

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Board of Directors Meeting

Date: Tuesday, December 21, 2021
Via Conference Call
Time: 12 Noon

1.0 CALL TO ORDER

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

3.0 MONTHLY FINANCIAL REPORTS

- 3.1 683 Northland Master Tenant, LLC Financial Statements *(Information)(Enclosure)*
- 3.2 BUDC Consolidated Financial Statements *(Action)(Enclosure)*

4.0 NEW BUSINESS

- 4.1 Ralph C. Wilson, Jr. Centennial Park - Gardiner & Theobald Construction Document Phase Cost Estimate *(Action)(Enclosure)*
- 4.2 Ralph C. Wilson, Jr. Centennial Park - Gardiner & Theobald Contract Extension Amendment *(Action)(Enclosure)*
- 4.3 Buffalo Lakeside Commerce Park - Property Owners Association *(Action)(Enclosure)*
- 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 • Atiqah 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

**November 30, 2021
12:00 p.m.**

Directors Present:

Trina Burruss
Daniel Castle
James Comerford
Janique S. Curry
Darby Fishkin
Dottie Gallagher
Thomas Halligan
Thomas A. Kucharski
Amanda Mays
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Dennis M. Penman (Vice Chair)
Darius G. Pridgen

Directors Absent:

Mayor Byron W. Brown (Chair)
Dennis W. Elsenbeck
Michael J. Finn
Maria R. Whyte

Officers Present:

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

Guests Present: Tuona Batchelor, Erie County Department of Environment and Planning; Alexis M. Florczak, Hurwitz & Fine, P.C.; Arthur Hall, BUDC Senior Project Manager; Jamee Lanthier, ECIDA Compliance Officer; and Antonio Parker, BUDC Project Manager.

- 1.0 Roll Call** – The Vice Chair called the meeting to order at 12:06 p.m. The Secretary called the roll and a quorum of the Board was determined to be present. Ms. Burruss joined the meeting during the presentation of agenda item 3.1. Mr. Pridgen joined the meeting during the presentation of agenda item 4.2.

The meeting was held via Zoom in accordance with the provisions of Part E of Chapter 417 of the Laws of 2021, which amended Article 7 of the Public Officers Law to authorize public entities 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 October 26, 2021 – The minutes of the October 26, 2021 meeting of the Board of Directors were presented. Ms. Mays made a motion to approve the meeting minutes. The motion was seconded by Mr. Kucharski and unanimously carried (12-0-0).

3.0 Monthly Financial Reports

3.1 683 Northland Master Tenant, LLC Financial Statements – Ms. Profic presented for information purposes the financial statements for 683 Northland Master Tenant, LLC for the period ending October 31, 2021.

3.2 BUDC Consolidated Financial Statements – Ms. Profic presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending October 31, 2021. Ms. Burruss made a motion to accept the BUDC consolidated financial statements. The motion was seconded by Ms. Mays and unanimously carried (13-0-0).

4.0 New Business

4.1 Appointment of Daniel Castle to BUDC Committees – Mr. Kucharski made a motion to appoint Daniel Castle to the Downtown Committee. The motion was seconded by Mr. Mehaffy and unanimously carried (13-0-0).

4.2 Buffalo Lakeside Commerce Park – Sale to Zephyr Investors – Brownfield Cleanup Program – Ms. Gandour presented her November 30, 2021 memorandum regarding Zephyr Investors' request for consent to submit applications to the Brownfield Cleanup Program (BCP) for the parcels located at 15 Laborer's Way and 310 Ship Canal Parkway. Ms. Gandour reviewed the proposed conditions for granting consent and noted this item was reviewed by the Real Estate Committee at its November 23, 2021 meeting and recommended for Board approval. Following Ms. Gandour's presentation, Mr. Comerford made a motion to: (i) approve BUDC and BLCP-1 entering into a multi-party agreement with Zephyr Investors and its affiliates consistent with the terms set forth in Ms. Gandour's November 30, 2021 memorandum; (ii) consent to the submission by Zephyr's affiliates of Brownfield Cleanup Program applications for 15 Laborer's Way and 310 Ship Canal Parkway, following execution of the multi-party agreement; (iii) authorize the President or Executive Vice President to execute the multi-party agreement, the BCP consents and such other documents as may be necessary to implement these actions. The motion was seconded by Mr. Castle and unanimously carried (14-0-0).

4.3 Ralph C. Wilson, Jr. Centennial Park – Project Update – Mr. Parker presented a general update regarding the Centennial Park project. The construction documents phase of the project continues to move forward. A final meeting regarding construction documents for the pedestrian bridge phase 3 site investigation has been completed; the draft report for this site investigation is under review. The waterfront community meeting will be rescheduled to a December date. BUDC is working with the City on the request for qualifications process. Mr. Pridgen expressed continued concerns about flooding that is impacting the waterfront community and encouraged continued community engagement with respect to this issue.

4.4 Buffalo Lakeside Commerce Park – Project Update – Ms. Gandour presented the following update regarding BLCP matters:

255 Ship Canal Parkway: Uniland continues to move forward with its solar project. Construction is expected to commence soon.

193 Ship Canal Parkway: NYSDEC is nearing a decision regarding a proposed bifurcation of the site for BCP purposes.

BLCP Property Owners Association: The Real Estate Committee discussed the need to create a more formal governance structure for the POA, with a subset of the Committee serving as POA directors. The Governance Committee will review this proposed structure at its December meeting in order to make a recommendation to the Board.

4.5 Northland Beltline Corridor Update – Mr. Hall presented the Northland Beltline Corridor Project update as follows:

Northland Central – NWTC/ESD/BUDC Memorandum of Understanding: The company that completed the initial inventory of equipment completed its inventory update on November 1st, and a report is anticipated to be available for review in early December.

683 Northland: GURF #1 for the Microgrid Capital Grant in the amount of \$50,261.88 and GURF #20 in the amount of \$47,272.85 are under review by ESD. Dennis Conroy is following up on the status of GURF #1 and GURF #20. The Restore NY V #3 reimbursement request has also been approved in the amount of \$372,374.95. The Office of Strategic Planning is reviewing this reimbursement request.

Solar Microgrid (Substation): The revised site plan for the roof has been received and the structural study is complete. Communications with National Grid regarding the Interconnection Study have commenced and are being finalized. LaBella Associates has completed its energy study with plans to add renewables and storage.

Management/Maintenance: SparkCharge has completed its second year of occupancy and Garwood Medical has completed its first year of occupancy. Bank on Buffalo continues to move forward with the design for its 683 Northland location. The Mancuso Group is scheduling a tenant meeting for January 2022. Garwood Medical has installed the red shed ramp and railing gate. The Mancuso Group is currently reviewing two quotes to restore and repair the gate at 631 Northland.

Northland Video Series (“A Neighborhood of Opportunity Video”): Sandy Whyte and her marketing team have scheduled meetings with videographers to capture video footage and drone shots of the Northland Corridor. There will be four videos which are currently being edited. The videos are anticipated to be complete by mid-December.

4.6 Race for Place Project Update – Ms. Merriweather presented an update regarding BBRP and the Race for Place initiative. BUDC continues to work with the City on Race for Place efforts. The City has released a Request for Proposals for design of a flexible smart corridor, which follows Race for Place’s recommendations and its Future of Mobility report of increasing walkability and vibrancy of downtown streetscapes. Responses to the RFP are due this week. BUDC continues to advance the Ellicott Street Placemaking Strategy and is working with the City and Wendel in securing grant opportunities for pop-up placemaking elements near the William-Broadway-Ellicott intersection. In October, BUDC partnered with the City for the Buy Black Buffalo lunch crawl and happy hour which highlighted the five Black-owned restaurants in the Central Business District. The holiday edition of Queen-City Pop-Up is being launched this week at the Hyatt and will run for one week.

4.7 308 Crowley Project Update – Mr. Parker reported that BUDC continues to work through the SHPO process. Regional has been identified as the consultant for the project. Mr. Comerford noted

that there appears to be a minor issue with the re-design of the shared wall with Enterprise Folding Box Co.

5.0 Late Files – None.

6.0 Tabled Items – None.

7.0 Executive Session – None.

8.0 Adjournment – There being no further business to come before the Board, the November 30, 2021 Board of Directors meeting was adjourned at 12:36 p.m.

Respectfully submitted,

Kevin J. Zanner, Secretary

683 Northland Master Tenant, LLC

Financial Statements

November 30, 2021

(Unaudited)

683 NORTHLAND MASTER TENANT, LLC
Balance Sheet

ASSETS	November 2021	October 2021	December 2020
Current assets:			
Cash	\$ 57,694	\$ 30,284	\$ 56,739
Tenant receivable	129,460	135,928	30,533
Prepaid expenses	115,954	125,344	90,355
Total current assets	<u>303,108</u>	<u>291,556</u>	<u>177,627</u>
Prepaid rent - sublessee	423,380	414,998	306,965
Prepaid leasing commission	220,351	222,763	112,223
Tenant security deposits	84,850	84,850	75,750
Cash reserves	365,951	365,937	375,784
Equipment, net	7,750	7,750	8,964
Prepaid rent - Master Lease Agreement	25,528,601	25,528,601	19,996,180
Total assets	<u>\$ 26,933,991</u>	<u>\$ 26,916,455</u>	<u>\$ 21,053,493</u>
LIABILITIES & MEMBERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 173,124	\$ 152,071	\$ 119,334
Due to related parties	337,363	337,363	381,281
Total current liabilities	<u>510,487</u>	<u>489,434</u>	<u>500,615</u>
Operating deficit loan	49,931	49,931	49,931
Tenant security deposits	84,850	84,850	75,750
Deferred rent liability - Master Lease Agreement	5,193,322	5,077,234	3,916,352
Deferred rent liability - sublessee	6,196,931	6,243,020	6,703,913
Distribution payable - priority return	113	113	148,209
Total noncurrent liabilities	<u>11,525,147</u>	<u>11,455,148</u>	<u>10,894,155</u>
MEMBERS' EQUITY	14,898,357	14,971,873	9,658,723
Total liabilities and net position	<u>\$ 26,933,991</u>	<u>\$ 26,916,455</u>	<u>\$ 21,053,493</u>

683 NORTHLAND MASTER TENANT, LLC
Income Statement

Year-to-Date For the Period Ended:

	<u>November 2021</u>	<u>October 2021</u>	<u>December 2020</u>
Revenues:			
Rental revenue	\$ 1,348,942	\$ 1,224,078	\$ 1,249,168
Additional rental revenue	595,310	541,942	390,730
Interest and other revenue	238	217	556
Total revenues	<u>1,944,490</u>	<u>1,766,237</u>	<u>1,640,454</u>
Expenses:			
Rent expense	1,723,097	1,566,452	1,879,742
Payroll	134,188	123,282	149,829
Utilities expense	87,957	63,384	126,631
Insurance expense	110,471	100,312	115,150
Professional fees	74,307	70,795	52,206
Property management fee	61,679	55,850	49,861
Real estate taxes	13,054	13,054	20,645
Repairs and maintenance	169,303	129,158	90,993
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	103	103	7,232
Depreciation expense	1,214	1,214	2,429
Total expenses	<u>2,385,373</u>	<u>2,133,604</u>	<u>2,504,718</u>
Net loss	(440,883)	(367,367)	(864,264)
Members' equity - beginning of period	<u>9,658,723</u>	<u>9,658,723</u>	<u>7,494,530</u>
Change in members' equity	(440,883)	(367,367)	(864,264)
Members' capital contributions	5,680,517	5,680,517	3,176,666
Distributions	-	-	(148,209)
Members' equity - end of period	<u>\$ 14,898,357</u>	<u>\$ 14,971,873</u>	<u>\$ 9,658,723</u>

683 NORTHLAND MASTER TENANT, LLC
Statement of Cash Flows

Year-to-Date For the Period Ended:

	<u>November 2021</u>	<u>October 2021</u>	<u>December 2020</u>
Cash flows from operating activities:			
Net loss	\$ (440,883)	\$ (367,367)	\$ (864,264)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	1,214	1,214	2,429
Decrease (increase) in assets:			
Tenant receivables	(98,927)	(105,395)	331,081
Prepaid insurance	(25,599)	(34,989)	(71,854)
Accrued rental income	(116,415)	(108,033)	(260,970)
Prepaid leasing commission	(108,128)	(110,540)	(112,223)
Prepaid rent - Master Lease Agreement	1,276,970	1,160,882	1,445,129
Increase (decrease) in liabilities:			
Security deposit liability	9,100	9,100	36,300
Accounts payable	53,790	32,737	86,906
Due to related parties	(43,918)	(43,918)	58,850
Deferred rent liability - sublessee	(506,982)	(460,893)	(580,483)
Net cash provided (used) by operating activities	<u>222</u>	<u>(27,202)</u>	<u>70,901</u>
Cash flows from investing activities:			
Equipment purchases	-	-	(3,912)
Net cash used by investing activities	<u>-</u>	<u>-</u>	<u>(3,912)</u>
Cash flows from financing activities:			
Members' contributions	5,680,517	5,680,517	3,176,666
Distributions	(148,096)	(148,096)	(105,026)
Payments of prepaid rent under Master Lease Agreement	(5,532,421)	(5,532,421)	(3,071,640)
Net cash provided by financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	222	(27,202)	66,989
Cash and restricted cash - beginning of period	<u>508,273</u>	<u>508,273</u>	<u>441,284</u>
Cash and restricted cash - end of period	<u>\$ 508,495</u>	<u>\$ 481,071</u>	<u>\$ 508,273</u>

683 NORTHLAND MASTER TENANT, LLC
Budget to Actual Comparison

	YTD November 2021	YTD Budget 2021	Variance
Revenues:			
Rental revenue	\$ 1,348,942	\$ 1,296,167	\$ 52,775
Additional rent revenue	595,310	479,417	115,893
Interest and other revenue	238	458	(220)
Total revenues	<u>1,944,490</u>	<u>1,776,042</u>	<u>168,448</u>
Expenses:			
Rent expense	1,723,097	1,723,097	0
Payroll	134,188	136,400	(2,212)
Utilities	87,957	21,083	66,874
Insurance	110,471	112,750	(2,279)
Professional fees	74,307	47,667	26,640
Property management fee	61,679	65,083	(3,404)
Real estate taxes	13,054	45,833	(32,779)
Repairs and maintenance	169,303	103,583	65,720
Asset management fee	10,000	10,000	-
Miscellaneous	103	4,583	(4,480)
Depreciation	1,214	-	1,214
Total expenses	<u>2,385,373</u>	<u>2,270,080</u>	<u>115,293</u>
Net income (loss)	\$ (440,883)	\$ (494,039)	\$ 53,156

Budget variances:

- Rental revenue represents base revenue for tenants. \$623,000 (46%) is noncash in the form of either prepaid rent or the straight line basis required by generally accepted accounting principles (GAAP). Base rent revenue is ahead of budget due to Garwood Medical & Bank on Buffalo subleases, which were not contemplated in the original budget.
- Additional rent represents amounts charged to tenants for common area maintenance (CAM) charges, insurance, etc. This is ahead of budget due to tenants not included in original budget.
- Utility costs are trending above budget. Costs incurred must be paid by the Master Tenant, then billed back to the tenants in the following month based on leased area. Some common area charges are absorbed.
- Professional fees are above budget year-to-date because some of the costs were unanticipated in the budget.
- Real estate taxes are below budget due lower than anticipated cost. County PILOT, first half of City PILOT and sewer rent are paid
- Repairs and maintenance includes building automation system costs, snow removal and landscaping.

Buffalo Urban Development Corporation
Consolidated Financial Statements
November 30, 2021
(Unaudited)

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

	November 2021	October 2021	December 2020
ASSETS			
Current assets:			
Cash	\$ 3,398,038	\$ 3,279,522	\$ 370,072
Restricted cash	4,477,434	4,478,282	3,753,356
Grants receivable	10,259,631	11,246,027	13,649,610
Other current assets	6,656,208	6,660,403	7,152,726
Total current assets	<u>24,791,311</u>	<u>25,664,234</u>	<u>24,925,764</u>
Noncurrent assets:			
Loans receivable	9,666,400	9,666,400	10,416,400
Equity investment	178,051	178,051	178,051
Capital assets, net	109,087,133	109,435,342	112,835,377
Land and improvement held for sale, net	3,374,634	3,374,634	4,080,387
Total noncurrent assets	<u>122,306,218</u>	<u>122,654,428</u>	<u>127,510,215</u>
Total assets	<u>\$ 147,097,530</u>	<u>\$ 148,318,662</u>	<u>\$ 152,435,979</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 633,723	\$ 613,628	\$ 874,573
Lines of credit	665,466	665,466	1,416,953
Loans payable, current	-	-	29,141,944
Unearned grant revenue	15,274,612	15,990,521	13,822,911
Total current liabilities	<u>16,573,802</u>	<u>17,269,615</u>	<u>45,256,381</u>
Note payable	257,381	257,381	257,381
Deferred rent liability	20,335,279	20,451,367	16,079,828
Loans payable, noncurrent	24,269,267	24,267,009	14,099,750
Total noncurrent liabilities	<u>44,861,927</u>	<u>44,975,757</u>	<u>30,436,959</u>
NET POSITION			
Net investment in capital assets	84,817,866	85,168,334	73,759,690
Restricted	3,639,233	3,639,226	4,020,554
Unrestricted	<u>(2,795,298)</u>	<u>(2,734,270)</u>	<u>(1,037,605)</u>
Total net position	<u>85,661,801</u>	<u>86,073,290</u>	<u>76,742,639</u>
Total liabilities and net position	<u>\$ 147,097,530</u>	<u>\$ 148,318,662</u>	<u>\$ 152,435,979</u>

Balance Sheet Notes:

- Overall cash increased due to receipt of grant funds.
- Grants receivable decreased due to receipt of grant funds during the month.
- Capital assets decrease is due to monthly depreciation expense.
- Lines of credit: balances at end of November are \$0 BUDC; \$665,466 683 Northland. 683 Northland took no advances during the month and BUDC's line is currently paid down.
- Unearned grant revenue decreased \$716,000 due to 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>November 2021</u>	<u>October 2021</u>	<u>December 2020</u>
Operating revenues:			
Grant revenue	\$ 3,565,201	\$ 2,849,292	\$ 8,816,375
Brownfield funds	30,528	30,528	171,903
Loan interest and commitment fees	104,051	95,996	152,597
Rental and other revenue	14,667,568	14,498,309	2,033,807
Proceeds from sale of land, net	<u>(135,565)</u>	<u>(135,565)</u>	-
Total operating revenues	<u>18,231,783</u>	<u>17,338,560</u>	<u>11,174,682</u>
Operating expenses:			
Development costs	616,363	346,771	5,294,325
Adjustment to net realizable value	199,634	193,524	418,386
Salaries and benefits	425,645	386,159	546,021
General and administrative	4,732,737	4,125,735	2,091,258
Management fee	123,950	115,750	91,454
Depreciation	<u>3,830,301</u>	<u>3,482,092</u>	<u>4,198,380</u>
Total operating expenses	<u>9,928,629</u>	<u>8,650,031</u>	<u>12,639,824</u>
Operating income (loss)	8,303,154	8,688,530	(1,465,142)
Non-operating revenues (expenses):			
Interest expense	(379,422)	(355,523)	(933,410)
Amortization expense	(52,710)	(50,451)	(74,872)
Interest income	673	628	1,278
Other income	<u>85,620</u>	<u>85,620</u>	-
Total non-operating revenues (expenses)	<u>(345,839)</u>	<u>(319,726)</u>	<u>(1,007,004)</u>
Change in net position	7,957,315	8,368,804	(2,472,146)
Net position - beginning of period	<u>76,742,639</u>	<u>76,742,639</u>	<u>78,603,896</u>
Add: Capital contribution	961,847	961,847	610,889
Net position - end of period	<u>\$ 85,661,801</u>	<u>\$ 86,073,290</u>	<u>\$ 76,742,639</u>

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Net Position
November 30, 2021 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
ASSETS					
Current assets:					
Cash	\$ 3,270,495	\$ 52	\$ 127,491	\$ -	\$ 3,398,038
Restricted cash	4,075,874	-	401,561	-	4,477,434
Grants receivable	10,259,631	-	-	-	10,259,631
Other current assets	7,476,249	15	132,359	(952,415)	6,656,208
Total current assets	25,082,249	67	661,410	(952,415)	24,791,311
Noncurrent assets:					
Loans receivable	61,853,679	-	-	(52,187,279)	9,666,400
Equity investment	-	59,498,971	-	(59,320,920)	178,051
Capital assets, net	8,078,844	-	101,008,289	-	109,087,133
Land and improvement held for sale, net	3,374,634	-	-	-	3,374,634
Total noncurrent assets	73,307,157	59,498,971	101,008,289	(111,508,199)	122,306,218
Total assets	\$ 98,389,406	\$ 59,499,038	\$ 101,669,699	\$ (112,460,614)	\$ 147,097,530
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expense	\$ 605,319	\$ 957,775	\$ 23,044	(952,415)	(1)\$ 633,723
Line of credit	-	-	665,466	-	665,466
Unearned grant revenue	15,274,612	-	-	-	15,274,612
Total liabilities	15,879,931	957,775	688,510	(952,415)	16,573,802
Noncurrent liabilities:					
Note payable	257,381	-	-	-	257,381
Deferred rent liability	-	-	20,335,279	-	20,335,279
Loans payable, noncurrent	369,750	52,187,279	23,899,517	(52,187,279)	24,269,267
Total noncurrent liabilities	627,131	52,187,279	44,234,796	(52,187,279)	44,861,927
NET POSITION					
Net investment in capital assets	7,709,094	-	77,108,772	-	84,817,866
Restricted	3,639,233	-	-	-	3,639,233
Unrestricted	70,534,016	6,353,984	(20,362,379)	(59,320,920)	(2,795,298)
Total net position	81,882,343	6,353,984	56,746,393	(59,320,920)	85,661,801
Total liabilities and net position	\$ 98,389,406	\$ 59,499,038	\$ 101,669,699	\$ (112,460,614)	\$ 147,097,530

(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 November 30, 2021 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
Operating revenues:					
Grant revenue	\$ 3,565,201	\$ -	\$ -	\$ -	\$ 3,565,201
Brownfield funds	30,528	-	-	-	30,528
Loan interest and commitment fees	104,051	-	-	-	104,051
Rental and other revenue	171,476	12,719,974	1,776,118	-	14,667,568
Proceeds from land sales, net	(135,565)	-	-	-	(135,565)
Total operating revenue	<u>3,735,691</u>	<u>12,719,974</u>	<u>1,776,118</u>	<u>-</u>	<u>18,231,783</u>
Operating expenses:					
Development costs	616,363	-	-	-	616,363
Adjustment to net realizable value	199,634	-	-	-	199,634
Salaries and benefits	425,645	-	-	-	425,645
General and administrative	4,522,494	6,860	203,383	-	4,732,737
Management fee	90,200	-	33,750	-	123,950
Depreciation	-	-	3,830,301	-	3,830,301
Total operating expenses	<u>5,854,336</u>	<u>6,860</u>	<u>4,067,433</u>	<u>-</u>	<u>9,928,629</u>
Operating income	(2,118,645)	12,713,114	(2,291,315)	-	8,303,154
Non-operating revenues (expenses):					
Interest expense	(14,822)	-	(364,600)	-	(379,422)
Amortization expense	-	-	(52,710)	-	(52,710)
Interest income	461	52	160	-	673
Other income	85,620	-	-	-	85,620
Total non-operating revenues (expenses)	<u>71,258</u>	<u>52</u>	<u>(417,150)</u>	<u>-</u>	<u>(345,839)</u>
Change in net position	(2,047,386)	12,713,166	(2,708,465)	-	7,957,315
Net position - beginning of year	83,929,730	(6,359,182)	44,635,017	(45,462,926)	(1) 76,742,639
Add: capital contributions	-	-	14,819,841	(13,857,994)	(1) 961,847
Net position - end of period	<u>\$ 81,882,344</u>	<u>\$ 6,353,984</u>	<u>\$ 56,746,393</u>	<u>\$ (59,320,920)</u>	<u>\$ 85,661,801</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 November 30, 2021 (Unaudited)

	YTD November 2021	YTD Budget 2021	Variance
Operating revenues:			
Grant revenue	\$ 3,565,201	\$ 8,297,361	\$ (4,732,160)
Brownfield funds	30,528	76,083	(45,556)
Loan interest and commitment fees	104,051	88,609	15,443
Rental and other revenue	14,667,568	1,840,708	12,826,860
Proceeds from land sales, net	<u>(135,565)</u>	<u>(53,062)</u>	<u>(82,503)</u>
Total operating revenues	18,231,783	10,249,699	7,982,084
Operating expenses:			
Development costs	616,363	722,123	(105,759)
Adjustment to net realizable value	199,634	-	199,634
Salaries and benefits	425,645	489,187	(63,543)
General and administrative	4,732,737	5,423,791	(691,054)
Management fee	123,950	94,417	29,533
Depreciation	<u>3,830,301</u>	<u>4,216,667</u>	<u>(386,366)</u>
Total operating expenses	<u>9,928,629</u>	<u>10,946,184</u>	<u>(1,017,555)</u>
Operating income (loss)	8,303,154	(696,485)	8,999,639
Non-operating revenues (expenses):			
Interest expense	(379,422)	(667,952)	288,530
Amortization expense	(52,710)	(43,676)	(9,034)
Interest income	673	917	(243)
Other income	<u>85,620</u>	<u>-</u>	<u>85,620</u>
Total non-operating revenues (expenses)	<u>(345,839)</u>	<u>917</u>	<u>85,377</u>
Change in net position	<u>\$ 7,957,315</u>	<u>\$ (695,569)</u>	<u>\$ 9,085,016</u>

Budget variances:

- Grant revenue relates to Ralph C. Wilson, Jr. Centennial Park and Northland Corridor Projects. The variance is due to lower grant revenue recognition than anticipated. Work at 541 E Delavan has been on pause and Centennial Park is in the Construction Documents phase.
- 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 2018 Brownfield tax credit refund to 683 WTC, LLC of \$12.7 million.
- Proceeds from land sales (net) is a result of the Crowley St. sale and the sale of 255 Ship Canal Parkway.
- Development costs consist of property/project-related costs (e.g. construction, operations and maintenance, legal and utility costs) related to projects along Northland Avenue. Some costs will 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 lines of credit of BUDC and 683 Northland LLC.
- Other income represents an inflow of resources from the forgiveness of BUDC's PPP loan.

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Item 4.1

MEMORANDUM

TO: BUDC Board of Directors

FROM: Antonio Parker, Project Manager

SUBJECT: Ralph C. Wilson, Jr. Centennial Park – Gardiner & Theobald Construction Document Phase Cost Estimate

DATE: December 21, 2021

On November 26, 2019, the BUDC Board of Directors approved an initial design phase contract in the amount of \$884,000 with Gardiner and Theobald Inc. for project and cost management services (the “Agreement”) for the redevelopment of Ralph C. Wilson Jr. Centennial Park (the “Project”). The Agreement provided for one (1) cost estimate at 50 percent Design Development as part of the base scope of work and requires additional cost estimates to be billed as additional services.

Gardiner and Theobald has submitted a change order request, which has been reviewed by BUDC and the City of Buffalo, to provide a cost estimate at 50 percent Construction Document phase in the amount of \$50,000, which would include an analysis of costs, budgets and recommendations for value engineering if needed (the “CD Cost Estimate”). As the Project moves forward towards construction, the CD Cost Estimate will be necessary to ensure the Project is completed within the current budget. Funding for this change order has already been secured through the previously awarded Ralph C. Wilson, Jr. Foundation Grant Agreement # 6 that was approved by the Board on March 30, 2021. This item was reviewed with the BUDC Downtown Committee on December 15, 2021 and was recommended for BUDC Board approval.

ACTION:

I am requesting that the BUDC Board of Directors (i) approve an amendment to the Agreement in order for Gardiner and Theobald to provide the CD Cost Estimate in the amount of \$50,000 and (ii) authorize BUDC President or BUDC Executive Vice President to execute such documents and take such actions as may be necessary to implement this 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

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Item 4.2

MEMORANDUM

TO: BUDC Board of Directors

FROM: Antonio Parker, Project Manager

SUBJECT: Ralph C. Wilson, Jr. Centennial Park – Gardiner & Theobald Contract Extension Amendment

DATE: December 21, 2021

On November 26, 2019, the BUDC Board of Directors approved the selection of Gardiner and Theobald Inc. as project manager for the Ralph C. Wilson, Jr. Centennial Park project (the “Project”) and an initial contract through December 2021 for Gardiner and Theobald’s project and cost management services through the construction documents phase (the “Agreement”). The cost for the initial engagement was in the amount of \$884,000 and was paid with funding from the Ralph C. Wilson, Jr. Foundation Grant Agreement #1.

As we near the expiration of the initial contract and move into the construction phase of the Project, an amendment to the agreement in the amount of \$1,885,000 is needed in order for Gardiner and Theobald to continue its services through the procurement and construction phases of the Project. Gardiner and Theobald’s scope of work for its continued project management services will include services through the bid and contractual, construction, post construction, and final accounting phases of the Project. The contract is anticipated to start January 1, 2022 and would be fully funded through the Ralph C. Wilson, Jr. Foundation Grant Agreement# 6 that was approved by the BUDC Board on March 30, 2021. This item was reviewed with the BUDC Downtown Committee on December 15, 2021 and was recommended for BUDC Board approval.

ACTION:

I am requesting that the BUDC Board of Directors: (i) approve the amendment to the Agreement to extend Gardiner & Theobald’s project and cost management services through the procurement and construction phases of the Ralph C. Wilson, Jr. Centennial Park project in the amount of \$1,885,000 and (ii) authorize BUDC President or BUDC Executive Vice President to execute such documents and take such actions as may be necessary to implement this 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

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Item 4.3

MEMORANDUM

TO: BUDC Board of Directors

FROM: Rebecca Gandour, Executive Vice President

SUBJECT: Buffalo Lakeside Commerce Park Property Owners Association

DATE: December 21, 2021

In 2015, BUDC formed the Buffalo Lakeside Commerce Park Property Owners Association (the “POA”). The purpose of the POA is to provide a mechanism for property owners to collectively fund the maintenance of certain common areas of BLCP, principally Ship Canal Commons.

Prior to BUDC’s sale of the 255 Ship Canal Parkway parcel to Uniland, BUDC was the sole Member of the POA. Accordingly, there was only a limited governance structure in place for the POA. With Uniland now a Member of the POA, it is recommended that a more formal POA governance structure be established.

Based on prior discussions and input from the Real Estate Committee, a five-member Board structure for the POA is being proposed. The Board structure would be similar to the BBRC Board, with a subset of the Real Estate Committee serving as Directors of the POA. In addition, we are proposing that a representative of Uniland also serve on the Board. We propose the following slate of Directors for the POA:

Thomas A. Kucharski
Maria R. Whyte
Dennis M. Penman
Janique S. Curry
Uniland representative (TBD)

We also propose the following slate of officers for the POA:

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

President: Brandye Merriweather
Vice President: Rebecca Gandour
Treasurer: Mollie Profic
Secretary: Kevin Zanner, Esq.
Assistant Treasurer: Atiq Abidi

This matter was initially discussed at the September Audit & Finance Committee meeting and was presented for information purposes to seek preliminary input and comment from the Real Estate Committee at its October and November meetings. The item was also presented to the BUDC Governance Committee on December 16th, but due to a lack of quorum, could not be voted on.

ACTION:

We are requesting that the BUDC Board of Directors: (i) approve the proposed slate of Directors and Officers for the POA; (ii) authorize the calling of a membership meeting of the POA for the purpose of electing the POA Board of Directors; and (iii) authorize the calling of a POA Board of Directors meeting for the purpose of electing officers.