-	-	96,664	-	96,664
Investment Interest Income/Miscellaneous	6,000	-	-	-	10,500	16,500
Total	208,900	350,000	30,205,000	8,555,826	650,500	39,970,226
OPERATING EXPENSES						
Property Operations & Maintenance	19,026	-	-	57,852	-	76,878
Legal	20,000	10,000	10,000	52,500	42,500	135,000
Insurance	4,000	-	-	135,000	63,000	202,000
Marketing	-	25,000	-	-	25,000	50,000
Utilities	250	-	-	5,000	-	5,250
Misc.	1,500	-	-	-	15,000	16,500
Consultants	-	-	500,000	1,028,500	25,000	1,553,500
General Development Expenses	-	265,000	29,500,000	5,000	-	29,770,000
Personnel Costs	-	50,000	180,000	-	289,094	519,094
Interest	-	-	-	245,674	-	245,674
Operating Expenses	-	-	-	5,000	10,000	15,000
Rent	-	-	-	-	27,000	27,000
ECIDA Management Fee	-	-	7,500	9,500	70,000	87,000
Audit & Tax	-	-	3,000	106,800	165,500	275,300
General & Administrative	-	-	4,500	1,086,407	15,000	1,105,907
Depreciation	-	-	-	4,075,000	6,000	4,081,000
Amortization	-	-	-	-	-	-
Total	44,777	350,000	30,205,000	6,812,233	753,094	38,165,104
Net Income / (Loss)	164,123	-	-	1,743,593	(102,594)	1,805,122
CAPITAL BUDGET						
Capital expenditures/equipment	-	-	-	(3,400,000)	-	(3,400,000)
Prepaid rent - Master Lease Agreement	-	-	-	-	-	-
Capital contributions (5% BTCs)	-	-	-	-	-	-
Repayment of debt	-	-	-	(390,000)	-	(390,000)
Total	-	-	-	(3,790,000)	-	(3,790,000)
CASH FLOW ADJUSTMENTS						
Cost of Land Sales	312,300	-	-	-	-	312,300
Prepaid Rental Income	-	-	-	(1,387,319)	-	(1,387,319)
Deferred lease liability	-	-	-	511,932	-	511,932
Line of credit usage	-	-	-	1,000,000	-	1,000,000
Use of reserves	-	-	-	76,941	-	76,941
Depreciation	-	-	-	4,075,000	6,000	4,081,000
Amortization	-	-	-	-	-	-
Net Cash Increase/(Decrease)	\$ 476,423	\$ -	\$ -	\$ 2,230,147	\$ (96,594)	\$ 2,609,976

Buffalo Urban Development Corporation
Proposed 2023 Budget - Northland Corridor Project Breakout

	BUDC	683 WTC, LLC	683 Northland LLC	Eliminations ¹	Northland Corridor Total
REVENUE					
Grant Revenue					
Restore NY 5	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 1,600,000
EDA - Build Back Better	1,000,000	-	-	-	1,000,000
ESD	3,900,000	-	-	-	3,900,000
Loan interest	646,664	-	-	(550,000)	96,664
Rental Income	79,420	-	1,879,742	-	1,959,162
Other Income	-	-	-	-	-
Total	7,226,084	-	1,879,742	(550,000)	8,555,826
OPERATING EXPENSES					
Property Operations & Maintenance	57,852	-	-	-	57,852
Legal	50,000	-	2,500	-	52,500
Insurance	135,000	-	-	-	135,000
Marketing	-	-	-	-	-
Utilities	5,000	-	-	-	5,000
Operating expenses	-	-	5,000	-	5,000
Administrative	937,176	-	72,290	-	1,009,466
Consultants	1,028,500	-	-	-	1,028,500
General Development Expenses	5,000	-	-	-	5,000
Interest	72,000	550,000	173,674	(550,000)	245,674
ECIDA Management Fee	9,500	-	-	-	9,500
Asset Management Fee	-	-	55,000	-	55,000
Audit & Tax	-	60,800	46,000	-	106,800
Loan servicing fees	-	-	21,941	-	21,941
Depreciation	75,000	-	4,000,000	-	4,075,000
Amortization	-	-	-	-	-
Total	2,375,028	610,800	4,376,405	(550,000)	6,812,233
Net Income/(Loss)	4,851,056	(610,800)	(2,496,663)	-	1,743,593
CAPITAL BUDGET					
Capital expenditures/equipment	(3,400,000)	-	-	-	(3,400,000)
Prepaid rent - Master Lease Agreement	-	-	-	-	-
Capital contributions (5% BTCs)	-	-	-	-	-
Repayment of debt	-	-	(390,000)	-	(390,000)
	(3,400,000)	-	(390,000)	-	(3,790,000)
CASH FLOW ADJUSTMENTS					
Prepaid rent (rental income)	-	-	(1,387,319)	-	(1,387,319)
Deferred lease liability	511,932	-	-	-	511,932
Line of credit usage	1,000,000	-	-	-	1,000,000
Deferred interest payments	(550,000)	550,000	-	-	-
Use of/(additions to) reserves	-	-	76,941	-	76,941
Depreciation/amortization	75,000	-	4,000,000	-	4,075,000
Net Cash Increase/(Decrease)	\$ 2,487,988	\$ (60,800)	\$ (197,041)	\$ -	\$ 2,230,147

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

Buffalo Urban Development Corporation Proposed 2023 Budget and 3 Year Forecast

REVENUE	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Grant Revenue	\$ 37,655,000	\$ 25,600,000	\$ 15,000,000	\$ 5,000,000
Gross Proceeds from Land Sales	540,000	-	-	-
Less: Cost of Land Sales	(342,300)	-	-	-
Buffalo Brownfield Fund Revenue (net)	40,000	42,000	12,000	12,000
Rental Income	1,959,162	2,059,162	2,059,162	2,059,162
BLCP Maintenance Contribution	5,200	5,200	5,200	5,200
Interest Income & Fees - Loans	96,664	96,664	-	-
Investment Interest Income	16,500	6,000	5,000	4,000
Other Income	-	1,000	1,000	1,000
Total	<u>39,970,226</u>	<u>27,810,026</u>	<u>17,082,362</u>	<u>7,081,362</u>
OPERATING EXPENSES				
Property Operations & Maintenance	76,878	79,310	81,689	81,689
Legal	135,000	110,000	110,000	110,000
Insurance	202,000	150,000	150,000	150,000
Marketing	50,000	50,000	50,000	50,000
Utilities	5,250	5,408	5,570	5,737
Misc.	16,500	10,000	10,000	10,000
Consultants	1,553,500	1,000,000	1,000,000	1,000,000
General Development Expenses	29,770,000	24,600,000	14,000,000	4,000,000
Personnel Costs	519,094	534,667	550,707	567,228
Interest	245,674	203,674	50,000	50,000
Rent	27,000	27,810	28,644	28,644
ECIDA Management Fee	87,000	85,000	85,000	85,000
Audit & Tax	275,300	286,312	297,764	309,675
Operating Expenses	15,000	15,450	15,914	16,391
Grant Expense	937,176	949,938	963,078	976,608
General & Administrative	168,731	173,793	179,007	184,377
Depreciation	4,081,000	4,081,000	4,081,000	4,081,000
Amortization	-	-	-	-
Total	<u>38,165,104</u>	<u>32,362,362</u>	<u>21,658,373</u>	<u>11,706,350</u>
Net Income / (Loss)	<u>\$ 1,805,122</u>	<u>\$ (4,552,336)</u>	<u>\$ (4,576,011)</u>	<u>\$ (4,624,988)</u>
CAPITAL BUDGET				
Capital expenditures/equipment	(3,400,000)	-	-	-
Repayment of debt	(390,000)	-	-	-
Total	<u>(3,790,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOW ADJUSTMENTS				
Cost of Land Sales	312,300	-	-	-
Prepaid rental income	(1,387,319)	(1,351,696)	(1,321,644)	(1,314,125)
Deferred lease liability	511,932	511,932	511,932	511,932
Use of reserves	76,941	97,847	98,533	99,238
Depreciation/amortization	4,081,000	4,081,000	4,081,000	4,081,000
Net Cash Increase/(Decrease)	<u>\$ 2,609,976</u>	<u>\$ (1,213,252)</u>	<u>\$ (1,206,190)</u>	<u>\$ (1,246,943)</u>