

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, February 22, 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)(Handout to Be Distributed)*
- 3.2 BUDC Consolidated Financial Statements *(Action)(Handout To Be Distributed)*

4.0 NEW BUSINESS

- 4.1 Ralph C. Wilson, Jr. Centennial Park – RCWJF Grant Agreement #5 *(Action)(Encl.)*
- 4.2 Ralph C. Wilson, Jr. Centennial Park – SJB Contract Amendment *(Action)(Encl.)*
- 4.3 Bisonwing Planning and Development, LLC Agreement Renewal *(Information)*
- 4.4 Mustard Seed Consulting, LLC Agreement Renewal *(Information)*
- 4.5 Buffalo Lakeside Commerce Park - Project Update *(Information)*
- 4.6 Ralph C. Wilson, Jr. Centennial Park - Project Update *(Information)*
- 4.7 Northland Beltline Corridor Update *(Information)*
- 4.8 Race For Place Project Update *(Information)*
- 4.9 308 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

**January 25, 2022
12:00 p.m.**

Directors Present:

Mayor Byron W. Brown (Chair)
Daniel Castle
Janique S. Curry
Dennis W. Elsenbeck
Darby Fishkin
Dottie Gallagher
Thomas Halligan
Thomas A. Kucharski
Brendan R. Mehaffy
Dennis M. Penman (Vice Chair)
Darius G. Pridgen

Directors Absent:

Trina Burruss
Michael J. Finn
Kimberley A. Minkel
David J. Nasca
Maria R. Whyte

Officers Present:

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

Guests Present: Tuona Batchelor, Erie County Department of Environment and Planning; Alexis M. Florczak, Hurwitz & Fine, P.C.; Lisa Hlcks, City of Buffalo Office of Strategic Planning; and Antonio Parker, BUDC Project Manager.

- 1.0 Roll Call** – Mayor Brown called the meeting to order at 12:03 p.m. A quorum was not present. Information items 3.1 and 4.3 through 4.8 were presented in the absence of a quorum. Ms. Gallagher and Mr. Pridgen joined the meeting following the presentation of agenda item 4.8. The Secretary then called the roll and a quorum of the Board was determined to be present.

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 December 21, 2021** – The minutes of the December 21, 2021 meeting of the Board of Directors were presented. Mr. Pridgen made a motion to approve the meeting minutes. The motion was seconded by Ms. Curry and unanimously carried (11-0-0).

3.0 Monthly Financial Reports

- 3.1 Finance Update & Audit Plan for Year Ended December 31, 2021** – Ms. Profic updated the Board regarding the year-end audits for BUDC and affiliated entities. It is anticipated that draft audit reports will be reviewed at the March 22nd Audit & Finance Committee meeting and presented to the full Board at its March 29th meeting.

4.0 New Business

- 4.1 Northland Central – Manna Culinary Second Lease Amendment** – Ms. Gandour presented her January 25, 2022 memorandum regarding a proposed amendment to the Manna Culinary Group Inc. lease. This item was reviewed with the Real Estate Committee at its January 18, 2022 meeting and recommended for Board approval. Mr. Penman made a motion to: (i) approve a lease amendment with Manna Culinary Group Inc. consistent with the terms outlined in the January 25, 2022 memorandum; and (ii) authorize the President or Executive Vice President to execute the lease amendment on behalf of 683 Northland Master Tenant, LLC. The motion was seconded by Ms. Curry and unanimously carried (11-0-0).

- 4.2 308 Crowley – Land Sale to Enterprise Folding Box Co., Inc.** – Ms. Merriweather presented her January 25, 2022 memorandum and proposed Board resolution regarding the sale of vacant land at 308 Crowley to Enterprise Folding Box Co., Inc. This item was reviewed with the Real Estate Committee at its January 18, 2022 meeting and was recommended for Board approval. Mr. Kucharski made a motion to adopt the resolution approving the sale of a 2.082+/- parcel of land at 308 Crowley to Enterprise Folding Box Co., Inc. The motion was seconded by Mr. Eisenbeck and unanimously carried (11-0-0).

- 4.3 308 Crowley Project Update** – Ms. Merriweather reported that BUDC is continuing to work with the City Department of Permits and Inspections regarding the phase 2 demolition work.

- 4.4 Cammarata Consulting, LLC Agreement Renewal** – Ms. Merriweather reported that the Audit & Finance Committee approved a consulting agreement with Cammarata Consulting, LLC for assistance with projects relating to Buffalo Lakeside Commerce Park, the Northland Corridor and other BUDC matters. Ms. Merriweather also noted that BUDC is seeking to hire a director of project management and construction.

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

Sale to Zephyr Investors: The multi-party agreement with Zephyr Investors has been executed in connection with Zephyr's request for consent to submit applications to the Brownfield Cleanup Program.

193 Ship Canal Parkway: NYSDEC has indicated that it is receptive to GW Burnett subdividing this parcel and anticipates discussing land sale terms with the Real Estate Committee at its February or March meeting.

BLCP Property Owners Association: The POA held its annual Members and Board of Directors meetings on January 18th. A new Board of Directors was appointed.

4.6 Ralph C. Wilson, Jr. Centennial Park – Project Update – Mr. Parker reported that the Project is advancing and moving closer to the construction phase. Fifty percent of construction documents were completed as of December 2021 and are anticipated to be 100% complete in summer 2022. BUDC and the City are working on the request for qualifications for the City to retain a construction manager at risk for the construction phase, which is being targeted for release on February 1st. BUDC recently received notification regarding funds from the Ralph C. Wilson, Jr. Foundation in the amount of 6.9 million dollars that will be used for phase 1 of core park construction.

4.7 Northland Beltline Corridor Update – Ms. Gandour presented the Northland Beltline Corridor Project update as follows:

Community Solar & Microgrid Project: BUDC staff met with Frey Electric, the Workforce Training Center and ESD to discuss the solar curriculum component of the project. This is the final component to be addressed before BUDC submits its request to ESD for the remaining \$1.8 million in funding for the project.

NWTC/ESD/BUDC MOU: The equipment inventory update has been completed and BUDC received an updated list of equipment at the end of December 2021. BUDC and the Workforce Training Center are reviewing the list and will coordinate with ESD to incorporate the list into the MOU.

Misc. Project Management Updates: 683 Northland was one of three projects featured in the National Parks Service Annual Report on Economic Impact and Historic Tax Credits.

4.8 Race for Place Project Update – Ms. Merriweather presented an update regarding Buffalo's Race for Place. Interviews are being conducted for the transportation demand management RFP. Proposals are being evaluated to select a design team in connection with the flexible smart corridors initiative. Ms. Merriweather also reported that on January 24th, BUDC received news that the City was chosen to receive grant funding from General Motors and the Project for Public Spaces to further the Ellicott Street Placemaking Strategy. The quarterly waterfront coordination meeting was held last week with waterfront stakeholders. BUDC is working with its partner banks on modifications to the BBRP loan program.

5.0 Late Files

5.1 Build Back Better Program Subaward – Memorandum of Understanding –Mr. Pridgen made a motion to accept a late file item involving a memorandum of understanding for the Build Back Better program. The motion was seconded by Mr. Mehaffy and unanimously carried. Ms. Gandour then presented her January 25, 2022 memorandum regarding the Build Back Better memorandum of understanding. Following this presentation, Ms. Gallagher made a motion to: (i) accept the \$46,429 sub-award from ESD related to the EDA Build Back Better Challenge; and (ii) authorize the President or Executive Vice President to execute the memorandum of understanding and take such actions as are necessary to implement this action. The motion was seconded by Mr. Penman and unanimously carried (11-0-0).

6.0 Tabled Items – None.

7.0 Executive Session – None.

8.0 Adjournment – There being no further business to come before the Board, on motion made by Ms.

Curry, seconded by Ms. Gallagher and unanimously carried (11-0-0), the January 25, 2022 Board of Directors meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Kevin J. Zanner, Secretary

683 Northland Master Tenant, LLC

Financial Statements

January 31, 2022
(Unaudited)

683 NORTHLAND MASTER TENANT, LLC
Balance Sheet

	January 2022	(Unaudited) December 2021	December 2020
ASSETS			
Current assets:			
Cash	\$ 193,486	\$ 107,791	\$ 56,739
Tenant receivable	56,384	74,685	30,533
Prepaid expenses	97,686	106,662	90,355
Total current assets	<u>347,556</u>	<u>289,138</u>	<u>177,627</u>
Prepaid rent - sublessee	432,362	426,309	306,965
Prepaid leasing commission	215,525	217,938	112,223
Tenant security deposits	84,850	84,850	75,750
Cash reserves	365,983	365,967	375,784
Equipment, net	6,535	6,535	8,964
Prepaid rent - Master Lease Agreement	25,528,601	25,528,601	19,996,180
Total assets	<u>\$ 26,981,412</u>	<u>\$ 26,919,338</u>	<u>\$ 21,053,493</u>
LIABILITIES & MEMBERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 206,885	\$ 144,555	\$ 119,334
Due to related parties	337,363	337,363	381,281
Total current liabilities	<u>544,248</u>	<u>481,918</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	5,425,682	5,309,411	3,916,352
Deferred rent liability - sublessee	6,104,749	6,150,839	6,703,913
Distribution payable - priority return	113	113	148,209
Total noncurrent liabilities	<u>11,665,325</u>	<u>11,595,144</u>	<u>10,894,155</u>
MEMBERS' EQUITY	14,771,839	14,842,276	9,658,723
Total liabilities and net position	<u>\$ 26,981,412</u>	<u>\$ 26,919,338</u>	<u>\$ 21,053,493</u>

683 NORTHLAND MASTER TENANT, LLC
Income Statement

Year-to-Date For the Period Ended:

	January 2022	(Unaudited) December 2021	December 2020
Revenues:			
Rental revenue	\$ 122,179	\$ 1,468,499	\$ 1,249,168
Additional rental revenue	61,060	648,676	390,730
Interest and other revenue	25	261	556
Total revenues	<u>183,264</u>	<u>2,117,436</u>	<u>1,640,454</u>
Expenses:			
Rent expense	156,645	1,879,742	1,879,742
Payroll	10,674	149,471	149,829
Utilities expense	44,594	90,116	126,631
Insurance expense	10,158	120,629	115,150
Professional fees	2,413	85,899	52,206
Property management fee	5,811	67,515	49,861
Real estate taxes	241	19,626	20,645
Repairs and maintenance	23,165	188,870	90,993
Asset management fee	-	10,000	10,000
Miscellaneous expense	-	103	7,232
Depreciation expense	-	2,429	2,429
Total expenses	<u>253,701</u>	<u>2,614,400</u>	<u>2,504,718</u>
Net loss	(70,437)	(496,964)	(864,264)
Members' equity - beginning of period	<u>14,842,276</u>	<u>9,658,723</u>	<u>7,494,530</u>
Change in members' equity	(70,437)	(496,964)	(864,264)
Members' capital contributions	-	5,680,517	3,176,666
Distributions	-	-	(148,209)
Members' equity - end of period	<u>\$ 14,771,839</u>	<u>\$ 14,842,276</u>	<u>\$ 9,658,723</u>

683 NORTHLAND MASTER TENANT, LLC
Statement of Cash Flows

Year-to-Date For the Period Ended:

	<u>January 2022</u>	<u>(Unaudited) December 2021</u>	<u>December 2020</u>
Cash flows from operating activities:			
Net loss	\$ (70,437)	\$ (496,964)	\$ (864,264)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	-	2,429	2,429
Decrease (increase) in assets:			
Tenant receivables	18,301	(44,152)	331,081
Prepaid insurance	8,976	(16,307)	(71,854)
Accrued rental income	(6,053)	(119,344)	(260,970)
Prepaid leasing commission	2,413	(105,715)	(112,223)
Prepaid rent - Master Lease Agreement	116,271	1,393,059	1,445,129
Increase (decrease) in liabilities:			
Security deposit liability	-	9,100	36,300
Accounts payable	62,330	25,221	86,906
Due to related parties	-	(43,918)	58,850
Deferred rent liability - sublessee	(46,090)	(553,074)	(580,483)
Net cash provided (used) by operating activities	<u>85,711</u>	<u>50,335</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	3,176,666
Distributions	-	(148,096)	(105,026)
Payments of prepaid rent under Master Lease Agreement	-	(5,532,421)	(3,071,640)
Net cash provided by financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	85,711	50,335	66,989
Cash and restricted cash - beginning of period	<u>558,608</u>	<u>508,273</u>	<u>441,284</u>
Cash and restricted cash - end of period	<u>\$ 644,319</u>	<u>\$ 558,608</u>	<u>\$ 508,273</u>

683 NORTHLAND MASTER TENANT, LLC
Budget to Actual Comparison

	YTD January 2022	YTD Budget 2022	Variance
Revenues:			
Rental revenue	\$ 122,179	\$ 122,746	\$ (567)
Additional rent revenue	61,060	52,917	8,143
Interest and other revenue	25	42	(17)
Total revenues	<u>183,264</u>	<u>175,704</u>	<u>7,560</u>
Expenses:			
Rent expense	156,645	156,645	(0)
Payroll	10,674	14,480	(3,806)
Utilities	44,594	7,667	36,927
Insurance	10,158	10,250	(92)
Professional fees	2,413	5,667	(3,254)
Property management fee	5,811	6,167	(356)
Real estate taxes	241	2,000	(1,759)
Repairs and maintenance	23,165	17,667	5,498
Asset management fee	-	10,000	(10,000)
Miscellaneous	-	417	(417)
Depreciation	-	-	-
Total expenses	<u>253,701</u>	<u>230,959</u>	<u>22,743</u>
Net income (loss)	\$ (70,437)	\$ (55,254)	\$ (15,183)

Buffalo Urban Development Corporation

Consolidated Financial Statements

January 31, 2022

(Unaudited)

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

	January 2022	(Unaudited) December 2021
ASSETS		
Current assets:		
Cash	\$ 2,594,504	\$ 2,817,691
Restricted cash	4,477,069	4,487,462
Grants receivable	9,650,727	10,160,552
Other current assets	6,625,678	7,181,336
Total current assets	<u>23,347,977</u>	<u>24,647,041</u>
Noncurrent assets:		
Loans receivable	9,666,400	9,666,400
Equity investment	178,051	178,051
Capital assets, net	108,920,572	109,250,572
Land and improvement held for sale, net	3,363,434	3,363,434
Total noncurrent assets	<u>122,128,457</u>	<u>122,458,457</u>
Total assets	<u>\$ 145,476,434</u>	<u>\$ 147,105,498</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 274,508	\$ 1,460,924
Lines of credit	677,158	677,158
Unearned grant revenue	14,413,646	14,416,672
Total current liabilities	<u>15,365,312</u>	<u>16,554,754</u>
Note payable	257,381	257,381
Deferred rent liability	20,102,919	20,219,190
Loans payable, noncurrent	24,271,526	24,271,526
Total noncurrent liabilities	<u>44,631,826</u>	<u>44,748,097</u>
NET POSITION		
Net investment in capital assets	84,649,046	84,979,046
Restricted	3,639,243	3,639,243
Unrestricted	(2,808,993)	(2,815,643)
Total net position	<u>85,479,297</u>	<u>85,802,646</u>
Total liabilities and net position	<u>\$ 145,476,434</u>	<u>\$ 147,105,498</u>

Balance Sheet Notes:

- Grants receivable decreased due to receipt of grant funds during the month.
- Capital assets decrease is due to monthly depreciation expense.
- Accounts payable/accrued expenses decreased due to payment of invoices.
- Lines of credit: balances at end of January are \$0 BUDC; \$677,158 683 Northland. 683 Northland took no advar during the month and BUDC's line is currently paid down.

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

	January 2022	(Unaudited) December 2021
Operating revenues:		
Grant revenue	\$ 3,027	\$ 4,425,141
Brownfield funds	-	40,821
Loan interest and commitment fees	8,055	661,338
Rental and other revenue	174,458	14,836,826
Proceeds from sale of land, net	-	(147,346)
Total operating revenues	<u>185,540</u>	<u>19,816,781</u>
Operating expenses:		
Development costs	10,429	635,526
Adjustment to net realizable value	-	98,713
Salaries and benefits	31,419	482,780
General and administrative	105,589	5,434,727
Management fee	6,800	115,408
Depreciation	330,000	3,909,807
Total operating expenses	<u>484,237</u>	<u>10,676,960</u>
Operating income (loss)	(298,696)	9,139,821
Non-operating revenues (expenses):		
Interest expense	(24,696)	(999,710)
Amortization expense	-	(54,968)
Interest income	42	719
Other income	-	12,299
Total non-operating revenues (expenses)	<u>(24,653)</u>	<u>(1,041,660)</u>
Change in net position	(323,349)	8,098,161
Net position - beginning of period	<u>85,802,647</u>	<u>76,742,639</u>
Add: Capital contribution	-	961,847
Net position - end of period	<u>\$ 85,479,297</u>	<u>\$ 85,802,647</u>

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Net Position
January 31, 2022 (Unaudited)

	<u>Buffalo Urban Development Corporation</u>	<u>683 WTC, LLC</u>	<u>683 Northland LLC</u>	<u>Eliminations (1)</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash	\$ 2,492,775	\$ 52	\$ 101,676	\$ -	\$ 2,594,504
Restricted cash	4,086,184	-	390,885	-	4,477,069
Grants receivable	9,650,727	-	-	-	9,650,727
Other current assets	8,001,231	15	135,559	(1,511,126) (1)	6,625,678
Total current assets	<u>24,230,917</u>	<u>67</u>	<u>628,120</u>	<u>(1,511,126)</u>	<u>23,347,977</u>
Noncurrent assets:					
Loans receivable	61,853,679	-	-	(52,187,279) (1)	9,666,400
Equity investment	-	59,498,971	-	(59,320,920) (1)	178,051
Capital assets, net	8,329,383	-	100,591,189	-	108,920,572
Land and improvement held for sale, net	3,363,434	-	-	-	3,363,434
Total noncurrent assets	<u>73,546,496</u>	<u>59,498,971</u>	<u>100,591,189</u>	<u>(111,508,199)</u>	<u>122,128,457</u>
Total assets	<u>\$ 97,777,412</u>	<u>\$ 59,499,038</u>	<u>\$ 101,219,309</u>	<u>\$ (113,019,325)</u>	<u>\$ 145,476,434</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expense	\$ 241,475	\$ 1,511,126	\$ 33,033	\$ (1,511,126) (1)	\$ 274,508
Line of credit	-	-	677,158	-	677,158
Unearned grant revenue	14,413,646	-	-	-	14,413,646
Total liabilities	<u>14,655,121</u>	<u>1,511,126</u>	<u>710,191</u>	<u>(1,511,126)</u>	<u>15,365,312</u>
Noncurrent liabilities:					
Note payable	257,381	-	-	-	257,381
Deferred rent liability	-	-	20,102,919	-	20,102,919
Loans payable, noncurrent	369,750	52,187,279	23,901,776	(52,187,279) (1)	24,271,526
Total noncurrent liabilities	<u>627,131</u>	<u>52,187,279</u>	<u>44,004,695</u>	<u>(52,187,279)</u>	<u>44,631,826</u>
NET POSITION					
Net investment in capital assets	7,959,633	-	76,689,413	-	84,649,046
Restricted	3,639,243	-	-	-	3,639,243
Unrestricted	70,896,285	5,800,633	(20,184,990)	(59,320,920) (1)	(2,808,993)
Total net position	<u>82,495,161</u>	<u>5,800,633</u>	<u>56,504,423</u>	<u>(59,320,920)</u>	<u>85,479,297</u>
Total liabilities and net position	<u>\$ 97,777,412</u>	<u>\$ 59,499,038</u>	<u>\$ 101,219,309</u>	<u>\$ (113,019,325)</u>	<u>\$ 145,476,434</u>

(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 January 31, 2022 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
Operating revenues:					
Grant revenue	\$ 3,027	\$ -	\$ -	\$ -	\$ 3,027
Brownfield funds	-	-	-	-	-
Loan interest and commitment fees	8,055	-	-	-	8,055
Rental and other revenue	17,813	-	156,645	-	174,458
Proceeds from land sales, net	-	-	-	-	-
Total operating revenue	<u>28,895</u>	<u>-</u>	<u>156,645</u>	<u>-</u>	<u>185,540</u>
Operating expenses:					
Development costs	10,429	-	-	-	10,429
Adjustment to net realizable value	-	-	-	-	-
Salaries and benefits	31,419	-	-	-	31,419
General and administrative	101,364	4,120	105	-	105,589
Management fee	6,800	-	-	-	6,800
Depreciation	-	-	330,000	-	330,000
Total operating expenses	<u>150,011</u>	<u>4,120</u>	<u>330,105</u>	<u>-</u>	<u>484,237</u>
Operating income	(121,116)	(4,120)	(173,460)	-	(298,696)
Non-operating revenues (expenses):					
Interest expense	(884)	-	(23,812)	-	(24,696)
Amortization expense	-	-	-	-	-
Interest income	38	-	5	-	42
Other income/expenses	-	-	-	-	-
Total non-operating revenues (expenses)	<u>(846)</u>	<u>-</u>	<u>(23,808)</u>	<u>-</u>	<u>(24,653)</u>
Change in net position	(121,962)	(4,120)	(197,268)	-	(323,349)
Net position - beginning of year	82,617,122	5,804,753	56,701,691	(59,320,920) (1)	85,802,646
Add: capital contributions	-	-	-	-	-
Net position - end of period	<u>\$ 82,495,161</u>	<u>\$ 5,800,633</u>	<u>\$ 56,504,423</u>	<u>\$ (59,320,920)</u>	<u>\$ 85,479,297</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 January 31, 2022 (Unaudited)

	<u>YTD January 2022</u>	<u>YTD Budget 2022</u>	<u>Variance</u>
Operating revenues:			
Grant revenue	\$ 3,027	\$ 1,117,083	\$ (1,114,057)
Brownfield funds	-	5,583	(5,583)
Loan interest and commitment fees	8,055	8,055	(0)
Rental and other revenue	174,458	167,277	7,181
Proceeds from land sales, net	<u>-</u>	<u>(5,958)</u>	<u>5,958</u>
Total operating revenues	<u>185,540</u>	1,292,041	(1,106,500)
Operating expenses:			
Development costs	10,429	58,903	(48,474)
Adjustment to net realizable value	-	-	-
Salaries and benefits	31,419	40,402	(8,984)
General and administrative	105,589	873,127	(767,538)
Management fee	6,800	7,875	(1,075)
Depreciation	<u>330,000</u>	<u>340,167</u>	<u>(10,167)</u>
Total operating expenses	<u>484,237</u>	<u>1,320,474</u>	<u>(836,237)</u>
Operating income (loss)	(298,696)	(28,433)	(270,263)
Non-operating revenues (expenses):			
Interest expense	(24,696)	(31,973)	7,277
Amortization expense	-	(833)	833
Interest income	42	83	(41)
Other income	<u>-</u>	<u>75,121</u>	<u>(75,121)</u>
Total non-operating revenues (expenses)	<u>(24,653)</u>	<u>42,398</u>	<u>(67,052)</u>
Change in net position	\$ (323,349)	\$ 13,965	\$ (337,315)

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 in the beginning of the year.
- 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.
- 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.
- Depreciation relates mainly to capitalized assets at 683 Northland Avenue.
- Interest expense represents cost of borrowing related to construction of 683 Northland and 683 Northland LLC line of credit.

Buffalo Urban Development Corporation

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

Buffalo Urban Development Corporation

web: buffalourbandevelopment.com



Item 4.1

MEMORANDUM

TO: BUDC Board of Directors

FROM: Antonio Parker, Project Manager

SUBJECT: Ralph C. Wilson, Jr. Centennial Park – Ralph C. Wilson, Jr. Foundation Grant Agreement #5

DATE: February 22, 2022

The BUDC Board of Directors previously authorized BUDC to accept grant funding from the Ralph C. Wilson, Jr. Foundation (the “Foundation”) for the redevelopment of the Ralph C. Wilson, Jr. Centennial Park (“Centennial Park”). In late October 2021, BUDC submitted a grant proposal to the Foundation for initial funding of the core park construction commitment for Centennial Park. This proposal was BUDC’s first request for construction funding that the Foundation had previously committed to Centennial Park construction in 2018 through a partnership between the Foundation and the City of Buffalo. On February 3, 2022, the Foundation notified BUDC that a grant award in the amount of \$6,906,050 was approved.

This three-year grant award (2022-2024) will be used towards Phase 1 core park construction at Centennial Park, beginning with the construction of the following:

- Pedestrian bridge landing connections in both Centennial Park and 4th Street Park;
- Park roadway work at the main arterial road running through the park;
- Site work (48’ water main connection and new electrical services).

This \$6,906,050 grant is the final component of the Phase 1 Centennial Park construction budget (\$24.4M budget) that also consists of funding from the following sources:

\$7,500,000 - Dormitory Authority of the State of New York (Pedestrian Bridge)
\$3,000,000 – City of Buffalo Bond (Pedestrian Bridge)
\$5,000,000 – Ralph C. Wilson, Jr. Foundation Match (Pedestrian Bridge)

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

\$1,000,000 – Edith Wilson and Linda Bogdan Memorial Garden

\$1,000,000 – Community Development Block Grant – 4th Street Park sidewalks and lighting (requested)

The grant is contingent on the successful completion of the Request for Qualifications (RFQ) and Request for Proposals (RFP) processes and the City entering into a contract with the construction manager at risk for Centennial Park, which the City of Buffalo and the Project Team (including BUDC and RCWJRF) will oversee. This contingency allows BUDC to execute the grant agreement and will allow for the first installment of funds to be released by the Foundation upon the completion of the RFQ process, which commenced on February 4, 2022 when the City released the formal RFQ.

This item was reviewed by the BUDC Downtown Committee on February 16, 2022 and was recommended for approval by the BUDC Board.

ACTION:

I am requesting that the BUDC Board of Directors (i) accept the \$6,906,050.00 grant award from the Ralph C. Wilson, Jr. Foundation for Phase 1 core park construction and (ii) authorize the President or Executive Vice President to execute an amendment to the Agreement and take such other actions as are necessary or appropriate to implement this action.

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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 – SJB Contract Amendment for Additional Environmental Consulting Services

DATE: February 22, 2022

At the May 26, 2020 meeting, the BUDC Board approved an agreement between BUDC and SJB Services, Inc. (“SJB”) for Centennial Park due diligence services (the “SJB Agreement”). The SJB Agreement was subsequently amended for additional due diligence services, which was approved at the Board’s August 31, 2021 meeting.

BUDC’s Project Manager, Gardiner & Theobald (G&T), has identified a need for additional environmental consulting services for Ralph C. Wilson, Jr. Centennial Park (“Centennial Park”). The additional scope will support fill sourcing and placement on site as well as the associated regulatory coordination with NYSDEC. Because the amount of fill sites and test result packages to be evaluated can change, G&T has developed an allowance not to exceed \$40,000 for these needed services.

The scope of work includes:

- Assisting the City of Buffalo with selecting fill material suitable for the Centennial Park project in conformance with City and NYSDEC requirements;
- Providing technical and regulatory input to help select appropriate site use classification of fill materials based on proposed site use;
- Obtaining fill samples to submit for laboratory testing, and reviewing laboratory results;
- Evaluating suppliers’ documentation and lab reports for compliance with DER-10;
- Visiting each source to identify suitable material limits, including coordinating with the source contractor.

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G&T has coordinated the receipt and review of the SJB proposal and cost estimates. A recommendation memo from G&T is attached. The cost of the work will be covered through a previously awarded grant from the Ralph C. Wilson, Jr. Foundation.

This item is being presented for recommendation as a “single source” procurement pursuant to BUDC’s procurement policy. The single source exception to seeking competitive proposals applies to “a situation where, even though two or more vendors are available to supply the required goods or services, BUDC determines that: (i) one particular vendor has unique knowledge or expertise with respect to the required goods, services or project, rendering the use of the competitive procedures impractical; and (ii) considering the benefits, the cost to BUDC is reasonable. SJB possesses unique knowledge and expertise regarding the Centennial Park project and the project site through its role and involvement with providing due diligence services since July 2020. The benefit to BUDC is that SJB can seamlessly continue providing its services and complete the additional and necessary environmental scope of work without significant onboarding or start-up costs.

This item was reviewed by the BUDC Downtown Committee on February 16, 2022 and was recommended for approval by the BUDC Board.

ACTION:

I am requesting that the BUDC Board of directors (i) approve an amendment to the SJB Agreement in the amount of \$40,000.00 for the additional environmental scope of work (ii) authorize the President or Executive Vice President to execute an amendment to the Agreement and take such other actions as are necessary or appropriate to implement this action.