

## Buffalo Urban Development Corporation

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

web: [buffalourbandevelopment.com](http://buffalourbandevelopment.com)



### Buffalo Urban Development Corporation

#### Board of Directors Meeting

**Date: Tuesday, March 28, 2023 - 12 Noon**

**New Location: Highmark Building - Heritage Conference Room  
257 W. Genesee Street, Buffalo, NY 14202**

#### **1.0 CALL TO ORDER**

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

#### **3.0 NEW BUSINESS**

##### **3.1 Audit & Finance Committee Report** *(Enclosure)*

- 3.1.1 683 Northland Master Tenant, LLC Audited Financial Statements *(Information) (Enclosure)*
- 3.1.2 683 Northland, LLC Audited Financial Statements *(Information) (Enclosure)*
- 3.1.3 2022 BUDC Audited Consolidated Financial Statements Approval *(Action) (Enclosure)*
- 3.1.4 2022 Audited Financial Statements - BBRF *(Information) (Enclosure)*
- 3.1.5 2022 Investment Report Approval *(Action) (Enclosure)*
- 3.1.6 Investment and Deposit Policy Re-adoption *(Action) (Enclosure)*
- 3.1.7 2022 Brownfield Expenses Reimbursement from BBRF Approval *(Action) (Enclosure)*

##### **3.2 Monthly Financial Report Approval** *(Action) (Enclosure)*

##### **3.3 Governance Committee Report** *(Enclosure)*

- 3.3.1 2022 Mission Statement & Performance Measurements w/ Results *(Information)(Enclosure)*
- 3.3.2 2023 Mission Statement & Performance Measurements Approval *(Action)(Enclosure)*
- 3.3.3 Procurement Policy Re-adoption *(Action) (Enclosure)*
- 3.3.4 Property Disposition Guidelines Re-adoption *(Action)(Enclosure)*
- 3.3.5 Whistleblower Policy Re-adoption *(Action)(Enclosure)*
- 3.3.6 Grant Administration Policy Re-adoption *(Action)(Enclosure)*
- 3.3.7 Code of Ethics Policy Re-adoption *(Action)(Enclosure)*
- 3.3.8 Travel, Conferences, Meals & Entertainment Policy Re-adoption *(Action)(Enclosure)*
- 3.3.9 2022 Public Authorities Annual Report Approval *(Action)(Enclosure)*

##### **3.4 Ralph Wilson Park – MVVA Agreement Amendment #10** *(Action)(Enclosure)*

##### **3.5 Northland Corridor - Build Back Better Regional Challenge - A&E, Inspection and Grant Administration Services for Northland Corridor Redevelopment Phase 3** *(Action)(Enclosure)*

##### **3.6 Northland Corridor - 2023-2025 Landscaping Services Contract Approval** *(Action)(Enclosure)*

##### **3.7 Northland Corridor Project Update** *(Information)*

##### **3.8 Race For Place Project Update** *(Information)*

##### **3.9 Ralph Wilson Park Project Update** *(Information)*

##### **3.10 Buffalo Lakeside Commerce Park Project Update** *(Information)*

#### **4.0 LATE FILES**

#### **5.0 TABLED ITEMS**

#### **6.0 EXECUTIVE SESSION**

#### **7.0 ADJOURNMENT** *(Action)*

**Minutes of the Meeting  
of the  
Board of Directors  
Buffalo Urban Development Corporation  
Highmark Building—Heritage Conference Room  
257 W. Genesee Street  
Buffalo, New York 14202  
February 28, 2023  
12:00 p.m.**

**1.0 Call to Order**

Directors Present:

Catherine Amdur  
Trina Burruss  
Janique S. Curry  
Darby Fishkin  
Dottie Gallagher  
Thomas Halligan  
Thomas A. Kucharski  
Nathan Marton  
Brendan R. Mehaffy  
Kimberley A. Minkel  
Dennis M. Penman (Vice Chair)  
Darius G. Pridgen

Directors Absent:

Hon. Byron W. Brown (Chair)  
Scott Bylewski  
Daniel Castle  
Dennis W. Elsenbeck  
Elizabeth Holden  
David J. Nasca  
Karen Utz

Officers Present:

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

Others Present: Cristina Cordero, Gardiner and Theobald (via Zoom); Jonathan Epstein, *The Buffalo News*; Zaque Evans, Senior Economic Development Specialist, Erie County Executive's Office; Alexis M. Florczak, Hurwitz Fine P.C.; Soma Hawramee, ECIDA Compliance Officer; Brian Krygier, Director of IT, ECIDA; Kelly Maloney, Gilbane Building Company; and Antonio Parker, BUDC Project Manager.

**Roll Call** – The meeting was called to order at 12:09 p.m. by Vice Chair Penman. The Secretary called the roll and a quorum of the Board was determined to be present. Mr. Pridgen joined the meeting during the presentation of item 3.2 and left the meeting during the presentation of item 4.3. Ms. Curry joined the meeting during the presentation of item 4.4.

**2.0 Reading of the Minutes** – The minutes of the January 31, 2023 meeting of the Board of Directors were presented. Ms. Gallagher made a motion to approve the meeting minutes. The motion was seconded by Ms. Amdur and unanimously carried (10-0-0).

**3.0 Monthly Financial Reports** – Ms. Profic reported that the field work for the 2022 audit has been completed by Freed Maxick and draft reports are expected by the end of the week. Draft financial

statements will be presented at the March 9<sup>th</sup> Audit & Finance Committee meeting and to the Board at its March 28<sup>th</sup> meeting.

Ms. Profic then presented for information purposes the financial statements for 683 Northland Master Tenant, LLC for the period ending January 31, 2023. She next presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending January 31, 2023. Following the presentation, BUDC staff addressed questions relating to the interest rate on the BUDC line of credit and whether data is available regarding the time spent by BUDC staff on various BUDC projects. There being no further questions, Mr. Halligan made a motion to accept the BUDC consolidated financial statements. The motion was seconded by Mr. Mehaffy and unanimously carried (11-0-0).

## **4.0 New Business**

- 4.1 Appointment of Karen Utz to BUDC Downtown Committee** – Ms. Merriweather reported that Ms. Burruss has stepped down from the Downtown Committee due to time commitments associated with her new position as CEO of the United Way, and she thanked Ms. Burruss for her service on the Committee. Ms. Burruss then made a motion to appoint Ms. Utz to the BUDC Downtown Committee. The motion was seconded by Ms. Minkel and unanimously carried (11-0-0).
- 4.2 Ralph C. Wilson, Jr. Centennial Park – GLC Grant Agreement #4** – Ms. Gandour presented her February 28, 2023 memorandum regarding the fourth Great Lakes Commission (GLC) grant funding agreement. Following the presentation, Mr. Pridgen made a motion to: (i) approve the acceptance by BUDC of an approximately \$9.8 million grant from the Great Lakes Commission in support of Phase 1 construction on inlet and shoreline elements at Ralph C. Wilson, Jr. Centennial Park; (ii) authorize BUDC to enter into a subgrant agreement with the City of Buffalo to allow BUDC to move funds to the City for the shoreline construction, and to pass through the federal grant obligations in the GLC Grant Agreement; and (iii) authorize the BUDC President or Executive Vice President to execute the GLC Grant Agreement and subgrant agreement with the City of Buffalo in order to pass through the funding and grant obligations and take such other actions as are necessary or appropriate to implement this authorization. The motion was seconded by Ms. Fishkin and unanimously carried (11-0-0).
- 4.3 Waterfront/Ralph C. Wilson, Jr. Centennial Park Project Update** – Ms. Maloney presented an update regarding the Ralph C. Wilson, Jr. Centennial Park Project. Remaining bid packages have been released to bid as of today, which include miscellaneous metals, comfort stations, site utilities and landscaping work packages. Numbers for the bridge fabrication work have been received and are being finalized. Gilbane's contract negotiations with the City on the project labor agreement and construction manager at risk agreement are progressing. Construction is anticipated to start in May, and Gilbane is currently reviewing funding aspects with the project's various grant sources to ensure that necessary contract provisions are included in bids and procurement packages.
- 4.4 BBRP/Buffalo's Race for Place Project Update** – Ms. Merriweather presented an update regarding Buffalo's Race for Place. BUDC and the Office of Strategic Planning are working on a number of initiatives within the City's central business district, including the Smart Streets Design Plan with Stantec and the Inner Harbor and Waterfront Public Realm Plan with MIG. Teams from Stantec and MIG are currently in Buffalo and attending strategy meetings and focus groups regarding their respective projects. Representatives from MIG have reached out to BUDC Board members for one-on-one meetings. On March 1<sup>st</sup>, a joint public meeting with Mayor Brown, BUDC, Office of Strategic Planning, MIG and Stantec will take place at Seneca One. The Office of Strategic Planning released the results of its 2022 Development Report showing that since 2012, there has been nine billion dollars in investment in the City of Buffalo.

- 4.5 Northland Beltline Corridor - Project Update** – Ms. Gandour presented the Northland Beltline Corridor update. The selection committee for the Northland Phase 3 request for proposals (RFP) for architectural and engineering services interviewed three firms. Staff is currently preparing a recommendation which will be presented to the Real Estate Committee at its March 21<sup>st</sup> meeting. The Brookings Institute has selected Buffalo's Build Back Better project as one of five communities being highlighted as receiving funding from the Economic Development Administration. Ms. Gandour also reported that SparkCharge notified BUDC that the company has selected another property to lease and will not be moving forward with leasing Building A at 612 Northland. The building is being actively marketed.
- 4.6 Buffalo Lakeside Commerce Park – Project Update** – Ms. Gandour presented an update regarding Buffalo Lakeside Commerce Park. Krog and Savarino are both current on payments under their respective exclusivity agreements with BUDC and are in discussions with BUDC regarding potential land sale agreements. Ms. Merriweather added that BUDC has issued a request for qualifications (RFQ) for a consultant for M/WBE monitoring and compliance with respect to Zephyr's project at Buffalo Lakeside Commerce Park. The consultant's fees will be paid for by Zephyr. Responses to the RFQ are due March 13<sup>th</sup>.
- 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 of Directors, the February 28, 2023 meeting of the Board of Directors was adjourned on consent at 12:41 p.m.

Respectfully submitted,

---

Kevin J. Zanner, Secretary



**Buffalo Urban Development Corporation**

95 Perry Street  
Suite 404  
Buffalo, New York 14203  
phone: 716-856-6525  
fax: 716-856-6754  
web: [buffalourbandevelopment.com](http://buffalourbandevelopment.com)



**Item 3.1**

**MEMORANDUM**

**TO: Buffalo Urban Development Corporation Board of Directors**  
**FROM: Dennis Penman, Audit & Finance Chair & Mollie Profic, Treasurer**  
**SUBJECT: Audit & Finance Committee Report**  
**DATE: March 28, 2023**

---

At the Audit & Finance Committee Meeting held on March 9, 2023, the committee reviewed the following items for Board consideration or action:

Item 3.1.1 is the 2022 Audited Financial Statements for 683 Northland Master Tenant, LLC. Representatives from Freed Maxick gave a detailed presentation of the Statements to the Committee. This item is presented to the Board for information only.

Item 3.1.2 is the 2022 Audited Consolidated Financial Statements for 683 Northland, LLC. Representatives from Freed Maxick gave a detailed presentation of the Statements to the Committee. This item is presented to the Board for information only.

Item 3.1.3 is the 2022 Audited Consolidated Financial Statements for BUDC. Representatives from Freed Maxick gave a detailed presentation of the Statements to the Committee. The Committee is recommending this item for Board approval.

Item 3.1.4 is the 2022 Audited Financial Statements for the Buffalo Brownfields Redevelopment Fund (BBRF) and is provided to the Board for your information only.

Item 3.1.5 is the 2022 Investment Report, which provides a summary of BUDC's investment activity in 2022. The Committee is recommending this item for Board approval.

Item 3.1.6 is the Investment and Deposit Policy. This is a re-adoption of this document.

Item 3.1.7 is the memorandum requesting reimbursement of brownfield expenses for 2022. The Committee recommends that the Board approve the reimbursement of brownfield expenses related to Buffalo Lakeside Commerce Park, Riverbend, Northland, and 308 Crowley Street from the Buffalo Brownfields Redevelopment Fund (BBRF) in the amount of \$131,533.

In addition, the Audit & Finance Committee reviewed the following items that do not require Board action:

Audit & Finance Committee Charter Review  
Audit & Finance Committee Training Document  
2022 Property Report  
Management's Assessment of Internal Controls  
Funding Source Updates

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

**REPORT TO THE MANAGING MEMBER**

**683 NORTHLAND MASTER TENANT, LLC  
(A LIMITED LIABILITY COMPANY)**

**DECEMBER 31, 2022**



March 14, 2023

To the Managing Member of  
683 Northland Master Tenant, LLC  
(A Limited Liability Company)  
95 Perry Street, Suite 404  
Buffalo, New York 14203

Attention Managing Member:

We are pleased to present this report related to our audit of the financial statements of 683 Northland Master Tenant, LLC (the Company) as of and for the year ended December 31, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for 683 Northland Master Tenant, LLC's financial reporting process.

This report is intended solely for the information and use of the Managing Member and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to 683 Northland Master Tenant, LLC.

*Freed Maxick CPAs, P.C.*

# Contents

Required Communications ..... 3 - 5

Exhibit A - Significant Written Communications Between Management and Our Firm..... 6

    Engagement Letter

    Representation Letter

## Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<b>Our Responsibilities With Regard to the Financial Statement Audit</b>	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated January 6, 2023. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	We have issued a separate communication dated January 6, 2023 regarding the planned scope and timing of our audit and identified significant risks.
<b>Accounting Policies and Practices</b>	<p data-bbox="604 802 1175 835"><b>Preferability of Accounting Policies and Practices</b></p> <p data-bbox="604 835 1482 940">Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p data-bbox="604 970 1143 1003"><b>Adoption of, or Change in, Accounting Policies</b></p> <p data-bbox="604 1003 1482 1138">Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Company. The following is a description of significant accounting policies that were either initially selected or implemented during the year:</p> <ul data-bbox="652 1171 1482 1869" style="list-style-type: none"><li data-bbox="652 1171 1482 1869">• In February 2016, the FASB issued ASU 2016-02, <i>Leases (Topic 842)</i>. The guidance in this ASU supersedes the leasing guidance in <i>Topic 840, Leases</i>. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of operations. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company adopted this standard effective January 1, 2022 using the transition method. Upon the adoption of <i>Topic 842</i>, as a lessee the Master Lease Agreement remained classified as an operating lease and as a lessor, the subleases remained classified as operating leases. A related lease liability was calculated in connection with the Master Lease Agreement and a corresponding right to use asset was recorded. Lease payments under the Master Lease Agreement and subleases were reclassified as lease revenue and lease expenses from rent revenue and rent expense on the statements of operations.</li></ul>

Area	Comments
<b>Accounting Policies and Practices (Continued)</b>	<p><b>Significant or Unusual Transactions</b> We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p><b>Management's Judgments and Accounting Estimates</b> Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. There were no significant accounting estimates.</p>
<b>Basis of Accounting</b>	The financial statements were prepared on the assumption that the Company will continue as a going concern.
<b>Audit Adjustments</b>	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
<b>Uncorrected Misstatements</b>	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
<b>Disagreements With Management</b>	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
<b>Consultations With Other Accountants</b>	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
<b>Significant Issues Discussed With Management</b>	No significant issues arising from the audit were discussed or the subject of correspondence with management.
<b>Significant Difficulties Encountered in Performing the Audit</b>	We did not encounter any significant difficulties in dealing with management during the audit.
<b>Shared Responsibilities: AICPA Independence</b>	The AICPA regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees, and audit firms work together in considering compliance with AICPA independence rules. For Freed Maxick, CPAs to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, and Freed Maxick, CPAs each play an important role.

Area	Comments
<b>Shared Responsibilities: AICPA Independence (Cont.)</b>	<p><b>Our Responsibilities</b></p> <ul style="list-style-type: none"> <li>• AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. Freed Maxick, CPAs is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.</li> <li>• Maintain a system of quality control over compliance with independence rules and firm policies.</li> </ul> <p><b>The Company's Responsibilities</b></p> <ul style="list-style-type: none"> <li>• Timely inform Freed Maxick CPAs, before the effective date of transactions or other business changes, of the following: <ul style="list-style-type: none"> <li>– New affiliates, directors, officers, or person in financial reporting oversight roles.</li> <li>– New beneficial owners of the Company's equity securities that have significant influence.</li> <li>– Change in corporate structure impacting affiliates such as add-on acquisitions or exits.</li> </ul> </li> <li>• Provide necessary affiliate information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.</li> <li>• Understand and conclude on the permissibility, prior to the Company and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with Freed Maxick, CPAs.</li> <li>• Not entering into relationship resulting in Freed Maxick, CPAs, Freed Maxick, CPAs covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Company.</li> </ul>
<b>Significant Written Communications Between Management and Our Firm</b>	<p>Copies of significant written communications between our firm and the management of the Company, including the representation letter provided to us by management, are attached as Exhibit A.</p>

## **Exhibit A - Significant Written Communications Between Management and Our Firm**

Engagement Letter – previously furnished

Representation Letter – see attached



# 683 Northland Master Tenant, LLC

March 14, 2023

Freed Maxick CPAs, P.C.  
800 Liberty Building  
424 Main Street  
Buffalo, NY 14202

This representation letter is provided in connection with your audits of the financial statements of 683 Northland Master Tenant, LLC (the Company), which comprise the balance sheets as of December 31, 2022 and 2021, the related statements of operations and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of the date of your report:

## **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 6, 2023, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. With respect to services performed (drafting financial statements and preparation of depreciation report) in the course of the audit:
  - a. We have made all management decisions and performed all management functions;
  - b. We assigned an appropriate individual to oversee the services;

- c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
  - d. We have accepted responsibility for the results of the services; and
  - e. We have accepted responsibility for all significant judgments and decisions that were made.
9. We have no knowledge of any uncorrected misstatements in the financial statements.
10. We have requested an unsecured electronic copy of the auditor's report and financial statements and agree that the auditor's report and financial statements will not be modified in any manner.

**Information Provided**

11. We have provided you with:
- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of allegations of fraud or suspected fraud affecting the Company's financial statements involving:
- a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company's financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.
16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
17. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of all of the Company's related parties and all the related-party relationships and transactions of which we are aware.

19. We are aware of no deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data.
20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
22. As of December 31, 2022, \$132,359 in payables are due to 683 Northland LLC.

683 Northland Master Tenant, LLC

  
\_\_\_\_\_  
Mollie Profic  
Treasurer  
Buffalo Urban Development Corporation, as Agent

**AUDITED  
FINANCIAL STATEMENTS**

**683 NORTHLAND MASTER TENANT, LLC  
(A LIMITED LIABILITY COMPANY)**

---

**DECEMBER 31, 2022**

**683 NORTHLAND MASTER TENANT, LLC  
(A LIMITED LIABILITY COMPANY)**

**CONTENTS**

---

	<u>Page</u>
<b>Independent Auditor's Report .....</b>	<b>1 - 2</b>
<b>Financial Statements:</b>	
Balance Sheets.....	3
Statements of Operations .....	4
Statements of Changes in Members' Equity.....	5
Statements of Cash Flows .....	6 - 7
<b>Notes to Financial Statements .....</b>	<b>8 - 15</b>

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
683 Northland Master Tenant, LLC  
(A Limited Liability Company)

### Opinion

We have audited the financial statements of 683 Northland Master Tenant, LLC (A Limited Liability Company) (the Company) which comprise the balance sheets as of December 31, 2022 and 2021, the related statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

As discussed in Note 2 to the financial statements, the Company has elected to change its method of accounting for lease in January 1, 2022 under ASC Topic 842. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Freed Maxick CPAs, P.C.*

Buffalo, New York  
March 14, 2023

**683 NORTHLAND MASTER TENANT, LLC  
(A LIMITED LIABILITY COMPANY)**

**BALANCE SHEETS  
December 31,**

<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
<b>Current assets:</b>		
Cash - operating	\$ 486,590	\$ 107,787
Tenant receivables	42,206	74,685
Prepaid insurance	115,882	106,662
<b>Total current assets</b>	<b>644,678</b>	<b>289,134</b>
<b>Reserves:</b>		
Operating reserve	336,428	335,857
Asset management fee reserve	20,147	30,111
<b>Total reserves</b>	<b>356,575</b>	<b>365,968</b>
Prepaid lease - sublessee	483,394	426,309
Prepaid leasing commission	188,616	217,938
Tenant security deposits	84,894	84,854
Equipment, net	19,869	6,535
Prepaid rent - Master Lease Agreement	-	25,528,601
Right of use asset - Master Lease Agreement	28,430,126	-
<b>Total assets</b>	<b>\$ 30,208,152</b>	<b>\$ 26,919,339</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 130,895	\$ 144,550
Due to related parties	254,935	254,935
<b>Total current liabilities</b>	<b>385,830</b>	<b>399,485</b>
Operating deficit loan	132,359	132,359
Tenant security deposits	84,850	84,854
Deferred operating lease liability - Master Lease Agreement	7,736,986	-
Deferred rent liability - Master Lease Agreement	-	5,309,411
Deferred operating lease liability - sublessee	5,637,433	-
Deferred rent liability - sublessee	-	6,150,839
Distribution payable - priority return	238,320	263,941
<b>Total liabilities</b>	<b>14,215,778</b>	<b>12,340,889</b>
<b>Members' equity</b>	<b>15,992,374</b>	<b>14,578,450</b>
<b>Total liabilities and members' equity</b>	<b>\$ 30,208,152</b>	<b>\$ 26,919,339</b>

See accompanying notes.



**683 NORTHLAND MASTER TENANT, LLC  
(A LIMITED LIABILITY COMPANY)**

**STATEMENTS OF OPERATIONS  
For the Years Ended December 31,**

	<u>2022</u>	<u>2021</u>
<b>Revenues:</b>		
Lease revenue	\$ 1,466,335	\$ -
Rental revenue	-	1,468,498
Additional lease revenue	753,037	-
Additional rental revenue	-	648,676
Other income	1,372	261
Total revenues	<u>2,220,744</u>	<u>2,117,435</u>
<b>Expenses:</b>		
Lease expense	1,879,742	-
Repairs and maintenance	193,758	120,242
Utilities expense	188,227	150,924
Payroll	143,808	149,471
Insurance expense	122,769	120,629
Property management fee	70,520	67,515
Professional fees	67,053	85,899
Real estate taxes	20,398	19,626
Asset management fee	10,000	10,000
Miscellaneous expense	316	7,920
Rental expense	-	1,879,742
Total expenses	<u>2,696,591</u>	<u>2,611,968</u>
<b>Loss from operations</b>	<b>(475,847)</b>	<b>(494,533)</b>
<b>Other expenses:</b>		
Depreciation expense	<u>(5,056)</u>	<u>(2,429)</u>
<b>Net loss</b>	<b>\$ <u>(480,903)</u></b>	<b>\$ <u>(496,962)</u></b>

See accompanying notes.

**683 NORTHLAND MASTER TENANT, LLC  
(A LIMITED LIABILITY COMPANY)**

**STATEMENTS OF CHANGES IN MEMBERS' EQUITY  
For the Years Ended December 31,**

	<b>INVESTOR MEMBER</b>	<b>MANAGING MEMBER</b>	<b>TOTAL</b>
<b>Members' equity - January 1, 2021</b>	<b>\$ 9,489,316</b>	<b>\$ 169,407</b>	<b>\$ 9,658,723</b>
Members' capital contributions	5,680,517	-	5,680,517
Distributions	(263,828)	-	(263,828)
Net loss	(491,992)	(4,970)	(496,962)
<b>Members' equity - December 31, 2021</b>	<b>14,414,013</b>	<b>164,437</b>	<b>14,578,450</b>
Members' capital contributions	2,091,098	-	2,091,098
Distributions	(196,271)	-	(196,271)
Net loss	(476,094)	(4,809)	(480,903)
<b>Members' equity - December 31, 2022</b>	<b>\$ 15,832,746</b>	<b>\$ 159,628</b>	<b>\$ 15,992,374</b>
<b>Percentage interest</b>	<b>99.00%</b>	<b>1.00%</b>	<b>100%</b>

See accompanying notes.

**683 NORTHLAND MASTER TENANT, LLC  
(A LIMITED LIABILITY COMPANY)**

**STATEMENTS OF CASH FLOWS  
For the Years Ended December 31,**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (480,903)	\$ (496,962)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	5,056	2,429
Decrease (increase) in assets:		
Tenant receivables	32,479	(44,152)
Prepaid insurance	(9,220)	(16,307)
Accrued rental income	(57,085)	(119,344)
Prepaid leasing commission	29,322	(105,715)
Prepaid rent - Master Lease Agreement	-	1,393,059
Right of use asset - Master Lease Agreement	1,395,256	-
Increase (decrease) in liabilities:		
Security deposit liability	(4)	9,104
Accounts payable	(13,655)	25,216
Due to related parties	-	(126,346)
Operating deficit loan	-	82,428
Deferred operating lease liability - sublessee	(513,406)	-
Deferred rent liability - sublessee	-	(553,074)
<b>Net cash provided by operating activities</b>	<u>387,840</u>	<u>50,336</u>
<b>Cash flows from investing activities:</b>		
Equipment purchases	(18,390)	-
<b>Net cash used by investing activities</b>	<u>(18,390)</u>	<u>-</u>
<b>Cash flows from financing activities:</b>		
Members' contributions	2,091,098	5,680,517
Distributions	(221,892)	(148,096)
Payments of prepaid rent under the Master Lease Agreement	(1,869,206)	(5,532,421)
<b>Net cash used by financing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash and restricted cash</b>	<u>369,450</u>	<u>50,336</u>
<b>Cash and restricted cash - beginning of year</b>	<u>558,609</u>	<u>508,273</u>
<b>Cash and restricted cash - end of year</b>	<u>\$ 928,059</u>	<u>\$ 558,609</u>
<b>Non-cash financing transactions:</b>		
Non-cash distribution recorded as distribution payable	<u>\$ 238,320</u>	<u>\$ 263,941</u>

See accompanying notes.

**683 NORTHLAND MASTER TENANT, LLC  
(A LIMITED LIABILITY COMPANY)**

**STATEMENTS OF CASH FLOWS (CONTINUED)  
For the Years Ended December 31,**

---

The following table provides a reconciliation of cash and restricted cash to the amounts reported within the balance sheets:

	<u>2022</u>	<u>2021</u>
Cash - operating	\$ 486,590	\$ 107,787
Tenant security deposits	84,894	84,854
Operating reserve	336,428	335,857
Asset management fee reserve	20,147	30,111
	<u>\$ 928,059</u>	<u>\$ 558,609</u>

See accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 1. ORGANIZATION**

683 Northland Master Tenant, LLC (the Company) is a limited liability company formed pursuant to the laws of the State of New York on September 7, 2017. 683 Northland LLC, a related entity, was formed to facilitate the ownership, rehabilitation and operation of a commercial and industrial facility located at 683 Northland Avenue, City of Buffalo, known as the Niagara Machine & Tool Works Factory (the Property). 683 Northland LLC serves as lessor to the Company. The relationship between lessor and lessee is governed by a Master Lease Agreement dated December 28, 2017. The major activities of the Company are governed by the Master Tenant Amended and Restated Operating Agreement.

The Property is located in a historic district on the National Register of Historic Places and will receive an allocation of federal and state historic rehabilitation tax credits under Section 47 of the Internal Revenue Code of 1986, as amended, and New York credit for Rehabilitation of Historic Properties under Section 606(00) of New York State tax law. The Property was developed in two phases; Phase 1 received an allocation of rehabilitation tax credits during the year ended December 31, 2018; Phase 2 received allocations for the years ending December 31, 2020 and 2019. No further credits are anticipated.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting:** The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Cash:** The statement of cash flows considers amounts available for current operations to be cash and includes amounts restricted for repayment of tenant security deposits and reserves.

**Concentration of Credit Risk:** The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

During the year ended December 31, 2022, three tenants represented 90% (90% - 2021) of rental revenue and 71% (98% - 2021) of accounts receivable.

**Tenant Receivables:** Tenant receivables consists of receivables from tenants for lease payments (previously classified as rent for 2021) and other charges, if applicable, recorded according to the terms of their sublease agreements. Tenant receivables do not bear interest. The Company holds tenant security deposits as collateral for tenant receivables. On a periodic basis, the Company evaluates its tenant receivables and establishes an allowance for doubtful accounts. There was no allowance for doubtful accounts for the years ended December 31, 2022 and 2021.

**Prepaid Leasing Commissions:** Prepaid leasing commissions consists of commission paid out in connection with obtaining long term subleases. The Company recognizes commission expenses incurred over the life of the applicable lease as required under ASC 842. Prepaid leasing commissions amounted to \$188,616 as of the year ended December 31, 2022 (\$217,938 – 2021).

**Lease Income:** The Company recognizes revenue on the date lease payments become due in accordance with the subleases. Lease payments received in advance are deferred until earned. All leases between parties are operating leases. Lease income was previously classified as rental income for the year ending December 31, 2021.

**Equipment:** Equipment is carried at cost. Renewals and betterments that materially extend the life of the assets are capitalized. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided for using the straight-line method.

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases:** In February 2016, the Financial Accounting Standards Board (FASB) issued ASC Topic 842, Leases. ASC Topic 842 amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets. Under ASC Topic 842 lessor accounting will remain similar to lessor accounting under previous GAAP, while aligning with the FASB's new revenue recognition guidance. In December 2018, the FASB issued ASU 2018-20, which clarifies lessor treatment of sales taxes and other similar taxes collected from lessees, lessor costs paid directly by lessees and recognition of variable payments for contracts with lease and non-lease components. The Company adopted Topic 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Company has applied Topic 842 to reporting periods beginning on January 1, 2022.

The Company elected the "practical expedients" under the transition guidance within Topic 842, which does not require contracts to be separated between lease components and non-lease components. The non-lease components represent additional services such as utilities which are variable in nature.

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

As a lessor, the Company has leasing operations which consist of leasing commercial spaces under operating lease agreements that have a remaining term of 5 months to 8 years and 9 months. Lessees do not have any option to purchase the leased assets. All subleases are classified as operating and lease revenue is recognized straight line over the life of the corresponding sublease.

As a lessee under the Master Lease Agreement (the Agreement) (Note 6) the lease remained classified as an operating lease. However, as a lessee under Topic 842 the Company recorded a right to use asset and liability amounting to \$8,060,094. The right to use asset also includes unamortized prepaid rent payments. Lease revenue is recognized straight line over the life of the Agreement.

The adoption of the new lease standard did not materially impact members' equity or cash flows and did not result in a cumulative-effect adjustment to the opening balance of members' equity.

**Income Taxes:** No provision or benefit has been made for income taxes in the accompanying financial statements since taxable income or loss of the Company is passed through to the respective members for reporting passes through to, and is reportable by, the members individually.

**Use of Estimates:** In preparing financial statements in accordance with U.S. GAAP, management makes estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

**Subsequent Events:** These financial statements have not been updated for subsequent events occurring after March 14, 2023, which is the date these financial statements were available to be issued.

**NOTE 3. TENANT SECURITY DEPOSITS**

Tenant security deposits are maintained in a separate bank account from operating funds. They are tracked by name of the tenant internally by the Company and are segregated on the accompanying balance sheets.

## NOTES TO THE FINANCIAL STATEMENTS

---

### NOTE 4. RESERVES

**Asset Management Fee Reserve:** The Company was required to establish a reserve to fund the payment of asset management fees in the amount of \$60,000 upon receipt of the third capital contribution from the investor member. As of December 31, 2022, the reserve amounted to \$20,147 (\$30,111 – 2021). The remaining required funding of the asset management fee reserve has been reduced by the investor member.

**Operating Reserve:** The Company was required to establish an operating reserve to fund any operating deficits as approved by the investor member. An initial contribution of \$335,000 was to be deposited into the operating reserve upon receipt of the third capital contribution from the investor member which occurred during the year ended December 31, 2019. Funds are required to be held in a segregated, interest-bearing account with a federally insured financial institution. As of December 31, 2022, the reserve amounted to \$336,428 (\$335,857 – 2021).

**Replacement Reserve:** The Company is required to establish a replacement reserve to fund any replacement costs as approved by the investor member. The reserve is to be funded annually in the amount of \$48,000 (subject to a 3% increase per year) from net cash flow in accordance with the allocation of profits and losses (Note 8). Funds are required to be held in a segregated, interest-bearing account with a federally insured financial institution. As of December 31, 2022 and 2021, there was no net cash flow available to fund the replacement reserve.

### NOTE 5. CAPITAL CONTRIBUTIONS

The Company consists of two members; 683 WTC, LLC and NTCIC HTC Community Fund II, LLC (NTCIC). 683 WTC, LLC is the managing member and a 1% owner. NTCIC is the investor member and has a 99% membership interest.

The managing member is required to contribute capital of \$198,360 according to the terms of the amended and restated operating agreement. As of December 31, 2022 and 2021, the managing member has made all required contributions.

The investor member is required to contribute capital of \$19,637,612 based upon the completion of requirements by the Company as defined in the amended and restated operating agreement. During the year ended December 31, 2022, an upward adjustor amounting to \$773,461 was added to the capital contributions of the investor member. Total adjusted capital contributions amount to \$20,411,073. As of December 31, 2022, the investor member has made all required contributions amounting to \$20,411,073 (\$18,319,975 – 2021). There are no remaining required capital contributions as of December 31, 2022 (\$2,091,098 – 2021).

### NOTE 6. TRANSACTIONS WITH AFFILIATES

**Master Lease Agreement:** The Company has a Master Lease Agreement (the Agreement) with the lessor, a related entity, to pay rental expense commencing on August 26, 2018, the day prior to the first date on which Phase I of the building was placed in service for purposes of the historical tax credits through 2038. The lease is classified as an operating lease and accordingly, the underlying building and other assets are recorded as a right to use asset and corresponding lease liability on the Company's balance sheets. The Company utilized an interest rate of 2.05% to calculate the lease liability.

Under the Agreement, the Company is to make minimum lease payments. In addition to minimum rents, the lease requires payments for utilities, insurance, maintenance costs, real estate taxes, and all other operating expenses. Minimum lease payments due under the Agreement consists of base lease payments and prepaid rent. As of December 31, 2022, the Company paid \$27,397,807 in prepaid rent (\$25,528,601 – 2021). All prepaid rent payments under the Agreement have been made as of December 31, 2022. Prepaid rent is combined with the right to use asset under ASC 842.

**683 NORTHLAND MASTER TENANT, LLC  
(A LIMITED LIABILITY COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 6. TRANSACTIONS WITH AFFILIATES (CONTINUED)**

For the years ended December 31, 2022 and 2021, the Company recognized \$1,879,742 in lease expense (previously rent expense). The lease agreement includes scheduled rent increases over the term of the lease, which in accordance with U.S. GAAP will be recognized on a straight-line base over the term of the lease.

Future minimum rental payments to be paid under the Master Lease Agreement are contractually due as follows:

2023	\$	492,423
2024		528,046
2025		558,098
2026		565,617
2027		580,645
Thereafter		<u>6,309,728</u>
	\$	<u>9,034,557</u>

**Due to Related Parties:** The Company owes certain operating expenses paid by related parties directly to a third party on behalf of the Company. These amounts are recorded as due to related parties on the accompanying balance sheets.

**NOTE 7. COMMERCIAL LEASE REVENUE**

Under ASC 842, the revenue derived from subleases are now classified as lease income. Amounts were previously classified as rental income on the statements of operations. The following are several subleases the Company has entered into:

**Northland Workforce Training Center:** The Company entered into a sublease agreement with the Economic Development Group, Inc. d/b/a Northland Workforce Training Center, (NWTC), commencing on September 1, 2018, and extending through August 31, 2033. The agreement calls for payment of prepaid lease payments and additional lease payments. Lease income from the sublease agreement is being recognized on a straight-line basis, in accordance with U.S. GAAP, over the term of the lease. Prepaid lease payments in the amount of \$7,678,971 was due and paid during the year ended December 31, 2018; \$511,931 of lease income related to the prepaid lease payments was recognized during the years ended December 31, 2022 and 2021. The Company is required to estimate additional lease income on a monthly basis and provide NWTC with a statement of actual additional lease incurred within 90 days of year end. During the year ended December 31, 2022, \$303,135 in additional lease income was recognized (\$292,708 – 2021).

Additionally, the Company entered into a second sublease agreement during 2019 for an additional space related to the Northland Workforce Training Center commencing October 1, 2019 and extending through July 31, 2026. The agreement calls for prepayment of lease expense in the amount of \$288,000. The entire prepaid lease balance was paid during the year ending December 31, 2020. For the year ended December 31, 2022, the Company recognized \$41,143 in lease income based on the second sublease agreement (\$41,142 – 2021).

**Buffalo Manufacturing Works:** The Company entered into a sublease agreement with Edison Welding Institute Inc. d/b/a Buffalo Manufacturing Works, commencing on July 1, 2019, and extending through June 30, 2034. For the years ended December 31, 2022 and 2021, the Company recognized \$475,400 in lease income based on this agreement.

**Manna Culinary Group:** The Company entered into a sublease agreement with Manna Culinary Group, Inc. commencing on September 30, 2019, and extending through October 31, 2024. Under the sublease agreement, base lease payments begin March 1, 2020. For the year ended December 31, 2022, the Company recognized \$12,995 in lease income based on this agreement (\$21,715 – 2021).



NOTES TO THE FINANCIAL STATEMENTS

---

**NOTE 7. COMMERCIAL LEASE REVENUE (CONTINUED)**

**Sparkcharge:** The Company entered into a sublease agreement with Sparkcharge, Inc. commencing on March 1, 2020, and extending through May 31, 2023. For the year ended December 31, 2022, the Company recognized \$37,400 in lease income based on this agreement (\$37,200 – 2021).

**Retech:** The Company entered into a sublease agreement with Retech Systems LLC. commencing on July 1, 2020 and extending through December 31, 2030. For the year ended December 31, 2022, the Company recognized \$286,224 in lease income based on this agreement (\$284,946 – 2021).

**Rodriguez Construction:** The Company entered into a sublease agreement with Rodriguez Construction Group Inc. commencing on December 1, 2020 and extending through November 30, 2025. For the years ended December 31, 2022 and 2021, the Company recognized \$37,742 in lease income based on this agreement.

**Garwood Medical:** The Company entered into a sublease agreement with Garwood Medical Devices, LLC commencing on December 1, 2020, and extending through November 30, 2025. For the years ended December 31, 2022 and 2021, the Company recognized \$39,600 in lease income based on this agreement.

**Bank on Buffalo:** The Company entered into a sublease agreement with CNB Financial Corporation d/b/a Bank on Buffalo commencing on April 1, 2021, with rent payments commencing on October 1, 2021 and extending through September 30, 2031. For the year ended December 31, 2022, the Company recognized \$23,900 in lease income based on this agreement (\$18,821 – 2021).

The following is a schedule of minimum future lease revenue on noncancelable leases with an initial term greater than one year:

2023	\$ 1,446,994
2024	1,429,328
2025	1,412,054
2026	1,330,871
2027	1,300,014
Thereafter	<u>6,947,019</u>
Total	\$ <u>13,866,280</u>

**NOTE 8. ALLOCATION OF PROFITS AND LOSSES**

In accordance with the amended and restated operating agreement, operating profits and losses and credits, other than those arising from a capital transaction, will be allocated in the ratio 1% to the managing member and 99% to the investor member. Profits and losses arising from a capital transaction will be allocated to the members in various amounts as described in the amended and restated operating agreement depending on if the amounts are profits or losses and if the members' capital account balances are negative or positive.

All net cash flow available for distribution shall be paid annually as follows:

- (i) To the investor member in the amount of any unpaid adjusters;
- (ii) To the investor member in the amount of any outstanding special tax distribution;
- (iii) The investor member in the amount of any outstanding priority return for the fiscal year plus any outstanding priority return for any prior fiscal year;
- (iv) To fund the replacement reserve;

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 8. ALLOCATION OF PROFITS AND LOSSES (CONTINUED)**

- (v) To the repayment of any subordinated loans (and accrued interest thereon) and any operating deficit loans; and
- (vi) The balance to the members in accordance with their percentage interests.

Profits arising from a capital transaction will be distributed in the following order: first to each member, an amount equal to their negative capital account basis based on their proportionate share of the anticipated distribution; second, any remaining profits are distributed in accordance with the members' capital accounts.

Losses arising from a capital transaction will be allocated in the following order: first to each member, an amount equal to their positive capital account basis based on their proportionate share of the anticipated distribution; second, any remaining losses are distributed in accordance with the members' capital accounts.

For distributions other than cash flow and distributions prior to dissolution or termination of the Company, assets and proceeds will be distributed in the following order:

- (i) To the payment of all matured debts and liabilities of the Company and all expenses of the Company incident to any Capital Transaction, excluding (i) debts and liabilities of the Company to members or any affiliates, and (ii) all unpaid fees owing to any developer entity;
- (ii) To the setting up of any reserves which the liquidator (or the managing member if the distribution is not pursuant to the liquidation of the Company) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company;
- (iii) To the payment to the investor member of any unpaid credit recovery loans and interest thereon;
- (iv) To the investor member in the amount of any outstanding priority return;
- (v) To the payment of any unpaid special tax distribution plus an amount equal, on an after-tax basis, to the local, state and federal taxes projected (at the applicable tax rate) to be imposed on the members of the investor member as a result of the capital transaction;
- (vi) To the repayment of any unpaid debts and liabilities (including unpaid fees) owed to the members or any affiliates by the Company for Company obligations; and
- (vii) The balance to the members in accordance with their percentage interests.

The amended and restated operating agreement requires the distribution of cash based upon the net cash flow calculation. Distributable cash flow is calculated annually as defined by the amended and restated operating agreement. Based upon the calculation, there is no net cash flow available to be distributed for the years ending December 31, 2022 and 2021. However, according to the amended and restated operating agreement, any priority return not distributed shall accrue and remain payable until net cash flow becomes available. Under the amended and restated operating agreement, the priority return is based upon 1.5% of the portion of capital contributions attributable to federal historic tax credits and is pro-rated for any periods less than a full year. As of December 31, 2022, \$238,320 was accrued as payable to the investor member for the priority return (\$263,941 – 2021). During the year ended December 31, 2022, the investor member was paid \$221,892 for the 2021 accrued priority return (\$148,096 – 2021).

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9. OPERATING DEFICIT GUARANTY**

In accordance with the amended and restated operating agreement, the managing member will provide funds to the Company so as to allow them to cover accrued accounts payable on a 60-day current basis. Any funds advanced shall be provided in the form of an operating deficit loan. An operating deficit loan shall be treated as a subordinated loan and shall bear no interest. As of December 31, 2022 and 2021, \$132,359 was loaned to the Company from the managing member.

**NOTE 10. PROPERTY MANAGEMENT**

The Company entered into a property management agreement with Mancuso Management Inc. (Mancuso) in December 2017. Under the agreement, Mancuso is to provide leasing and property management services. Under the agreement, the monthly management fee is calculated at 5% of rents billed or \$2,700, whichever is higher. A new agreement was entered into with Mancuso effective January 1, 2021 through December 31, 2021 with an option to extend up to five additional one-year terms. As of December 31, 2022 the option to extend through December 31, 2023 was exercised. For the year ended December 31, 2022, \$70,520 of property management fees were incurred and paid (\$67,515 – 2021).

**NOTE 11. RECONCILIATION OF TAXABLE LOSS**

The reconciliation of financial statement net loss to the taxable loss of the Company for the years ended December 31, are as follows:

	<u>2022</u>	<u>2021</u>
Financial statement net loss	\$ (480,903)	\$ (496,962)
Add (subtract) nondeductible items per tax return:		
Book to Tax depreciation	4,800	2,429
Section 467 income	685,567	658,590
Section 467 expense	<u>(875,957)</u>	<u>(440,807)</u>
Taxable loss	\$ <u>(666,493)</u>	\$ <u>(276,750)</u>

The Company files income tax returns in the U.S. Federal jurisdiction and New York State.

**NOTE 12. PAYMENT IN LIEU OF TAXES (PILOT)**

The Company entered into a 7-year agreement (the Agreement), through December 31, 2027, with the Erie County Industrial Development Agency (ECIDA), on behalf of the City of Buffalo (the City), the City of Buffalo School District (the School District), and County of Erie (the County), whereby the Company pays an annual PILOT payment to the City, the County and the School District. The Company shall pay a payment in lieu of taxes composed of a land component, an existing improvements component, and a variable component. The variable component will be impacted by application of an annual payment factor. The payment factor will be 10% for the first two years of the Agreement, 20% for the next two years of the Agreement, and 30% for the final three years of the Agreement. The Company paid taxes amounting to \$20,398 for the year ended December 31, 2022 (\$19,626 - 2021).

**683 NORTHLAND MASTER TENANT, LLC  
(A LIMITED LIABILITY COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 13. EQUIPMENT**

Equipment consisted of the following at December 31:

	<u>Estimated Useful Life</u>	<u>2022</u>	<u>2021</u>
Furniture and equipment	5 years	\$ 31,654	\$ 13,264
Less: accumulated depreciation		<u>(11,785)</u>	<u>(6,729)</u>
		<u>\$ 19,869</u>	<u>\$ 6,535</u>

Depreciation expense for the year ended December 31, 2022 related to equipment amounted to \$5,056 (\$2,429 – 2021).

**REPORT TO THE MANAGING MEMBER**

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

**DECEMBER 31, 2022**



March 14, 2023

To the Managing Member  
683 Northland LLC  
(A Limited Liability Company)  
95 Perry Street, Suite 400  
Buffalo, NY 14203

Attention Managing Member:

We are pleased to present this report related to our audit of the financial statements of 683 Northland LLC (the Company) as of and for the year ended December 31, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for 683 Northland LLC's financial reporting process.

This report is intended solely for the information and use of the Managing Member and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to 683 Northland LLC.

*Freed Maxick CPAs, P.C.*

# Contents

Required Communications .....	3 - 5
Summary of Recorded Audit Adjustments.....	6
Exhibit A - Significant Written Communications Between Management and Our Firm.....	7
Engagement Letter	
Representation Letter	

## Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<b>Our Responsibilities With Regard to the Financial Statement Audit</b>	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated January 6, 2023. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	We have issued a separate communication dated January 6, 2023 regarding the planned scope and timing of our audit and identified significant risks.
<b>Accounting Policies and Practices</b>	<p><b>Preferability of Accounting Policies and Practices</b> Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p><b>Adoption of, or Change in, Accounting Policies</b> Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Company. The following is a description of significant accounting policies that were either initially selected or implemented during the year:</p> <ul style="list-style-type: none"> <li>• In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of operations. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company adopted this standard on January 1, 2022 effective January 1, 2021 using the transition method. Upon the adoption of Topic 842, as a lessor the Master Lease Agreement remained classified as an operating lease. There were no changes on the balance sheets and statements of operations.</li> </ul>



Area	Comments
<b>Accounting Policies and Practices (Continued)</b>	<p><b>Significant or Unusual Transactions</b> We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p><b>Management's Judgments and Accounting Estimates</b> Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the accounting estimates reflected in the Company's financial statements:</p> <ul style="list-style-type: none"> <li>• Estimated useful life of fixed assets</li> <li>• Impairment of building</li> </ul>
<b>Basis of Accounting</b>	The financial statements were prepared on the assumption that the Company will continue as a going concern.
<b>Audit Adjustments</b>	Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by 683 Northland LLC are shown in the attached Summary of Recorded Audit Adjustments.
<b>Uncorrected Misstatements</b>	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
<b>Disagreements With Management</b>	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
<b>Consultations With Other Accountants</b>	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
<b>Significant Issues Discussed With Management</b>	No significant issues arising from the audit were discussed or the subject of correspondence with management.
<b>Significant Difficulties Encountered in Performing the Audit</b>	We did not encounter any significant difficulties in dealing with management during the audit.
<b>Shared Responsibilities: AICPA Independence</b>	The AICPA regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees, and audit firms work together in considering compliance with AICPA independence rules. For Freed Maxick, CPAs to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, and Freed Maxick, CPAs each play an important role.

**Our Responsibilities**

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. Freed Maxick, CPAs is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality control over compliance with independence rules and firm policies.

**The Company's Responsibilities**

- Timely inform Freed Maxick CPAs, before the effective date of transactions or other business changes, of the following:
  - New affiliates, directors, officers, or person in financial reporting oversight roles.
  - New beneficial owners of the Company's equity securities that have significant influence.
  - Change in corporate structure impacting affiliates such as add-on acquisitions or exits.
- Provide necessary affiliate information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the Company and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with Freed Maxick, CPAs.
- Not entering into relationship resulting in Freed Maxick, CPAs, Freed Maxick, CPAs covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Company.

**Significant  
Communications  
Management and Our Firm**

**Written  
Between**

Copies of significant written communications between our firm and the management of the Company, including the representation letter provided to us by management, are attached as Exhibit A.

**683 Northland LLC**  
**Year End: December 31, 2022**  
**Summary of Recorded Audit Adjustments**

Number	Date	Name	Debit	Credit
1	12/31/2022	Accumulated Depreciation - FF&E	52,466	
1	12/31/2022	Furnitures, Fixtures & Equipment		34,415
1	12/31/2022	Loss in Disposal		18,051

To properly record disposals of equipment during the year ending December 31, 2022.

2	12/31/2022	Depreciation Expense	322,879	
2	12/31/2022	Accumulated Depreciation		322,879

To properly adjust depreciation expense to actual as of December 31, 2022.

## **Exhibit A - Significant Written Communications Between Management and Our Firm**

Engagement Letter – previously furnished

Representation Letter – see attached

# 683 Northland LLC

March 14, 2023

Freed Maxick CPAs, P.C.  
800 Liberty Building  
424 Main Street,  
Buffalo, NY 14202

This representation letter is provided in connection with your audits of the financial statements of 683 Northland LLC (the Company), which comprise the balance sheets as of December 31, 2022 and 2021, the related statements of operations and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of the date of your report:

## Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 6, 2023, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. With respect to services performed (drafting financial statements and maintaining depreciation schedule) in the course of the audit:
  - a. We have made all management decisions and performed all management functions;
  - b. We assigned an appropriate individual to oversee the services;

- c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
  - d. We have accepted responsibility for the results of the services; and
  - e. We have accepted responsibility for all significant judgments and decisions that were made.
9. We have no knowledge of any uncorrected misstatements in the financial statements.
10. We have requested an unsecured electronic copy of the auditor's report and financial statements and agree that the auditor's report and financial statements will not be modified in any manner.

**Information Provided**

11. We have provided you with:
- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters.
  - b. Additional information that you have requested from us for the purpose of the audits.
  - c. Unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of directors and/or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of allegations of fraud or suspected fraud affecting the Company's financial statements involving:
- a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company's financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.
16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
17. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the Company's related parties and all the related-party relationships and transactions of which we are aware.

19. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data.
20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. We have disclosed to you all related party transactions.
22. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
23. As of December 31, 2022, \$132,359 in receivables are due from 683 Northland Master Tenant, LLC.

683 Northland LLC

  
Mollie Profic  
Treasurer  
Buffalo Urban Development Corporation, as Agent

**AUDITED  
FINANCIAL STATEMENTS**

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

---

**DECEMBER 31, 2022**



CONTENTS

---

	<u>Page</u>
<b>Independent Auditor's Report</b> .....	1 - 2
<b>Financial Statements:</b>	
Balance Sheets.....	3
Statements of Operations.....	4
Statements of Changes in Members' Equity.....	5
Statements of Cash Flows.....	6 - 7
<b>Notes to Financial Statements</b> .....	8 - 12

## Independent Auditor's Report

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

### Opinion

We have audited the financial statements of 683 Northland LLC (A Limited Liability Company) (the Company) which comprise the balance sheets as of December 31, 2022 and 2021, the related statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Freed Maxick CPAs, P.C.*

Buffalo, New York  
March 14, 2023

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

**BALANCE SHEETS  
December 31,**

<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
<b>Current assets:</b>		
Operating cash	\$ 66,665	\$ 123,353
Total current assets	<u>66,665</u>	<u>123,353</u>
Restricted cash	247,486	390,991
Due from related party	132,359	135,559
Land, property and equipment, net	<u>96,340,348</u>	<u>100,455,842</u>
<b>Total assets</b>	<b>\$ <u>96,786,858</u></b>	<b>\$ <u>101,105,745</u></b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 6,719	\$ 57,463
Accrued interest	9,168	23,812
Current portion of long term debt	1,001,167	10,180,810
Line of credit	<u>677,158</u>	<u>677,158</u>
Total current liabilities	<u>1,694,212</u>	<u>10,939,243</u>
Deferred lease liability - Master Lease Agreement	20,693,140	20,219,190
Long term debt	<u>13,730,000</u>	<u>13,730,000</u>
<b>Total liabilities</b>	<b>36,117,352</b>	<b>44,888,433</b>
<b>Members' equity</b>	<u>60,669,506</u>	<u>56,217,312</u>
<b>Total liabilities and members' equity</b>	<b>\$ <u>96,786,858</u></b>	<b>\$ <u>101,105,745</u></b>

See accompanying notes.

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

**STATEMENTS OF OPERATIONS  
For the Years Ended December 31,**

	<u>2022</u>	<u>2021</u>
<b>Operating revenues:</b>		
Lease revenue	\$ 1,879,742	\$ 1,879,742
Other	-	450
Total operating revenues	<u>1,879,742</u>	<u>1,880,192</u>
<b>Operating expenses:</b>		
Professional fees	139,674	217,210
Asset management fees	55,000	55,000
Donation	44,366	217,462
Miscellaneous	32,608	32,736
Total operating expenses	<u>271,648</u>	<u>522,408</u>
Operating income	1,608,094	1,357,784
<b>Other (expense) income:</b>		
Gain on disposal	18,051	28,963
Interest income	312	167
Interest expense	(244,335)	(478,448)
Depreciation	(4,071,045)	(4,146,011)
Total other expense, net	<u>(4,297,017)</u>	<u>(4,595,329)</u>
<b>Net loss</b>	<u>\$ (2,688,923)</u>	<u>\$ (3,237,545)</u>

See accompanying notes.

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

**STATEMENTS OF CHANGES IN MEMBERS' EQUITY  
For the Years Ended December 31,**

	<u>MEMBER</u>	<u>MANAGING MEMBER</u>	<u>TOTAL</u>
<b>Members' equity - January 1, 2021</b>	\$ 2,711,052	\$ 41,923,965	\$ 44,635,017
Members' capital contributions	961,846	13,857,994	14,819,840
Net loss	<u>(161,877)</u>	<u>(3,075,668)</u>	<u>(3,237,545)</u>
<b>Members' equity - December 31, 2021</b>	<b>3,511,021</b>	<b>52,706,291</b>	<b>56,217,312</b>
Members' capital contributions	348,325	6,792,792	7,141,117
Net loss	<u>(134,446)</u>	<u>(2,554,477)</u>	<u>(2,688,923)</u>
<b>Members' equity - December 31, 2022</b>	<b><u>\$ 3,724,900</u></b>	<b><u>\$ 56,944,605</u></b>	<b><u>\$ 60,669,506</u></b>
Percentage interest	<u>5.00%</u>	<u>95.00%</u>	<u>100%</u>

See accompanying notes.

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

**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31,**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (2,688,923)	\$ (3,237,545)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	4,071,045	4,146,011
Amortization	-	43,675
Gain on disposal	(18,051)	(28,963)
Decrease in assets:		
Due from related party	3,200	40,717
Increase (decrease) in liabilities:		
Accounts payable	(50,744)	35,491
Accrued interest	(14,644)	(31,395)
Deferred lease liability - Master Lease Agreement	(1,395,256)	(1,393,059)
<b>Net cash used by operating activities</b>	<u>(93,373)</u>	<u>(425,068)</u>
<b>Cash flows from investing activities:</b>		
Acquisition and construction of land, property, and equipment	-	(66,306)
Proceeds from disposals of land, property and equipment	62,500	273,400
<b>Net cash provided by investing activities</b>	<u>62,500</u>	<u>207,094</u>
<b>Cash flows from financing activities:</b>		
Payments of prepaid lease under the Master Lease Agreement	1,869,206	5,532,421
Members' contributions	7,141,117	14,819,840
Repayment of developer fee	-	(1,433,360)
Net proceeds on line of credit	-	183,575
Repayments of long term debt	(9,179,643)	(18,919,190)
<b>Net cash (used) provided by financing activities</b>	<u>(169,320)</u>	<u>183,286</u>
<b>Net decrease in cash and restricted cash</b>	<b>(200,193)</b>	<b>(34,688)</b>
<b>Cash and restricted cash - beginning of year</b>	<u>514,344</u>	<u>549,032</u>
<b>Cash and restricted cash - end of year</b>	<u>\$ 314,151</u>	<u>\$ 514,344</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	<u>\$ 258,979</u>	<u>\$ 466,168</u>

See accompanying notes.

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

**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**For the Years Ended December 31,**

---

The following table provides a reconciliation of cash and restricted cash to the amounts reported within the balance sheets:

	<u>2022</u>	<u>2021</u>
Operating cash	\$ 66,665	\$ 123,353
Restricted cash	<u>247,486</u>	<u>390,991</u>
Total cash and restricted cash	<u>\$ 314,151</u>	<u>\$ 514,344</u>

See accompanying notes.



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

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 1. ORGANIZATION**

683 Northland LLC (the Company) is a limited liability company formed pursuant to the laws of the State of New York on December 13, 2016. The Company was formed to facilitate the ownership, rehabilitation and operation of a commercial and industrial facility located at 683 Northland Avenue, City of Buffalo, known as the Niagara Machine & Tool Works Factory (the Building). The Company serves as lessor to 683 Northland Master Tenant, LLC, a related entity. The relationship between lessor and lessee is governed by a Master Lease Agreement dated December 28, 2017.

The Building is listed on the National Register of Historic Places and will receive an allocation of federal and state historic rehabilitation tax credits under Section 47 of the Internal Revenue Code of 1986, as amended, and New York credit for Rehabilitation of Historic Properties under Section 606(00) of New York State tax law. The Building was developed in two phases; Phase 1 received an allocation of rehabilitation tax credits in during the year ended December 31, 2018; Phase 2 received allocations in the years ending December 31, 2020 and 2019. No further credits are anticipated.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting:** The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Cash:** The statement of cash flows considers amounts available for current operations to be cash and includes amounts for restricted reserves.

**Concentration of Credit Risk:** The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

During the years ended December 31, 2022 and 2021, one tenant represented 100% of lease revenue.

**Accounts Receivable:** Accounts receivable are comprised of billed and uncollected amounts due for reimbursements related to leasehold improvements, furniture, fixtures and equipment. On a periodic basis, the Company evaluates its accounts receivable and will establish an allowance for doubtful accounts if necessary. There was no allowance for the years ended December 31, 2022 and 2021.

**Lease Income:** The Company recognizes revenue on the date lease payment becomes due in accordance with the Master Lease Agreement. Lease payments received in advance are deferred until earned. The Master Lease Agreement is an operating lease.

**Land, Property and Equipment:** Land, property and equipment are carried at cost which includes all direct costs of acquisition and construction as well as indirect costs including interest incurred during the rehabilitation period. Renewals and betterments that materially extend the life of the assets are capitalized. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided for using the straight-line method based on the following useful lives:

Building	39 years
Land improvements	15 years
Leasehold improvements	15 years
Building improvements	10 years
Furniture, fixtures, and equipment	7 years
Equipment	5 years

NOTES TO THE FINANCIAL STATEMENTS

---

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Company reviews its land, property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of land, property and equipment to the future net undiscounted cash flow expected to be generated by the land, property and equipment and any estimated proceeds from the eventual disposition of the land, property and equipment. If the land, property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the land, property and equipment exceeds the fair value of such land, property and equipment. There were no impairment losses recognized for the years ended December 31, 2022 and 2021.

**Debt Issuance Costs:** There was no amortization of debt issuance costs for long term debt for the year ended December 31, 2022. Amortization of debt issuance costs amounted to \$43,675 for the year ending December 31, 2021 and is included in interest expense.

**Income Taxes:** No provision or benefit has been made for income taxes in the accompanying financial statements since taxable income or loss of the Company passed through to the respective members for reporting passes through to, and is reportable by, the members individually.

**Use of Estimates:** In preparing financial statements in accordance with U.S. GAAP, management makes estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

**Leases:** In February 2016, the Financial Accounting Standards Board (FASB) issued ASC Topic 842, Leases. ASC Topic 842 amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets. Under ASC Topic 842 lessor accounting will remain similar to lessor accounting under previous GAAP, while aligning with the FASB's new revenue recognition guidance. In December 2018, the FASB issued ASU 2018-20, which clarifies lessor treatment of sales taxes and other similar taxes collected from lessees, lessor costs paid directly by lessees and recognition of variable payments for contracts with lease and non-lease components. The Company adopted Topic 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Company has applied Topic 842 to reporting periods beginning on January 1, 2021.

The Company elected the "practical expedients" under the transition guidance within Topic 842, which does not require contracts to be separated between lease components and non-lease components. The non-lease components represent additional services such as utilities which are variable in nature.

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

As a lessor, the Company has leasing operations which consist of the Master Lease Agreement which carries a remaining term of 19 years and 8 months. The lease does not include an option to renew. The lessee does not have an option to purchase the leased assets.

The adoption of the new lease standard did not materially impact members' equity or cash flows and did not result in a cumulative-effect adjustment to the opening balance of members' equity.

**Subsequent Event:** These financial statements have not been updated for subsequent events occurring after March 14, 2023, which is the date these financial statements were available to be issued.

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

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 3. LAND, PROPERTY AND EQUIPMENT**

Land, property and equipment consists of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Land	\$ 589,272	\$ 589,272
Buildings and improvements	104,433,211	104,433,211
Furniture, fixtures and equipment	7,360,751	7,457,666
Leasehold improvements	<u>291,222</u>	<u>291,222</u>
	112,674,456	112,771,371
Less: Accumulated depreciation	<u>(16,334,108)</u>	<u>(12,315,529)</u>
	<u>\$ 96,340,348</u>	<u>\$ 100,455,842</u>

Depreciation expense for the year ended December 31, 2022 amounted to \$4,071,045 (\$4,146,011 – 2021).

**NOTE 4. CAPITAL CONTRIBUTIONS AND ALLOCATION OF PROFITS AND LOSSES**

The Company consists of two members; 683 WTC, LLC and BBRC Land Company I, LLC. 683 WTC, LLC is the managing member and a 95% owner. BBRC Land Company I, LLC has a 5% membership interest. Both members fulfilled all required capital contributions in prior years.

The managing member contributed an additional \$6,792,792 in capital during the year ended December 31, 2022 (\$13,857,994 – 2021).

The member interest contributed a total of \$348,325 during the year ended December 31, 2022 (\$961,846 – 2021)

The terms of the amended and restated operating agreement of the Company, effective as of December 28, 2017, provides for, among other things, that profits and losses be allocated to each member in accordance with the ratio of the value of the respective capital account to the value of all capital accounts in the aggregate.

**NOTE 5. TRANSACTIONS WITH AFFILIATES**

The Company has a Master Lease Agreement (the Agreement) with the master tenant member to receive lease income commencing August 26, 2018, the day prior to the first date on which Phase I of the Building was placed in service for purposes of the historical tax credits, through August 31, 2038. For the years ended December 31, 2022 and 2021, the Company recognized \$1,879,742 in lease revenue related to the Agreement. The lease agreement includes scheduled lease increases over the term of the lease, which in accordance with U.S. GAAP, will be recognized on a straight-line basis over the term of the lease. The Company will reduce the deferred lease liability by \$1,896,446 over each of the next 5 years.

Future minimum lease receipts to be received under the Master Lease Agreement are contractually due as follows as of December 31:

2023	\$ 492,423
2024	528,046
2025	558,098
2026	565,617
2027	580,645
Thereafter	<u>6,309,728</u>
	<u>\$ 9,034,557</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5. TRANSACTIONS WITH AFFILIATES (CONTINUED)**

**Developer's Fee - Related Party:** The Company has an agreement with Buffalo Urban Development Corporation (the "Developer") regarding the developer fee amounting to \$11,886,746. The remaining developer fee payable was paid in full during the year ended December 31, 2021.

**Due from Related Party:** The Company has paid certain operating expenses directly to third parties on behalf of 683 Northland Master Tenant, LLC. The outstanding amount for the year ending December 31, 2022 is \$132,359 (\$135,559 - 2021).

**NOTE 6. LONG TERM DEBT**

**Mortgage Payable:** During 2017, the Company borrowed amounts totaling \$13,730,000 related to the Northland Corridor project from BACDE NMTC Fund 16, LLC and NTCIC-NORTHLAND, LLC. Buffalo Urban Development Corporation, a related party, is a guarantor on the loan agreement. Interest accrues at the rate of 1.33776% and is due quarterly. The loans are collateralized by the building. Interest only payments from the date of the agreement, December 28, 2017 through December 31, 2024 are payable quarterly. Principal and interest are due quarterly, commencing December 31, 2024, until the maturity date of December 28, 2052. Under the loan agreements, the Company shall pay BACDE NMTC Fund 16, LLC an annual asset management fee of \$45,000 through 2025 and NTCIC-NORTHLAND, LLC an annual asset management fee of \$10,000 through 2026. Asset management fees amounted to \$55,000 for year ending December 31, 2022 and 2021.

**Bridge Loans:** The Company entered into two bridge loan agreements with KeyBank on December 28, 2017, in the amounts of \$20,000,000 (Loan A) and \$10,000,000 (Loan B). Buffalo Urban Development Corporation, 683 WTC, LLC, and BBRC Land Company I, LLC, related parties, are guarantors on these loan agreements. The loans are collateralized by security interest in all assets of 683 WTC, LLC, BBRC Land Company I, LLC and 683 Northland LLC, assignment of rents by the Company, and assignment of construction contracts and architect's agreements. The bridge loan agreement for Loan B matured on June 30, 2021 and was paid in full as of December 31, 2021. The bridge loan agreement for Loan A was extended through June 30, 2023. The balance outstanding at December 31, 2022 totaled \$1,001,167 (\$10,180,810 - 2021). Interest on Loan A is calculated at the adjusted daily SOFR rate plus 2.4% (6.19% at December 31, 2022). Previous to December 29, 2022, interest on Loan A was calculated at prime rate (as established by KeyBank), plus .25% with a floor of 3% (3% at December 31, 2021). Accrued interest amounted to \$9,168 as of December 31, 2022 (\$23,812 - 2021). Interest on Loan B is calculated at the prime rate (as established by KeyBank) plus .25% per annum. Management intends to repay Loan A with capital contributions from the managing member. The capital contributions from the managing member will be funded by the proceeds received in connection with the Brownfield tax credits. During February 2023, the Company repaid \$980,000 of Loan A with capital contributions.

The above long term debt is summarized by funding source below as follows at December 31:

	<u>2022</u>	<u>2021</u>
KeyBank- bridge loans	\$ 1,001,167	\$ 10,180,810
BACDE NMTC Fund 16, LLC	8,730,000	8,730,000
NTCIC-NORTHLAND, LLC	<u>5,000,000</u>	<u>5,000,000</u>
	<u>\$ 14,731,167</u>	<u>\$ 23,910,810</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6. LONG TERM DEBT (CONTINUED)**

Current maturities of long-term debt are as follows for the years ending December 31:

2023	\$ 1,001,167
2024	100,188
2025	404,116
2026	409,549
2027	415,056
Thereafter	<u>12,401,091</u>
	<u>\$ 14,731,167</u>

**NOTE 7. LINE OF CREDIT**

**Line of Credit:** The Company entered into a non-revolving line of credit agreement with KeyBank on April 29, 2020 which allows for borrowings up to \$1,000,000. The agreement was amended on December 29, 2022, and allows borrowings up to \$677,158. Buffalo Urban Development Corporation, 683 WTC, LLC, and BBRC Land Company I, LLC, related parties, are guarantors this agreement. Borrowings are to be used to pay interest on the Bridge loans (see Note 6) while awaiting member contributions. Borrowed amounts on the line bear interest at an adjusted daily SOFR rate plus 2.4% (6.19% at December 31, 2022) per annum (previously adjusted LIBOR rate – 3.25% at December 31, 2021) and are collateralized by security interest in all assets of 683 WTC, LLC, BUDC and BBRC Land Company I, LLC. All outstanding principal and interest amounts are due upon maturity. The agreement matures on December 31, 2023.

**NOTE 8. RESTRICTED CASH AND FUNDED RESERVES**

The Company was required to establish interest reserve accounts for the KeyBank bridge loans and asset management fees in connection with the loans due to BACDE NMTC Fund 16, LLC and NTCIC-NORTHLAND, LLC. The interest and asset management fees incurred in connection to these loans are paid from these reserve accounts. The balances in the reserve accounts were as follows as of December 31:

	<u>2022</u>	<u>2021</u>
KeyBank interest reserve	\$ 9,170	\$ 23,813
BACDE NMTC Fund 16, LLC reserve	147,316	216,178
NTCIC-NORTHLAND, LLC reserve	<u>91,000</u>	<u>151,000</u>
	<u>\$ 247,486</u>	<u>\$ 390,991</u>

**REPORT TO THE BOARD OF DIRECTORS**  
**BUFFALO URBAN DEVELOPMENT CORPORATION**

---

**DECEMBER 31, 2022**

**DRAFT**  
**Tentative and Preliminary**  
**For Discussion and Internal**  
**Purposes Only-Subject to Revision**

March 8, 2023

To the Members of the Board of Directors  
Buffalo Urban Development Corporation  
95 Perry Street, Suite 403  
Buffalo, New York 14203

Members of the Board:

We are pleased to present this report related to our audits of the financial statements of the Buffalo Urban Development Corporation (BUDC), as of and for the year ended December 31, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for BUDC's financial reporting process.

This report is intended solely for the information and use of the BUDC and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to be of service to the BUDC.

[signature]

DRAFT - Preliminary  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only - Subject to Revision

# Contents

	<u>Page</u>
Required Communications	3-5
Summary of Significant Accounting Estimates	6
Recently Issued Accounting Standards	7
Management Letter	8
<i>Exhibit A</i> – Significant Written Communication Between Management and our Firm Representation Letter	9

DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only-Subject to Revision



## Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditors Communications with Those Charge with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<b>Our Responsibilities with Regard to the Financial Statement Audit</b>	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States, have been described to you in our arrangement letter dated January 5, 2023. Our audit of the consolidated financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	We have issued a separate communication dated January 5, 2023 regarding the planned scope and timing of our audit and identified significant risks.
<b>Accounting Policies and Practices</b>	<p data-bbox="829 894 1455 924"><b>Preferability of Accounting Policies and Practices</b></p> <p data-bbox="829 947 1487 1100">Under generally accepted principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p data-bbox="829 1115 1422 1144"><b>Adoption of, or Change in, Accounting Policies</b></p> <p data-bbox="829 1157 1487 1310">Management has the ultimate responsibility for the appropriateness of the accounting policies used by BUDC. The following is a description of significant accounting policies that were either initially selected or implemented during the year:</p> <p data-bbox="829 1346 1487 1862">In June 2017, the GASB issued Statement No. 87, Leases. The guidance in this Statement supersedes the previous lease guidance. Under the new guidance, lessors are required to recognize most leases on their statement of net position through a lease asset and related lease liability that mirrors the lessee's books and records. Lessors do not derecognize the underlying asset on their books and records. The new standard was effective for fiscal years beginning after July 1, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessors for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Company adopted this standard effective January 1, 2022 using the transition method. Upon the adoption of Statement No. 87, as a lessor a</p>

Area	Comments
<b>Accounting Policies and Practices(Cont.)</b>	<p>right to use asset and related lease liability was recognized under the Master Lease Agreement on the statements of net position. The underlying asset remained on the books and records. The adoption of Statement No 87 did not materially impact cash flows and did not result in a cumulative-effect adjustment to the opening balance of net position.</p> <p><b>Significant or Unusual Transactions</b></p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p><b>Management's Judgments and Accounting Estimates</b></p> <p>Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Significant Accounting Estimates."</p>
<b>Basis of Accounting</b>	<p>The financial statements were prepared on assumption that the entity will continue as a going concern.</p>
<b>Audit Adjustments</b>	<p>There were no audit adjustments made to the original trial balances presented to us to begin our audit.</p>
<b>Uncorrected Misstatement</b>	<p>We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.</p>
<b>Disagreements with Management</b>	<p>We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.</p>
<b>Difficult or Contentious Matters for Which We Consulted</b>	<p>There were no matters that were difficult or contentious for which we consulted outside the engagement team and that we reasonably determined are relevant to the Audit Committee's oversight of the financial reporting process.</p>
<b>Consultations with Other Accountants</b>	<p>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</p>
<b>Significant Difficulties Encountered in Performing the Audit</b>	<p>We did not encounter any significant difficulties in dealing with management during the audit.</p>

DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only. Subject to Revision

Area	Comments
<b>Shared Responsibilities: AICPA Independence</b>	<p>The AICPA regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees, and audit firms work together in considering compliance with AICPA independence rules. For Freed Maxick, CPAs to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, and Freed Maxick, CPAs each play an important role.</p> <p><b>Our Responsibilities</b></p> <ul style="list-style-type: none"> <li>• AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. Freed Maxick, CPAs is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.</li> <li>• Maintain a system of quality control over compliance with independence rules and firm policies.</li> </ul> <p><b>The Company's Responsibilities</b></p> <ul style="list-style-type: none"> <li>• Timely inform Freed Maxick CPAs, before the effective date of transactions or other business changes, of the following: <ul style="list-style-type: none"> <li>– New affiliates, directors, officers, or person in financial reporting oversight roles.</li> <li>– New beneficial owners of the Company's equity securities that have significant influence.</li> <li>– Change in corporate structure impacting affiliates such as add-on acquisitions or exits.</li> </ul> </li> <li>• Provide necessary affiliate information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.</li> <li>• Understand and conclude on the permissibility, prior to the Company and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with Freed Maxick, CPAs.</li> <li>• Not entering into relationships resulting in Freed Maxick, CPAs, Freed Maxick, CPAs covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Company.</li> </ul>
<b>Significant Written Communication Between Management and Our Firm</b>	<p>A copy of the representation letter provided to us by management is attached as Exhibit A.</p>

DRAFT  
Tentative and Preliminary  
For Discussion and Comment  
Purposes Only - Confidential

## Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the BUDC's December 31, 2022 financial statements:

<b>Estimate</b>	<b>Accounting Policy</b>	<b>Management's Estimation Process</b>	<b>Basis of our conclusions on Reasonableness of Estimate</b>
<b>Depreciation of Property, Plant &amp; Equipment and Land Adjustments to Net Realizable Value</b>	Management depreciates property, plant and equipment over the estimated lives of the assets. Management adjusts net realizable value of land for capitalizable expenses.	Useful lives were assigned based on BUDC's useful life policy. Management was consistent in calculating depreciation based on the useful lives assigned to each asset. Land adjustments to net realizable value are calculated by management utilizing actual capitalizable expenses and information from Annual Property Report regarding the fair value of the properties.	The methods and lives used to estimate depreciation expense appears reasonable. Methods used to estimate adjustments to net realizable value of land appear reasonable.

DRAFT  
Tentative and Preliminary  
For Discussion and Information  
Purposes Only-Subject to Revision

## Recently Issued Accounting Standards

The GASB has issued several statements not yet implemented by the BUDC. BUDC's management has not yet determined the effect these Statements will have on the BUDC's consolidated financial statements. However, BUDC plans to implement all standards by the required dates. The Statements which might impact the BUDC are as follows:

### **Summary of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements***

This Statement issued in May 2020 will be effective for the BUDC beginning with its fiscal year ending December 31, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

This Statement establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases*, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only-Subject to Revision



The Finance & Audit Committees, Boards of Directors, and Management  
Buffalo Urban Development Corporation

In planning and performing our audits of the financial statements of the Buffalo Urban Development Corporation (BUDC), of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the BUDC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the separate financial statements, but not for the purpose of expressing an opinion on the effectiveness of the BUDC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the BUDC's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Finance and Audit Committees, Boards of Directors, and others within the BUDC. It is not intended to be, and should not be, used by anyone other than these specified parties.

Buffalo, New York  
XXXXX, 2023

DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only-Subject to Revision

## Exhibit A - Significant Written Communications Between Management and Our Firm

Engagement Letter – previously furnished

Representation Letter – see attached

DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only-Subject to Revision

**AUDITED  
CONSOLIDATED FINANCIAL STATEMENTS**

**BUFFALO URBAN DEVELOPMENT  
CORPORATION**

---

**DECEMBER 31, 2022**

**DRAFT**  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only-Subject to Revision



**BUFFALO URBAN DEVELOPMENT CORPORATION  
CONTENTS**

---

**Page**

**FINANCIAL SECTION**

Independent Auditor's Report 1-3

Management's Discussion and Analysis 4-11

**Basic Financial Statements:**

Consolidated Statements of Net Position 12

Consolidated Statements of Revenues, Expenses and Changes in Net Position 13

Consolidated Statements of Cash Flows 14

Notes to Financial Statements 15-25

**Supplementary Information:**

Consolidating Statement of Net Position 26

Consolidating Statement of Revenues, Expenses and Changes in Net Position 27

**INTERNAL CONTROL AND COMPLIANCE**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 28-29

DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only-Subject to Revision

**FINANCIAL SECTION**

**DRAFT**  
**Tentative and Preliminary**  
**For Discussion and Internal**  
**Purposes Only-Subject to Revision**

**BUFFALO URBAN DEVELOPMENT CORPORATION  
CONSOLIDATED STATEMENTS OF NET POSITION  
DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 20,354,670	\$ 2,817,690
Grants receivable	32,183,206	10,160,553
Restricted cash	4,014,036	4,487,462
Other current assets	6,230,118	6,626,745
Total current assets	<u>62,782,030</u>	<u>24,092,450</u>
<b>Noncurrent assets:</b>		
Loans receivable	9,666,400	9,666,400
Equity investment	178,051	178,051
Capital assets, net	104,743,215	108,785,225
Right to use asset	7,737,832	-
Land and improvements held for sale, net	788,212	3,363,434
Total noncurrent assets	<u>123,113,710</u>	<u>121,993,110</u>
Total assets	<u>\$ 185,895,740</u>	<u>\$ 146,085,560</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	44,122	\$ 959,332
Unearned revenue	3,843,820	14,373,673
Line of credit	677,158	677,158
Current portion of loans payable	1,001,167	10,180,810
Total current liabilities	<u>55,766,267</u>	<u>26,190,973</u>
<b>Noncurrent liabilities:</b>		
Deferred lease liability	28,430,972	20,219,190
Loans payable	14,099,750	14,099,750
Note payable	-	257,381
Total noncurrent liabilities	<u>42,530,722</u>	<u>34,576,321</u>
<b>NET POSITION</b>		
Net investment in capital assets	90,430,510	87,868,099
Restricted	3,409,239	3,624,405
Unrestricted (deficit)	<u>(6,240,998)</u>	<u>(6,174,238)</u>
Total net position	<u>87,598,751</u>	<u>85,318,266</u>
Total liabilities and net position	<u>\$ 185,895,740</u>	<u>\$ 146,085,560</u>

DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only-Subject to Revision

See accompanying notes.

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
<b>Operating revenues:</b>		
Lease and other revenue	\$ 9,024,458	\$ 14,869,875
Grant revenue	8,056,896	4,425,140
Loan interest and commitment fees	96,664	112,107
Brownfield funds	36,183	40,821
Total operating revenues	<u>17,214,201</u>	<u>19,447,943</u>
<b>Operating expenses:</b>		
Development costs	8,148,766	4,253,238
Depreciation	4,152,123	4,225,517
General and administrative	1,667,554	2,036,694
Salaries and benefits	384,459	482,778
Management fee	138,967	125,408
Adjustment to net realizable value	125,675	98,713
Total operating expenses	<u>14,617,544</u>	<u>11,222,348</u>
Operating income	2,596,657	8,225,595
<b>Nonoperating revenues (expenses):</b>		
Loss on disposal	(427,553)	(118,382)
Interest income	18,967	722
Amortization expense	-	(43,675)
Interest expense	(260,911)	(450,479)
Total nonoperating expenses, net	<u>(664,497)</u>	<u>(611,814)</u>
Change in net position	1,932,160	7,613,781
Net position - beginning of year	85,318,266	76,742,639
Add: capital contributions	348,325	961,846
Net position - end of year	<u>\$ 87,598,751</u>	<u>\$ 85,318,266</u>

DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only-Subject to Revision

See accompanying notes.

**BUFFALO URBAN DEVELOPMENT CORPORATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Amounts (paid) received from Brownfields funds	\$ (10,717)	\$ 67,767
Grants received	25,504,390	8,464,959
Receipts from loans and commitment fees	96,664	112,107
Repayments of loans	-	750,000
Rental and other revenue	10,013,539	19,562,372
Payments to employees, suppliers, and other	<u>(11,237,591)</u>	<u>(6,934,777)</u>
<b>Net cash provided by operating activities</b>	<b>24,366,285</b>	<b>22,022,428</b>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(154,561)	(449,194)
Proceeds from sale/disposal of capital assets	2,197,117	872,400
Repayment of line of credit	-	(923,370)
Proceeds from line of credit	-	183,575
Repayment of loans	(9,437,024)	(18,961,134)
Capital contributions	<u>348,325</u>	<u>961,846</u>
<b>Net cash used by capital and related financing activities</b>	<b>(7,046,143)</b>	<b>(18,315,877)</b>
<b>Cash flows from investing activities:</b>		
Change in restricted cash	273,426	(789,753)
Interest earned	18,967	722
Interest paid	<u>(275,555)</u>	<u>(525,549)</u>
<b>Net cash provided (used) by investing activities</b>	<b>216,838</b>	<b>(1,314,580)</b>
<b>Net increase in cash</b>	<b>17,536,980</b>	<b>2,391,971</b>
<b>Cash - beginning of year</b>	<b>2,817,690</b>	<b>425,719</b>
<b>Cash - end of year</b>	<b>\$ 20,354,670</b>	<b>\$ 2,817,690</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 2,596,657	\$ 8,225,595
Adjustment to reconcile income from operations to net cash provided by operating activities:		
Depreciation expense	4,152,123	4,225,517
(Increase) decrease in grants receivable	(22,022,653)	3,489,057
Decrease in other current assets	396,627	525,981
Decrease in loans receivable	-	750,000
(Decrease) increase in accounts payable and accrued expenses	(700,566)	116,154
Increase in unearned revenue	39,470,147	550,762
Increase in deferred lease liability	<u>473,950</u>	<u>4,139,362</u>
<b>Net cash provided by operating activities</b>	<b>\$ 24,366,285</b>	<b>\$ 22,022,428</b>
<b>Non-cash transactions:</b>		
Grants received but not yet earned	<u>\$ 38,983,032</u>	<u>\$ 548,961</u>

See accompanying notes.

**BUFFALO URBAN DEVELOPMENT CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Buffalo Urban Development Corporation (BUDC) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the BUDC's accounting policies are described below.

**A. REPORTING ENTITY**

The Buffalo Urban Development Corporation (BUDC) was incorporated to facilitate partnership with the private sector in the development of the City of Buffalo (the City). Funding was initially received from the City; however the City has not allocated direct funding to BUDC for several years and future allocations are not expected. Funding is received primarily from land sales, grant funding, and loan repayments. In 2005, an agreement between BUDC, Erie County Industrial Development Agency (ECIDA), the City, and Erie County (the County) established the Buffalo Brownfields Redevelopment Fund (the Fund). The Fund dedicates certain payments received in lieu of real estate taxes (PILOT) for future eligible project costs. The fund is administered by ECIDA and reimburses BUDC for eligible project costs incurred. The activity of the Fund is included in these financial statements.

The financial reporting entity consists of (a) the primary entity, which is BUDC, (b) 683 WTC, LLC, (WTC) of which BUDC is the sole member, and (c) 683 Northland LLC (Northland) in which 683 WTC, LLC has a 95% equity interest.

In accordance with U.S. GAAP, BUDC is not considered a component unit of another entity.

**B. BASIS OF PRESENTATION**

Revenues from grants, Brownfield funds, rental payments, and interest on loans are reported as operating revenues. All expenses related to operating BUDC are reported as operating expenses. Certain other transactions are reported as nonoperating activities including BUDC's interest income from deposits and interest expense related to long-term debt.

When both restricted and unrestricted resources are available for use, it is BUDC's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. CONSOLIDATED FINANCIAL STATEMENT PRESENTATION**

The consolidated financial statements include the accounts of BUDC, WTC, and Northland. All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements. These consolidated financial statements have been prepared in conformity with U.S. GAAP.

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

BUDC is considered a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of BUDC are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred; regardless of when the cash transaction takes place.

Nonexchange transactions, in which BUDC gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenue from grants is recognized in the year in which all eligibility requirements have been satisfied.

**E. CASH AND RESTRICTED CASH**

BUDC's cash consists of cash on hand and demand deposits. Certain assets are classified on the consolidated statements of net position as restricted because their use is limited.

**BUFFALO URBAN DEVELOPMENT CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. LOANS RECEIVABLE**

Loans receivable are presented net of an allowance for uncollectible accounts. BUDC maintains an allowance for estimated uncollectible accounts which is based on an analysis of the loan portfolio and reflects an amount that, in management's judgment, is adequate to provide for potential loan losses. Loans are written off when, in management's judgment, no legal recourse is available to collect the amount owed.

Interest on loans receivable is accrued as required by the terms of the agreement; management considers that collection is probable based on the current economic condition of the borrower. Accrual of interest ceases when management adjusts a loan reserve to 50% or more of the loan's outstanding balance.

**G. OTHER CURRENT ASSETS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. These amounts are included in other current assets and amounted to \$5,748,442 and \$6,188,769 for December 31, 2022 and 2021, respectively. Other current assets include interest and accounts receivables and amounted to \$481,676 and \$437,976 for December 31, 2022 and 2021, respectively.

**H. CAPITAL ASSETS**

Capital assets are recorded at acquisition cost and depreciated over the estimated useful lives of the respective assets using the straight-line method. The cost of repairs, maintenance and minor replacements are expensed as incurred, whereas expenditures that materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, its cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in income. Contributed capital assets are recorded at fair value at the date received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the BUDC are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Furniture and equipment	\$1,000	Straight-line	3-10 years
Buildings and improvements	\$1,000	Straight-line	5-40 years

**I. INSURANCE**

BUDC is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks has not yet exceeded commercial insurance coverage for the past three years.

**J. NET POSITION**

Equity is classified as net position and displayed in three components:

- Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and related debt.
- Restricted* - Consists of net positions with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Included in this classification are the Buffalo Brownfields Redevelopment Fund and a loan fund.
- Unrestricted* - The net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by BUDC.

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. INCOME TAXES**

BUDC is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and the income realized will not be subject to New York State corporate franchise tax. BUDC is subject to unrelated business income tax related to certain lending transactions associated with WTC.

**L. STATEMENTS OF CASH FLOWS**

For the purposes of the statements of cash flows, BUDC considers all cash, other than restricted cash, which includes cash and demand accounts.

**M. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**N. LEASES**

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87 Leases. Statement No. 87 amends the existing accounting standards for lease accounting, including requiring lessors to recognize most leases on their statements of net position to mirror the lessee's books and records. The BUDC adopted Statement No. 87 on January 1, 2022, using the transition method as outlined which eliminates the requirement to restate the prior-period financial statements. Under this transition method, the BUDC has applied Statement No. 87 to reporting periods beginning on January 1, 2022.

BUDC determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to. A contract is or contains a lease when the contract conveys control of the right to use another entity's nonfinancial asset for a period of time in an exchange or an exchange-like transaction.

As a lessor, Northland has a lease under the Master Lease Agreement (Note 8). Under Statement No. 87 Northland recorded a right to use asset and liability amounting to \$8,060,094 at January 1, 2022 upon adoption. The liability includes unamortized prepaid rent payments. Lease revenue is recognized straight line over the life of the Master Lease Agreement.

The adoption of Statement No. 87 did not materially impact cash flows and did not result in a cumulative-effect adjustment to the opening balance of net position.

**O. ACCOUNTING PRONOUNCEMENTS**

The BUDC has evaluated the provisions of Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, Statement No. 91, *Conduit Debt Obligations*, Statement No. 92, *Omnibus 2020*, Statement No. 93, *Replacement of Interbank Offered Rates* and Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32* and determined that they have no significant impact on the BUDC's financial statements.



**BUFFALO URBAN DEVELOPMENT CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

---

**O. ACCOUNTING PRONOUNCEMENTS (CONTINUED)**

The following are GASB Statements that have been issued recently and are currently being evaluated, by the BUDC, for their potential impact in future years.

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 99, *Omnibus 2022*, which will be effective based on individual applications. Earlier implementation is encouraged and permitted.
- Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, which will be effective for the year ending December 31, 2024.
- Statement No. 101, *Compensated Absences*, which will be effective for the year ending December 31, 2024.

**P. RECLASSIFICATIONS**

Certain prior year amounts have been reclassified to conform with current year presentation.

**NOTE 2. CASH AND INVESTMENTS**

BUDC's investment policies are governed by State statutes. In addition, BUDC has its own written investment policy. BUDC monies must be deposited in Federal Deposit Insurance Corporation (FDIC)-insured commercial banks or trust companies located within the State. BUDC is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the United States Treasury and its agencies, repurchase agreements and obligations of the State and its localities.

Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State and its municipalities and school districts and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

As of December 31, 2022 and 2021, BUDC's aggregate bank deposits were considered fully collateralized.

**Investment and Deposit Policy**

BUDC follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of BUDC's Treasurer.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. BUDC's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

BUDC's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. BUDC's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 2. CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with BUDC's investment and deposit policy, all deposits of BUDC including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Corporation (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. BUDC restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by the State of New York and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

**NOTE 3. LOANS RECEIVABLE**

In 2017, BUDC made a loan in the amount of \$9,666,400 to Northland NMTC Investment Fund, LLC (NMTC). Interest accrues at the rate of one percent per annum (1%) and is due quarterly. Interest only payments from the date of first advance, which was December 28, 2017 through December 31, 2021 are payable quarterly. Principal and interest shall be paid commencing December 31, 2024 through December 31, 2042. NMTC pledges its entire interest in BACDE NMTC Fund 16, LLC and NTCIC-Northland, LLC. BUDC's policy is to present loans receivable net of an allowance for uncollectible loans. Management has determined that no allowance for this loan was necessary in 2022 and 2021.

**NOTE 4. CAPITAL ASSETS**

Capital asset activity for the BUDC for the year ended December 31, 2022 was as follows:

	Balance January 1, 2022	Increases	Decreases	Balance December 31, 2022
<b>Non-depreciable capital assets</b>				
Land	874,014	-	-	874,014
Idle buildings and improvements	5,024,834	144,861	-	5,169,695
<b>Total non-depreciable capital assets</b>	<b>5,898,848</b>	<b>144,861</b>	<b>-</b>	<b>6,043,709</b>
<b>Depreciable capital assets:</b>				
Buildings and Improvements	107,884,114	-	-	107,884,114
Furniture and equipment	7,511,625	9,700	96,915	7,424,410
Less: accumulated depreciation	12,509,362	4,152,123	52,467	16,609,018
<b>Total depreciable assets, net</b>	<b>102,886,377</b>	<b>(4,142,423)</b>	<b>44,448</b>	<b>98,699,506</b>
<b>Total capital assets, net</b>	<b>\$ 108,785,225</b>	<b>\$ (3,997,562)</b>	<b>\$ 44,448</b>	<b>\$ 104,743,215</b>

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 4. CAPITAL ASSETS (CONTINUED)**

Capital asset activity for the BUDC for the year ended December 31, 2021 was as follows:

	Balance January 1, 2021	Increases	Decreases	Balance December 31, 2021
<b>Non-depreciable capital assets</b>				
Land	\$ 874,014	\$ -	\$ -	\$ 874,014
Idle buildings and improvements	4,687,894	336,940	-	5,024,834
<b>Total non-depreciable capital assets</b>	<b>5,561,908</b>	<b>336,940</b>	<b>-</b>	<b>5,898,848</b>
<b>Depreciable capital assets:</b>				
Buildings and improvements	107,814,194	69,920	-	107,884,114
Furniture and equipment	7,925,057	6,688	420,120	7,511,625
Less: accumulated depreciation	8,465,782	4,225,517	181,937	12,509,362
<b>Total depreciable assets, net</b>	<b>107,273,469</b>	<b>(4,148,909)</b>	<b>238,183</b>	<b>102,886,377</b>
<b>Total capital assets, net</b>	<b>\$ 112,835,377</b>	<b>\$ (3,811,969)</b>	<b>\$ 238,183</b>	<b>\$ 108,785,225</b>

Land, buildings, and improvements related to the Northland Corridor amounted to \$6,043,709 and \$5,898,848 at December 31, 2022 and 2021. BUDC intends to return these properties to productive use, assist with revitalizing the surrounding neighborhood, and provide employment opportunities for nearby residents by creating a new manufacturing hub on the City's east side. Once completed, BUDC expects to lease the property to local businesses, government agencies, and nonprofit organizations.

Due to the extensive amount of revitalization, pollution remediation (Note 15), and other related activities, the anticipated costs of certain Northland properties exceed the expected fair value of the properties based on current estimates. Adjustments to net realizable value totaled \$11,349 and \$650 for the years ended December 31, 2022 and 2021, respectively.

**NOTE 5. LAND AND IMPROVEMENTS HELD FOR DEVELOPMENT AND SALE**

In 2002, on behalf of the City, BUDC agreed to undertake a multi-phase Brownfield reclamation and redevelopment project at the former Hanna Furnace site and land surrounding the Union Ship Canal, now known as Buffalo Lakeside Commerce Park (BLCP). BUDC accepted 104 acres of tax foreclosed property from the City, demolished derelict structures, and constructed approximately 5,000 linear feet of roads and infrastructure. Funding for this work was provided by the State, the City, and the County. With additional funding from the State, BUDC purchased 130 acres of land to add to the BLCP and constructed additional roads and infrastructure. Between 2004 and 2008 there were multiple BLCP parcels sold to local businesses. In 2022 and 2021, approximately 72 and 20 acres of land, respectively were sold to local developers.

In 2018, BUDC purchased approximately 7 acres of property at 308 Crowley Street in the City of Buffalo for the purpose of remediation and redevelopment. The property includes a derelict building which underwent select demolition. One acre of land was sold in 2020, .65 acres were sold in 2021, and remaining property (5.687 acres) were sold in 2022.

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 5. LAND AND IMPROVEMENTS HELD FOR DEVELOPMENT AND SALE (CONTINUED)**

Land and improvements held for sale are recorded at net realizable value based on assessment of the fair value of each project as follows at December 31:

	<u>2022</u>	<u>2021</u>
BLCP	\$ 6,038,215	\$ 8,533,718
308 Crowley	-	71,510
Less adjustment to net realizable value (BLCP)	<u>5,250,003</u>	<u>5,241,794</u>
Total land and improvements held for development and sale	<u>\$ 788,212</u>	<u>\$ 3,363,434</u>

**NOTE 6. GRANTS RECEIVABLE AND UNEARNED REVENUE**

BUDC was awarded several grants between 2016-2021 from Empire State Development (ESD) for the demolition, remediation, renovation, construction and site/street improvements for various Northland properties and the Western New York Workforce Training Center project (Training Center). In 2022, BUDC was awarded two grants totaling \$14,446,429 for Phase 1 of the Build Back Better Regional Challenge and are outstanding in grants receivable from the U.S. Department of Commerce Economic Development Administration (EDA) as of December 31, 2022.

In 2019, BUDC was awarded a \$3,998,549 grant from ESD under the Restore NY Program in support of the demolition and rehabilitation at certain properties in the Northland Corridor. A \$291,250 grant was also awarded from National Grid's Brownfield Redevelopment Program in support of this work. As of December 31, 2022 \$1,660,727 is outstanding in grants receivable from ESD.

Between 2019-2022, BUDC was awarded eight grants from the Ralph C. Wilson, Jr. Foundation totaling \$52,803,200 for project coordination and advancing the transformation of Ralph C. Wilson, Jr. Centennial Park into a world-class park and recreational amenity for the City and the Western New York Region. As of December 31, 2022 \$14,876,050 is outstanding in grants receivable (\$7,740,000 - 2021).

To further support the shoreline components of the Centennial Park project, BUDC was awarded two grants totaling \$1,224,252 from the Great Lakes Commission in 2020 and 2021. In 2022, BUDC was awarded a \$300,000 grant from Community Foundation for Southeast Michigan and a \$50,000 grant from Community Foundation for Greater Buffalo. As of December 31, 2022 \$50,000 is outstanding in grants receivable (\$137,451 - 2021).

In 2022, BUDC was awarded a \$960,000 grant from the MLB-MLBPA Youth Development Foundation in support of field lighting and youth baseball fields constructions. As of December 31, 2022 \$860,000 is outstanding in grants receivable.

The following is a summary of grants receivable and unearned grant revenue at December 31,:

	<u>2022</u>	<u>2021</u>
Grants receivable:		
EDA	\$ 14,446,429	\$ -
Ralph C Wilson Jr. Foundation	14,876,050	7,740,000
ESD	1,660,727	2,033,102
MLB-MLBPA Youth Development	860,000	-
National Grid	250,000	250,000
Community Foundation	50,000	-
General Motors	40,000	-
Great Lakes Commission	-	137,451
	<u>\$ 32,183,206</u>	<u>\$ 10,160,553</u>

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 6. GRANTS RECEIVABLE AND UNEARNED REVENUE (CONTINUED)**

Unearned revenue:		
Ralph C Wilson Jr. Foundation	\$ 35,906,550	\$ 11,850,415
EDA	14,426,952	-
ESD	1,704,068	1,835,008
MLB-MLBPA Youth Development	960,000	-
National Grid	381,250	381,250
Community Foundation	325,000	-
Other	100,000	300,000
General Motors	40,000	-
Great Lakes Commission	-	7,000
	<u>\$ 53,843,820</u>	<u>\$ 14,373,673</u>

**NOTE 7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

The following is a summary of accounts payable and accrued expenses at December 31.:

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 186,573	862,805
Accrued payroll	28,017	23,615
Accrued interest	9,168	23,812
Other accrued expenses	20,364	49,100
	<u>\$ 244,122</u>	<u>\$ 959,332</u>

**NOTE 8. MASTER LEASE AGREEMENT**

Northland has a Master Lease Agreement (the Agreement) with the master tenant member to receive lease income commencing August 26, 2018, the day prior to the first date on which Phase I of the Building was placed in service for purposes of the historical tax credits, through August 31, 2038. As a lessor, the underlying building and other assets are recorded as a right to use asset and corresponding deferred lease liability in line with the lessee's books and records as of December 31, 2022. Northland utilized an interest rate of 2.05% to calculate the deferred lease liability. Additionally, the underlying assets were not derecognized and remain on the statements of net position within capital assets.

Northland recognized \$1,879,742 in lease (rent) revenue related to the Agreement for the years ended December 31, 2022 and 2021. The lease agreement includes scheduled lease (rent) increases over the term of the lease, which in accordance with U.S. GAAP, will be recognized on a straight-line basis over the term of the lease. Northland will reduce the deferred lease (rent) liability by \$1,896,446 over each of the next 5 years and through the remainder of the life of the lease agreement.

Under the Agreement, Northland receives base and prepaid lease payments. As of December 31, 2022, the Company had received \$27,397,807 in prepaid rent (\$25,528,601 – 2021). All prepaid rent payments required under the Agreement have been made as of December 31, 2022. Unamortized prepaid lease payments amounted to \$20,693,140 as of December 31, 2022 (\$20,219,190 – 2021). The unamortized lease payments related to base rent as calculated with the implementation of Statement No. 87 amount to \$7,737,832 as of December 31, 2022 and are included with unamortized prepaid lease payments in the deferred lease liability on the consolidated statements of net position.

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 8. MASTER LEASE AGREEMENT (CONTINUED)**

Future minimum rental receipts to be received under the Master Lease Agreement are contractually due as follows as of December 31, 2022:

2023	\$	492,423
2024		528,046
2025		558,098
2026		565,617
2027		580,645
Thereafter		6,309,728
	\$	<u>9,034,557</u>

**NOTE 9. NOTE PAYABLE**

In connection with the purchase of property related to BLCP, BUDC issued a non-interest bearing note payable in an amount equal to the greater of \$525,000 (\$13,125 per acre) or a percentage of the resale price of the developed property. At December 31, 2021, the note payable amounted to \$257,381. The December 31, 2021 balance represents the remaining 19.61 acres of land at \$13,125 per acre. The note was paid in full during the year ended December 31, 2022.

**NOTE 10. LINE OF CREDIT**

BUDC entered into a revolving line of credit agreement with KeyBank on April 29, 2020 which allows for borrowings up to \$1,800,000. Borrowings are to be used to pay for specific projects that are reimbursed through grants but require the work to be completed prior to reimbursement and for general working capital purposes. Borrowed amounts on the line bear interest at an adjusted LIBOR rate per annum and are collateralized by security interest in all assets of BUDC. Interest payments are due on the first of each month. Principal is due upon demand. The line of credit had no outstanding balance at December 31, 2022 and 2021.

Northland entered into a non-revolving line of credit agreement with KeyBank on April 29, 2020 which allows for borrowings up to \$1,000,000. Agreement was amended on December 29, 2022, and allows borrowings up to \$677,158. Buffalo Urban Development Corporation, 683 WTC, LLC, and BBRC Land Company I, LLC, related parties, are guarantors under this agreement. Borrowings are to be used to pay interest on the Bridge loans (see Note 11) while awaiting member contributions. Borrowed amounts on the line bear interest at an adjusted daily SOFR rate plus 2.4% (6.19% at December 31, 2022) per annum (previously adjusted LIBOR rate – 3.25% at December 31, 2021) and are collateralized by security interest in all assets of 683 WTC, LLC, BUDC and BBRC Land Company I, LLC. All outstanding principal and interest amounts are due upon maturity. The agreement matures on December 31, 2023. The amount outstanding on the line of credit amounted to \$677,158 at December 31, 2022 and 2021.

**NOTE 11. LOANS PAYABLE**

**Mortgage Payable**

During 2017, Northland borrowed amounts totaling \$13,730,000 related to the Northland Corridor project from BACDE NMTC Fund 16, LLC and NTCIC-NORTHLAND, LLC. Buffalo Urban Development Corporation, a related party, is a guarantor on the loan agreement. Interest accrues at the rate of 1.33776% and is due quarterly. The loans are collateralized by the building. Interest only payments from the date of the agreement, December 28, 2017 through December 31, 2024 are payable quarterly. Principal and interest are due quarterly, commencing December 31, 2024, until the maturity date of December 28, 2052. Under the loan agreements, the Company shall pay BACDE NMTC Fund 16, LLC an annual asset management fee of \$45,000 through 2025 and NTCIC-NORTHLAND, LLC an annual asset management fee of \$10,000 through 2026. Asset management fees amounted to \$55,000 for years ending December 31, 2022 and 2021.

**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 11. LOANS PAYABLE (CONTINUED)**

**Bridge Loans**

Northland entered into two bridge loan agreements with KeyBank on December 28, 2017, in the amounts of \$20,000,000 (Loan A) and \$10,000,000 (Loan B). Buffalo Urban Development Corporation, 683 WTC, LLC, and BBRC Land Company I, LLC, related parties, are guarantors on these loan agreements. The loans are collateralized by security interest in all assets of 683 WTC, LLC, BBRC Land Company I, LLC and 683 Northland LLC, assignment of rents by the Company, and assignment of construction contracts and architect's agreements. The bridge loan agreement for Loan B matured on June 30, 2021 and was paid in full as of December 31, 2021. The bridge loan agreement for Loan A was extended through June 30, 2023. The balance outstanding at December 31, 2022 totaled \$1,001,167 (\$10,180,810 - 2021). Interest on Loan A is calculated at the adjusted daily SOFR rate plus 2.4% (6.19% at December 31, 2022). Previous to December 29, 2022, interest on Loan A was calculated at prime rate (as established by KeyBank), plus .25% with a floor of 3% (3% at December 31, 2021). Accrued interest amounted to \$9,168 as of December 31, 2022 (\$23,812 - 2021). Interest on Loan B is calculated at the prime rate (as established by KeyBank) plus .25% per annum. Management intends to repay Loan A with capital contributions from the managing member. The capital contributions from the managing member will be funded by the proceeds received in connection with the Brownfield tax credits.

**Term Note**

BUDC entered into a term note agreement with M&T Bank on February 28, 2019 totaling \$369,750 for the purchase of the land and building at 714 Northland. This note is interest-bearing only until maturity in March 2024. Interest on the note is calculated at one-month LIBOR plus 2.65 percentage points (6.775% at December 31, 2022).

The above debt is summarized by funding source below as follows at December 31:

	2022	2021
KeyBank	\$ 1,001,167	\$ 10,180,810
BACDE NMTC Fund 16, LLC	8,730,000	8,730,000
NTCIC-NORTHLAND, LLC	5,000,000	5,000,000
M&T Bank	369,750	369,750
	<u>\$ 15,100,917</u>	<u>\$ 24,280,560</u>

Current maturities of long term debt are as follows for the years ended December 31:

2023	\$ 1,001,167
2024	469,938
2025	404,116
2026	409,549
2027	415,056
Thereafter	12,401,091
	<u>\$ 15,100,917</u>

Interest expense for the years ending December 31, 2022 and 2021 was \$260,911 and \$450,479, respectively.

**NOTE 12. EQUITY INVESTMENT**

Equity investment represents WTC's 1% investment in 683 Northland Master Tenant, LLC (Master Tenant). WTC utilizes the historical cost method of accounting for its investment in the Master Tenant which results in the equity investment balance being comprised of WTC's original capital contribution in the Master Tenant. The investment amounted to \$178,051 at December 31, 2022 and 2021.

**BUFFALO URBAN DEVELOPMENT CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

---

**NOTE 13. RESTRICTED NET POSITION**

BUDC's restricted net position consists of amounts related to the Buffalo Brownfields Redevelopment Fund in the amount of \$179,785 and \$278,701 at December 31, 2022 and 2021, respectively, and a loan fund in the amount of \$3,229,454 and \$3,345,704 at December 31, 2022 and 2021, respectively.

**NOTE 14. NOTES RECEIVABLE WTC**

BUDC and WTC have note agreements in the amount of \$25,045,279 and \$27,142,000 whereby BUDC will advance proceeds to WTC as requested. The notes carry an interest rate of one percent (1%), compounded annually and the notes are for a period of thirty years. The balance of the notes plus accrued interest is due upon maturity date at December 28, 2047 and November 24, 2050. The total outstanding balance on these notes was \$52,187,279 at December 31, 2022 and 2021. Accrued interest on the loan amounted to \$2,023,519 and \$1,501,646 at December 31, 2022 and 2021, respectively. These notes and the related interest are eliminated upon consolidation.

**NOTE 15. POLLUTION REMEDIATION**

Various pollution remediation activities will be necessary as BUDC moves into Phase 3 redevelopment at the Northland Corridor. Based on preliminary environmental studies, demolition plans, and design plans, management believes that remediation activities should total approximately \$3,000,000. Management expects that the entire cost of the remediation will be reimbursed by grants; therefore, no pollution remediation liability has been accrued in these financial statements.

**NOTE 16. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through ~~XXXX~~ 2023, which is the date the financial statements are available for issuance and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only - Subject to Revision



**SUPPLEMENTARY INFORMATION**

**DRAFT**  
**Tentative and Preliminary**  
**For Discussion and Internal**  
**Purposes Only-Subject to Revision**

**BUFFALO URBAN DEVELOPMENT CORPORATION  
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Buffalo Urban Development Corporation	683 WTC LLC	683 Northland LLC	Eliminations	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 20,287,817	\$ 188	\$ 66,665	\$ -	\$ 20,354,670
Grants receivable	32,183,206	-	-	-	32,183,206
Restricted cash	3,766,560	-	247,486	-	4,014,036
Other current assets	8,079,053	56,530	132,359	(2,037,824)	6,230,118
Total current assets	<u>64,316,626</u>	<u>56,718</u>	<u>446,510</u>	<u>(2,037,824)</u>	<u>62,782,030</u>
<b>Noncurrent assets:</b>					
Loans receivable	61,853,679	-	-	(52,187,279)	9,666,400
Equity investment	-	66,991,763	-	(66,113,712)	178,051
Capital assets, net	8,402,867	-	340,348	-	104,743,215
Right to use asset	788,212	-	7,737,832	-	7,737,832
Land and improvements held for sale, net	788,212	-	-	-	788,212
Total noncurrent assets	<u>71,044,758</u>	<u>66,991,763</u>	<u>104,078,180</u>	<u>(118,300,991)</u>	<u>123,113,710</u>
Total assets	\$ <u>135,361,384</u>	\$ <u>123,708,481</u>	\$ <u>104,524,690</u>	\$ <u>(120,338,815)</u>	\$ <u>185,895,740</u>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	\$ 228,235	\$ 2,037,824	\$ 15,887	\$ (2,037,824)	\$ 244,122
Unearned grant revenue	53,843,220	-	-	-	53,843,220
Lines of credit	-	-	677,158	-	677,158
Current portion of loans payable	1,001,167	-	1,001,167	-	1,001,167
Total current liabilities	<u>54,072,655</u>	<u>2,037,824</u>	<u>1,694,212</u>	<u>(2,037,824)</u>	<u>55,766,267</u>
<b>Noncurrent liabilities:</b>					
Deferred lease liability	-	-	28,430,972	-	28,430,972
Loans payable	369,750	52,187,279	13,730,000	(52,187,279)	14,099,750
Total noncurrent liabilities	<u>369,750</u>	<u>52,187,279</u>	<u>42,160,972</u>	<u>(52,187,279)</u>	<u>42,550,722</u>
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	8,821,329	-	81,609,181	-	90,430,510
Restricted	3,409,239	-	-	-	3,409,239
Unrestricted (deficit)	68,689,011	12,123,378	(20,939,675)	(66,113,712)	(6,240,998)
Total net position (deficit)	<u>80,919,579</u>	<u>12,123,378</u>	<u>60,669,506</u>	<u>(66,113,712)</u>	<u>87,598,751</u>
Total liabilities and net position	\$ <u>135,361,384</u>	\$ <u>66,348,481</u>	\$ <u>104,524,690</u>	\$ <u>(120,338,815)</u>	\$ <u>185,895,740</u>

(1) This represents activities 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  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Buffalo Urban Development Corporation	683 WTC LLC	683 Northland LLC	Eliminations	Total
<b>Operating revenues:</b>					
Lease and other revenue	\$ 151,560	\$ 6,993,156	\$ 1,879,742	\$ -	\$ 9,024,458
Grant revenue	8,056,896	-	-	-	8,056,896
Loan interest and commitment fees	618,537	-	-	(521,873)	96,664
Brownfield funds	36,183	-	-	-	36,183
Total operating revenue	8,863,176	6,993,156	1,879,742	(521,873)	17,214,201
<b>Operating expenses:</b>					
Development costs	8,148,766	-	-	-	8,148,766
Adjustment to net realizable value	125,675	-	-	-	125,675
Salaries and benefits	384,459	-	-	-	384,459
General and administrative	1,298,112	2,794	216,648	-	1,667,554
Management fee	83,967	-	55,000	-	138,967
Depreciation	81,078	4,071,045	-	-	4,152,123
Total operating expenses	10,122,057	4,527,94	4,342,693	-	14,617,544
Operating (loss) income	1,758,881	840,862	(2,462,951)	(521,873)	2,596,657
<b>Nonoperating revenues (expenses):</b>					
(Loss) gain on disposal	(43,604)	-	18,051	-	(422,553)
Interest income	18,519	136	312	-	18,967
Amortization expense	(16,576)	(521,873)	(244,335)	521,873	(260,911)
Interest expense	(438,661)	(521,737)	(225,972)	521,873	(664,497)
Total nonoperating expenses, net	(1,697,542)	6,318,625	(2,688,923)	-	1,932,160
Change in net position	828,121	5,804,753	56,217,312	(59,320,920)	85,318,266
Net position - beginning of year	-	-	7,141,117	(6,792,792)	348,325
Add: capital contributions	80,919,579	12,123,378	60,669,506	(66,113,712)	87,598,751
Net position - end of year	\$	\$	\$	\$	\$

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

**INTERNAL CONTROL AND COMPLIANCE**

**DRAFT**  
**Tentative and Preliminary**  
**For Discussion and Internal**  
**Purposes Only-Subject to Revision**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
Buffalo Urban Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Buffalo Urban Development Corporation (BUDC) as of and for the year ended December 31, 2022, and the related notes to the consolidated financial statements, which collectively comprise BUDC's consolidated financial statements, and have issued our report thereon dated XXXX, 2023. The financial statements of 683 Northland, LLC were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with 683 Northland, LLC.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered BUDC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion of the effectiveness of BUDC's internal control. Accordingly, we do not express an opinion of the effectiveness of BUDC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the BUDC's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether BUDC's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BUDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BUDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Buffalo, New York  
XXXXX, 2023

DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only-Subject to Revision

**INDEPENDENT ACCOUNTANT'S REPORT**

To the Members of the Board of Directors  
Buffalo Urban Development Corp BUDC oration  
95 Perry Street, Suite 403  
Buffalo, New York 14203

We have examined the Buffalo Urban Development Corporation's (the BUDC) compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") during the period January 1, 2022 to December 31, 2022. Management of the BUDC is responsible for the BUDC's compliance with the specified requirements. Our responsibility is to express an opinion on the BUDC's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the BUDC complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the BUDC complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the BUDC's compliance with specified requirements.

In our opinion, the BUDC complied, in all material respects, with the Investment Guidelines during the period January 1, 2022 to December 31, 2022.

This report is intended solely for the information and use of the Board of Directors, management and others within the BUDC and the New York State Authorities Budget Office, and is not intended to be and should not be used by anyone other than these specified parties.

Buffalo, New York  
March XX, 2023

**AUDITED  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION**

**BUFFALO BROWNFIELDS REDEVELOPMENT  
FUND**

---

**DECEMBER 31, 2022**

**DRAFT**  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only-Subject to Revision



**BUFFALO BROWNFIELDS REDEVELOPMENT FUND  
CONTENTS**

---

	<u>Page</u>
Independent Auditor's Report	1-2
Schedule of Revenues, Expenses and Changes in Net Position.....	3
Notes to the Schedule .....	4

**DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only-Subject to Revision**

**BUFFALO BROWNFIELDS REDEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<b>Operating revenues:</b>		
County of Erie PILOTs by end user:		
Sonwil		\$ 60,339
Cobey		12,028
Total County of Erie PILOTs		<u>72,367</u>
Total operating revenues		72,367
<b>Operating expenses:</b>		
County of Erie share of PILOTs		36,183
Eligible project costs		136,615
Total operating expenses		<u>172,798</u>
Operating loss		(100,431)
<b>Nonoperating revenues:</b>		
Interest income		<u>1,515</u>
Change in net position		(98,916)
Net position - beginning		<u>278,701</u>
Net position - ending		<u>\$ 179,785</u>

**DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only--Subject to Revision**

See accompanying note.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity:** The Buffalo Brownfields Redevelopment Fund (the Fund) was formed in July 2005 by agreement between Erie County Industrial Development Agency (ECIDA), the City of Buffalo (the City), the County of Erie (the County), and Buffalo Urban Development Corporation (BUDC) for the purpose of remediation and redevelopment of Brownfields properties in the City. Under this agreement, ECIDA receives payments in lieu of taxes (PILOTs) from property owners located within the Buffalo Lakeside Commerce Park (BLCP). These PILOT payments are the result of abated City and County property taxes, as authorized by ECIDA. A portion of these PILOT payments is paid to the City and County, while the remainder is held in the Fund to assist in further development of BLCP. After completion of BLCP, funds can be used in connection with similar projects located within the City that are undertaken by BUDC.

**Basis of Presentation:** The schedule of revenues, expenses, and changes in net position (the schedule) presents the activity of the Fund, which is accounted for and is part of BUDC's financial statements. The schedule has been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and specifically business-type activities. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

DRAFT  
Tentative and Preliminary  
For Discussion and Internal  
Purposes Only--Subject to Revision

**Buffalo Urban Development Corporation**

**Investment Report - DRAFT**

For the year ended December 31, 2022

# **Buffalo Urban Development Corporation 2022 Annual Investment Report**

## **Purpose of Report:**

Under Section 2925(6) of the Public Authorities Law, BUDC is required to annually prepare and approve an Investment Report. The Investment Report is to include: BUDC's Investment Guidelines (see below), the results of the annual independent audit (see below), a list of the total investment income received by the corporation and a list of the fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the corporation since the last investment report.

The attached schedule details the corporation's investment income and related fees for the year ended December 31, 2022 and was approved by the BUDC Board of Directors at their March 28, 2023 meeting.

## **Investment Guidelines:**

In accordance with Section 2925 of the Public Authorities Law, BUDC is required to adopt Investment Guidelines which detail its operative policy and instructions to staff regarding the investing, monitoring and reporting of funds of the Agency. In addition, BUDC has elected to follow the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law as a "best practice".

BUDC's Investment Guidelines were approved by the BUDC Board of Directors at their March 28, 2023 meeting and are posted on the BUDC website at <http://www.buffalourbandevelopment.com/budc-corporate-policies>. The Investment Guidelines are consistent with the Guidelines adopted on March 29, 2022.

## **Investment Audit:**

BUDC's auditors have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March XX, 2023 Freed Maxick CPAs have indicated that BUDC complied, in all material respects, with these Investment Guidelines.

**Buffalo Urban Development Corporation (BUDC) and Affiliates**  
 Annual Investment Report  
 For the year ended December 31, 2022

Account Type	Financial Institution	G/L Balance 1/1/2022	G/L Balance 12/31/2022	Interest Rate <sup>a</sup> Dec 2022	2022		Restricted	Purpose
					Investment Income	Fees		
<b>BUDC Accounts:</b>								
1 Interest Checking	KeyBank	2,568,435	20,097,419	0.61%	16,712	-		General BUDC checking account
2 Checking	KeyBank	6,100	6,100	-	-	-	✓	Northland Corridor account
3 Checking	KeyBank	3,345,704	3,229,454	-	-	-	✓	Downtown Loan Fund
4 Interest Checking	M&T Bank	561,316	452,106	2.00%	1,515	-	✓	Restricted account for City of Buffalo real estate development <sup>b</sup>
5 Interest Checking	KeyBank	39,709	-	0.01%	1	-	✓	Imprest account for grant AC426 <sup>c</sup>
6 Interest Checking	KeyBank	119,750	184,298	0.61%	292	-	✓	Account for 714 Northland property
7 Interest Checking	KeyBank	149,742	84,990	0.61%	115	-	✓	Imprest account for ESD grant #133857
		<b>\$ 6,790,757</b>	<b>\$ 24,054,367</b>		<b>\$ 18,635</b>	<b>\$ -</b>		
<b>683 Northland LLC Accounts:</b>								
8 Interest Checking	KeyBank	123,353	66,665	0.59%	310	-		General 683 Northland checking account
9 Interest Checking	KeyBank	23,813	9,170	0.65%	2	-	✓	Interest Reserve account
10 Checking	Citibank	151,000	91,000	-	-	-	✓	NTCIC Reserve checking account
11 Checking	Citibank	216,178	147,316	-	-	1,014	✓	BACDE Reserve checking account
		<b>\$ 514,343</b>	<b>\$ 314,150</b>		<b>\$ 312</b>	<b>\$ 1,014</b>		
<b>683 WTC, LLC Accounts:</b>								
12 Interest Checking	KeyBank	52	188	0.55%	135	-		General 683 WTC Checking account
		<b>\$ 52</b>	<b>\$ 188</b>		<b>\$ 135</b>	<b>\$ -</b>		
		<b>\$ 7,305,153</b>	<b>\$ 24,368,705</b>		<b>\$ 19,082</b>	<b>\$ 1,014</b>		

**Notes:**

All accounts are FDIC guaranteed and secured by collateral posted by the depository or its agent for balances above the FDIC limit.

<sup>a</sup> The Interest Rate is the annualized rate for the month of December 2022 and is prior to the deduction of fees (if any).

<sup>b</sup> This account is known as the Buffalo Brownfields Redevelopment Fund (BBRF) and is held by the ECIDA on behalf of BUDC.

<sup>c</sup> Account closed 2022.

# **BUFFALO URBAN DEVELOPMENT CORPORATION**

## **INVESTMENT AND DEPOSIT POLICY**

---

### **ARTICLE I**

#### **Scope**

Section 2925 of the New York Public Authorities Law requires the Buffalo Urban Development Corporation (the “Corporation”) to adopt by resolution comprehensive investment guidelines which detail its operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of funds of the Corporation.

This investment and deposit policy (“Investment Policy”) is adopted by the Corporation pursuant to the foregoing provisions of the Public Authorities Law and shall apply to all moneys and other financial resources available for investment on the Corporation’s own behalf or, when applicable, on behalf of any other entity or individual. The provisions of this Investment Policy are also consistent with the requirements of Sections 10 and 11 of the New York General Municipal Law, which the Corporation is not required to comply with, but has elected to follow as a “best practice.”

This Investment Policy shall be applicable to all affiliates and subsidiaries of the Corporation, and to all other affiliates or subsidiary companies of the Corporation which may hereafter be established by the Corporation and which are determined to be subject to the requirements of Section 2925 of the Public Authorities Law (an “Affiliate”). Unless otherwise indicated, all references to the “Corporation” herein shall also include the each Affiliate.

### **ARTICLE II**

#### **Governing Principles**

##### **A. Investment Objectives.**

The primary objectives of the Corporation’s investment policy are, in order of priority, as follows: (i) to conform with all applicable federal, state and local laws and legal requirements; (ii) to adequately safeguard principal; (iii) to provide sufficient liquidity to meet all operating requirements of the Corporation; and (iv) to obtain a reasonable rate of return.

##### **B. Diversification.**

The policy of the Corporation is to diversify by investment instrument, by maturity, and where practicable by financial institution.

C. Internal Controls.

1. All funds received by an officer or employee of the Corporation shall be promptly deposited with the depositories designated by the Corporation (pursuant to Article III.A of this Investment Policy) for the receipt of such funds.

2. The Treasurer or Assistant Treasurer of the Corporation shall maintain or cause to be maintained a proper record of all books, notes, securities or other evidence of indebtedness held by the Corporation for investment and deposit purposes. Such record shall identify the security, the fund for which it is held, the place where kept, the date of sale or other disposition, and the amount received from such sale or other disposition.

3. The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

D. Authorized Financial Institutions and Dealers.

The Corporation shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments that may be outstanding with each financial institution or dealer. All financial institutions with which the Corporation conducts business must be creditworthy as determined by criteria established by the Treasurer or Assistant Treasurer of the Corporation. All banks with which the Corporation does business shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers.

E. Purchase of Investments.

The Corporation may contract for the purchase of investments directly, including through a repurchase agreement, from an authorized trading partner. All purchased obligations, unless registered or inscribed in the name of the Corporation, shall be purchased through, delivered to, and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Corporation by the bank or trust company and shall be held pursuant to a written custodial agreement as described in Article IV.C.2 of this Policy.

F. Repurchase Agreements.

The Corporation may enter into repurchase agreements subject to the following restrictions:



1. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
2. Trading partners are limited to commercial banks or trust companies authorized to do business in New York State and primary reporting dealers.
3. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
4. No substitution of securities will be allowed.
5. Obligations purchased pursuant to a repurchase agreement shall be held by a custodian other than the trading partner, pursuant to a written custodial agreement that complies the terms of Article IV.C.2 of this Policy.

### **ARTICLE III** **Investments**

#### **A. General Policy.**

It is the general policy of the Corporation that funds not required for immediate expenditure shall be invested as described in Article III.B below. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income, net of fees, to be derived.

#### **B. Permitted Investments.**

The Treasurer or Assistant Treasurer is authorized to invest funds not required for immediate expenditure in the following investments, which are permitted under Section 11 of the General Municipal Law:

1. Special time deposit accounts in, or certificates of deposit issued by any commercial bank or trust company that is located in and authorized to do business in New York State, provided that such deposit account or certificate of deposit is secured in the same manner as provided in Article IV.B of this Investment Policy and is payable within such time as the proceeds shall be needed to meet expenditures for which the funds were obtained;
2. Obligations of the United States of America;
3. Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;

4. Obligations of the State of New York; and
5. Such other obligations as may be permitted under Section 11 of the General Municipal Law.

All investments as provided in Sections B(2) through B(5) of this Article shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase, and comply with such other requirements as set forth in Section 11 of the General Municipal Law.

#### **ARTICLE IV** **Deposits**

##### **A. Designation of Depositories.**

The Corporation shall, by resolution, designate one or more commercial banks or trust companies for the deposit of Corporation funds received by the Corporation. Such resolution shall specify the maximum amount that may be kept on deposit at any time with each bank or trust company. Such designations and amounts may be changed at any time by further resolution of the Corporation.

##### **B. Collateralization of Deposits.**

All deposits of the Corporation (including certificates of deposit and special time deposits) in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured as follows:

1. By a pledge of “eligible securities” with an aggregate “market value” as defined by Section 10 of the General Municipal Law, at least equal to the aggregate amount of deposits. A list of eligible securities is attached hereto as Schedule A.
2. By a pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a market value at least equal to the aggregate amount of deposits from all such officers within New York State at such bank or trust company.
3. By an irrevocable letter of credit issued by a qualified bank (other than the bank with which the money is being deposited or invested) in favor of the Corporation for a term not to exceed ninety (90) days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable minimum risk-based capital requirements.

4. By an eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety bond shall be subject to Board approval.

C. Safekeeping and Collateralization.

Eligible securities used for collateralizing deposits shall be held by the depository and/or third party bank or trust company subject to security and custodial agreements as described below.

1. Security Agreement Requirements. The security agreement shall provide that eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the Corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the depository or its custodial bank.

2. Custodial Agreement Requirements. The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The custodial agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The custodial agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities and may include such other terms as the Board deems necessary.

**ARTICLE V**  
**Monitoring and Reporting Obligations**

The following monitoring and reporting procedures shall be applicable in connection with the deposit and investment of funds subject to this Investment Policy:

A. Monthly Monitoring.

Each cash and investment account statement will be reviewed and reconciled on a monthly basis. The Treasurer or Assistant Treasurer will review each account reconciliation for accuracy and will investigate any unusual items noted.

**B. Monitoring and Reporting.**

Pursuant to Section 2925(5) of the Public Authorities Law, the Treasurer or Assistant Treasurer of the Corporation shall present a report at each meeting of the Board of Directors which will include the following information: (i) the cash and investment balances of the Corporation; (ii) identification of any new investments since the last report; (iii) information concerning the selection of investment bankers, brokers, agents dealers or auditors since the last report; and (iv) the names of the financial institutions holding Corporation deposits.

**C. Annual Monitoring and Reporting.**

1. On an annual basis, the Corporation will obtain an independent audit of its financial statements, which shall include an audit of its cash and investments and the Corporation's compliance with this Investment Policy. The results of the independent audit shall be made available to the Board of Directors at the time of its annual review of this Investment Policy.

2. Pursuant to Section 2925(6) of the Public Authorities Law, staff shall, on an annual basis, prepare and submit for Board approval an investment report which shall include this Investment Policy, amendments to the Investment Policy since the last investment report, an explanation of the Investment Policy and any amendments, the results of the annual independent audit, the investment income record of the Corporation and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Corporation since the last investment report. The investment report will be distributed to those individuals identified in Section 2925(7)(b) of the Public Authorities Law. The Corporation shall make available to the public copies of its investment report upon reasonable request therefor.

**ARTICLE VI**  
**Annual Review**

This Investment Policy shall be reviewed and approved by the Board of Directors of the Corporation on an annual basis.

**ARTICLE VII**  
**Savings Clause**

Nothing contained in Section 2925 of the Public Authorities Law shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investment of funds made or entered into by the Corporation in violation of, or without compliance with the provisions of Section 2925 of the Public Authorities Law.

**SCHEDULE A**  
**ELIGIBLE SECURITIES**

Obligations issued by the United States of America, an agency thereof or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.

Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.

Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.

Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of New York State or obligations of any public benefit corporation which under a specific state statute may be accepted as security for deposit of public moneys.

Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.

Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by federal bank regulatory agencies.

Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested) rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than sixty days from the date they are pledged.

Zero-coupon obligations of the United States government marketed as "Treasury STRIPS."

Adopted: 4/7/2009  
Re-Adopted: 4/6/2010  
Re-Adopted: 3/29/2011  
Re-Adopted: 3/27/2012  
Re-Adopted: 3/26/2013  
Re-Adopted: 3/25/2014  
Amended and Adopted: 3/31/2015  
Re-Adopted: 3/29/2016  
Re-Adopted: 3/28/2017  
Amended and Adopted: 3/27/2018  
Re-adopted: 3/26/2019  
Re-adopted: 3/31/2020  
Re-adopted: 3/30/2021  
Re-adopted: 3/29/2022

**Buffalo Urban Development Corporation**

95 Perry Street  
Suite 404  
Buffalo, New York 14203  
phone: 716-856-6525  
fax: 716-856-6754  
web: [buffalourbandevelopment.com](http://buffalourbandevelopment.com)



**Item 3.1.7**

**MEMORANDUM**

**TO:** BUDC Board of Directors  
**FROM:** Mollie Profic, Treasurer  
**SUBJECT:** Reimbursement of Brownfield Expenses from Brownfield Fund  
**DATE:** March 28, 2023

The Buffalo Brownfields Redevelopment Fund (“BBRF” or the “Fund”) was established in 2005, and allows certain third-party expenses incurred by BUDC in connection with the development of Buffalo Lakeside Commerce Park (“BLCP”) to be reimbursed under the Fund Administration Agreement. These out-of-pocket third-party costs “include, but are not limited to, land acquisition, site investigations, site planning, remediation, road and utility construction and related legal costs”. In September 2012, the Board designated the BLCP project as complete, which allowed for the expansion of the use of BBRF funds to “other comparable projects” in the City of Buffalo. Riverbend, Northland and 308 Crowley Street were designated “comparable” projects by the Board beginning October 1, 2012, January 1, 2015 and June 26, 2018, respectively.

A cumulative summary of reimbursements from 2011 - 2021 by project is below:

<b>Project</b>	<b>Amount</b>
Buffalo Lakeside Commerce Park	\$ 1,735,223
Riverbend	128,434
Northland Corridor	2,755,018
308 Crowley	68,439
<b>Total</b>	<b>\$ 4,687,114</b>

BUDC is now requesting reimbursement of Riverbend and Northland costs incurred in 2022. 2022 costs incurred related to BLCP and 308 Crowley Street have been netted with land sale proceeds. Attachment 1 to this memorandum details the \$131,533 in eligible third-party costs that have been incurred by BUDC and which are eligible for reimbursement by the Fund. After this reimbursement, the BBRF balance will be approximately \$352,500.

This item was reviewed with the Audit & Finance Committee at their meeting on March 9, 2023 and recommended for approval.

**ACTION:**

I am requesting that the Board approve the reimbursement to BUDC of \$131,533 in third party Riverbend and Northland costs from the BBRF as outlined in Attachment 1 to this memorandum.

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

**Buffalo Urban Development Corporation**  
**Summary of Costs Paid by BUDC & Reimbursable from BBRF**  
**For the Year Ended December 31, 2022**

<b>Buffalo Lakeside Commerce Park</b>	<b><u>2022</u></b>
Costs shared with BLC Property Owners Association Members:	
<i>Landscaping</i>	\$ 24,667
<i>Legal Costs</i>	9,863
<i>Property Insurance</i>	4,089
<i>Snow removal</i>	2,078
<i>Utilities</i>	324
<i>Legal - lawsuit and property sales</i>	56,868
<i>Operations &amp; Maintenance</i>	1,690
<i>Consultants</i>	4,088
<i>Netted against proceeds from land sale</i>	<u>(103,666)</u>
	-
<b>Riverbend</b>	
<i>Taxes, Operations &amp; Maintenance</i>	132
<b>308 Crowley</b>	
<i>Legal Costs</i>	18,811
<i>Consultants</i>	500
<i>Property Insurance</i>	13,838
<i>Netted against proceeds from land sale</i>	<u>(33,149)</u>
	-
<b>Northland*</b>	
<i>Insurance</i>	65,623
<i>General Development</i>	682
<i>Operations &amp; Maintenance</i>	21,167
<i>Legal Costs</i>	37,980
<i>Snow removal</i>	39,110
<i>Landscaping</i>	14,716
<i>714 Northland costs</i>	51,972
<i>Consultants</i>	44,488
<i>Utilities (net of reimbursements from tenant)</i>	2,023
<i>Less: 612 Northland &amp; 714 Northland rents received</i>	<u>(146,360)</u>
	131,401
<b>Total</b>	<u><u>\$ 131,533</u></u>

\*Northland costs represent those costs that are not eligible or reimbursed through grant agreement(s).



**683 Northland Master Tenant, LLC**  
**Financial Statements**  
February 28, 2023  
(Unaudited)

**683 NORTHLAND MASTER TENANT, LLC**  
**Balance Sheet**

<b>ASSETS</b>	<b>February 2023</b>	<b>January 2023</b>	<b>December 2022</b>
<b>Current assets:</b>			
Cash	\$ 421,571	\$ 373,744	\$ 486,590
Tenant receivable	92,125	97,334	42,206
Prepaid expenses	<u>97,340</u>	<u>108,128</u>	<u>115,882</u>
Total current assets	<b>611,036</b>	<b>579,206</b>	<b>644,678</b>
Prepaid rent - sublessee	493,168	488,281	483,394
Prepaid leasing commission	184,163	186,389	188,616
Tenant security deposits	84,986	84,940	84,894
Cash reserves	346,953	346,767	356,575
Equipment, net	19,869	19,869	19,869
Right of use asset - Master Lease Agreement	<u>28,140,299</u>	<u>28,430,126</u>	<u>28,430,126</u>
Total assets	<b><u>\$ 29,880,474</u></b>	<b><u>\$ 30,135,578</u></b>	<b><u>\$ 30,208,152</u></b>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 81,323	\$ 63,891	\$ 130,895
Due to related parties	<u>254,935</u>	<u>254,935</u>	<u>254,935</u>
Total current liabilities	<b>336,258</b>	<b>318,826</b>	<b>385,830</b>
Operating deficit loan	132,359	132,359	132,359
Tenant security deposits	84,850	84,850	84,850
Deferred operating lease liability - Master Lease Agreement	7,681,163	7,852,596	7,736,986
Deferred operating lease liability - sublessee	5,505,586	5,551,675	5,637,433
Distribution payable - priority return	<u>238,207</u>	<u>238,207</u>	<u>238,207</u>
Total noncurrent liabilities	<b>13,642,165</b>	<b>13,859,687</b>	<b>13,829,835</b>
<b>MEMBERS' EQUITY</b>	<b>15,902,051</b>	<b>15,957,065</b>	<b>15,992,487</b>
Total liabilities and net position	<b><u>\$ 29,880,474</u></b>	<b><u>\$ 30,135,578</u></b>	<b><u>\$ 30,208,152</u></b>

**683 NORTHLAND MASTER TENANT, LLC**  
**Income Statement**

**Year-to-Date For the Period Ended:**

	<u>February 2023</u>	<u>January 2023</u>	<u>December 2022</u>
<b>Revenues:</b>			
Lease revenue	\$ 244,756	\$ 122,378	\$ 1,466,335
Additional lease revenue	131,659	65,830	753,037
Interest and other revenue	915	483	1,372
Total revenues	<u>377,330</u>	<u>188,691</u>	<u>2,220,744</u>
<b>Expenses:</b>			
Lease expense	316,074	156,645	1,879,742
Payroll	26,403	11,993	143,808
Utilities expense	(2,395)	(10,870)	85,089
Insurance expense	20,751	10,375	122,769
Professional fees	25,566	3,904	77,936
Property management fee	11,759	5,879	70,520
Real estate taxes	4,701	4,701	20,398
Repairs and maintenance	52,317	28,896	286,011
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	2,590	2,590	318
Depreciation expense	-	-	5,056
Total expenses	<u>467,766</u>	<u>224,113</u>	<u>2,701,647</u>
Net loss	(90,436)	(35,422)	(480,903)
Members' equity - beginning of period	<u>15,992,487</u>	<u>15,992,487</u>	<u>14,578,450</u>
Change in members' equity	(90,436)	(35,422)	(480,903)
Members' capital contributions	-	-	2,091,098
Distributions	-	-	(196,158)
Members' equity - end of period	<u>\$ 15,902,051</u>	<u>\$ 15,957,065</u>	<u>\$ 15,992,487</u>

**683 NORTHLAND MASTER TENANT, LLC**  
**Statement of Cash Flows**

**Year-to-Date For the Period Ended:**

	<b>February 2023</b>	<b>January 2023</b>	<b>December 2022</b>
<b>Cash flows from operating activities:</b>			
Net loss	\$ (90,436)	\$ (35,422)	\$ (480,903)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	-	-	5,056
Decrease (increase) in assets:			
Tenant receivables	(49,919)	(55,128)	32,479
Prepaid insurance	18,542	7,754	(9,220)
Accrued rental income	(9,774)	(4,887)	(57,085)
Prepaid leasing commission	4,453	2,227	29,322
Right of use asset - Master Lease Agreement	234,004	115,610	1,395,256
Increase (decrease) in liabilities:			
Security deposit liability	-	-	(4)
Accounts payable	(49,572)	(67,004)	(13,655)
Deferred operating lease liability - sublessee	(131,847)	(85,758)	(513,406)
<b>Net cash provided (used) by operating activities</b>	<b>(74,549)</b>	<b>(122,608)</b>	<b>387,840</b>
<b>Cash flows from investing activities:</b>			
Equipment purchases	-	-	(18,390)
<b>Net cash used by investing activities</b>	<b>-</b>	<b>-</b>	<b>(18,390)</b>
<b>Cash flows from financing activities:</b>			
Members' contributions	-	-	2,091,098
Distributions	-	-	(221,892)
Payments of prepaid rent under Master Lease Agreement	-	-	(1,869,206)
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash</b>	<b>(74,549)</b>	<b>(122,608)</b>	<b>369,450</b>
<b>Cash and restricted cash - beginning of period</b>	<b>928,059</b>	<b>928,059</b>	<b>558,609</b>
<b>Cash and restricted cash - end of period</b>	<b>\$ 853,510</b>	<b>\$ 805,451</b>	<b>\$ 928,059</b>

**683 NORTHLAND MASTER TENANT, LLC**  
**Budget to Actual Comparison**

	<b>YTD February 2023</b>	<b>YTD Budget 2023</b>	<b>Variance</b>
<b>Revenues:</b>			
Lease revenue	\$ 244,756	\$ 242,667	\$ 2,089
Additional lease revenue	131,659	123,667	7,992
Interest and other revenue	915	42	873
Total revenues	<u>377,330</u>	<u>366,375</u>	<u>10,955</u>
<b>Expenses:</b>			
Lease expense	316,074	313,290	2,784
Payroll	26,403	27,683	(1,280)
Utilities	(2,395)	17,000	(19,395)
Insurance	20,751	21,167	(416)
Professional fees	25,566	11,283	14,283
Property management fee	11,759	12,167	(408)
Real estate taxes	4,701	4,333	368
Repairs and maintenance	52,317	43,500	8,817
Asset management fee	10,000	10,000	-
Miscellaneous	2,590	833	1,757
Depreciation	-	-	-
Total expenses	<u>467,766</u>	<u>461,257</u>	<u>6,509</u>
Net income (loss)	\$ (90,436)	\$ (94,882)	\$ 4,446

**Budget variances:**

- Additional rent represents amounts charged to tenants for common area maintenance (CAM) charges, insurance, etc.
- Utility costs are negative due to timing. Costs incurred must be paid by the Master Tenant, then billed back to the tenants in the following month based on leased area.
- Professional fees are above budget year-to-date because of timing (e.g. audit fees).
- Repairs and maintenance includes building automation system costs, snow removal and landscaping. Some costs are annual and were incurred in January.

**Buffalo Urban Development Corporation**  
**Consolidated Financial Statements**  
February 28, 2023  
(Unaudited)

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

	<u>February 2023</u>	<u>January 2023</u>	<u>December 2022</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash	\$ 19,921,691	\$ 21,074,193	\$ 20,354,669
Restricted cash	4,044,208	4,015,392	4,014,036
Grants receivable	33,092,989	32,183,206	32,183,206
Other current assets	6,199,478	6,211,511	6,230,118
Total current assets	<u>63,258,366</u>	<u>63,484,302</u>	<u>62,782,029</u>
<b>Noncurrent assets:</b>			
Loans receivable	9,666,400	9,666,400	9,666,400
Equity investment	178,051	178,051	178,051
Capital assets, net	104,143,214	104,443,214	104,743,214
Land and Improvement held for sale, net	788,212	788,212	788,212
Total noncurrent assets	<u>114,775,877</u>	<u>115,075,877</u>	<u>115,375,877</u>
Total assets	<u>\$ 178,034,243</u>	<u>\$ 178,560,179</u>	<u>\$ 178,157,906</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 204,585	\$ 258,222	\$ 244,121
Lines of credit	677,158	677,158	677,158
Loans payable, current	21,167	1,001,167	1,001,167
Unearned grant revenue	54,571,803	53,739,327	53,843,821
Total current liabilities	<u>55,474,714</u>	<u>55,675,875</u>	<u>55,766,267</u>
Deferred rent liability	20,445,216	20,577,530	20,693,140
Loans payable, noncurrent	14,099,750	14,099,750	14,099,750
Total noncurrent liabilities	<u>34,544,966</u>	<u>34,677,280</u>	<u>34,792,890</u>
<b>NET POSITION</b>			
Net investment in capital assets	90,810,509	90,130,509	90,430,509
Restricted	3,441,918	3,510,935	3,510,166
Unrestricted	<u>(6,237,864)</u>	<u>(5,434,420)</u>	<u>(6,341,926)</u>
Total net position	<u>88,014,563</u>	<u>88,207,024</u>	<u>87,598,749</u>
Total liabilities and net position	<u>\$ 178,034,243</u>	<u>\$ 178,560,179</u>	<u>\$ 178,157,906</u>

**Balance Sheet Notes:**

- Cash decreased mainly due to payment of construction loan of \$980,000 during the month.
- Grants receivable increased due to recording of new grants.
- Capital assets decrease is due to monthly depreciation expense.
- Lines of credit: balances at end of January are BUDC: \$0 ; 683 Northland: \$677,158. 683 Northland took no advances during the month and BUDC's line is currently paid down.
- Current portion of loans payable decreased \$980,000 due to a payment in February.
- Unearned grant revenue increased due to additional grant receivable net of recognized grant revenue.

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

	<u>February 2023</u>	<u>January 2023</u>	<u>December 2022</u>
<b>Operating revenues:</b>			
Grant revenue	\$ 221,801	\$ 104,493	\$ 8,056,897
Brownfield funds	31,181	-	36,183
Loan interest and commitment fees	16,111	8,055	618,537
Rental and other revenue	1,242,222	1,061,259	9,024,458
Proceeds from sale of land, net	-	-	(440,604)
Total operating revenues	<u>1,511,315</u>	<u>1,173,808</u>	<u>17,295,471</u>
<b>Operating expenses:</b>			
Development costs	255,774	122,226	8,152,353
Adjustment to net realizable value	4,328	-	121,587
Salaries and benefits	67,457	35,607	384,460
General and administrative	200,150	100,006	1,678,689
Management fee	15,400	7,700	83,967
Depreciation	600,000	300,000	4,152,122
Total operating expenses	<u>1,143,110</u>	<u>565,539</u>	<u>14,573,179</u>
Operating income (loss)	368,205	608,269	2,722,292
<b>Non-operating revenues (expenses):</b>			
Loss on disposal	-	-	18,051
Interest expense	(20,912)	(12,001)	(782,784)
Interest income	23,809	12,007	18,966
Other income	-	-	(44,366)
Total non-operating revenues (expenses)	<u>2,898</u>	<u>6</u>	<u>(790,133)</u>
Change in net position	371,103	608,275	1,932,159
Net position - beginning of period	<u>87,598,749</u>	<u>87,598,749</u>	<u>85,318,266</u>
Add: Capital contribution	44,711	-	348,325
Net position - end of period	<u>\$ 88,014,563</u>	<u>\$ 88,207,024</u>	<u>\$ 87,598,749</u>



**BUFFALO URBAN DEVELOPMENT CORPORATION**  
**Consolidating Statement of Net Position**  
**February 28, 2023 (Unaudited)**

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash	\$ 19,836,571	\$ 45,472	\$ 39,648	\$ -	\$ 19,921,691
Restricted cash	3,799,218	-	244,990	-	4,044,208
Grants receivable	33,092,989	-	-	-	33,092,989
Other current assets	8,048,414	56,530	132,359	(2,037,824)	6,199,478
Total current assets	64,777,191	102,002	416,997	(2,037,824)	63,258,366
<b>Noncurrent assets:</b>					
Loans receivable	61,853,679	-	-	(52,187,279)	9,666,400
Equity investment	-	67,143,764	-	(66,965,713)	178,051
Capital assets, net	8,402,866	-	95,740,349	-	104,143,214
Land and improvement held for sale, net	788,212	-	-	-	788,212
Total noncurrent assets	71,044,756	67,143,764	95,740,349	(119,152,992)	114,775,877
Total assets	\$ 135,821,948	\$ 67,245,766	\$ 96,157,345	\$ (121,190,816)	\$ 178,034,243
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expense	\$ 197,767	\$ 2,037,824	\$ 6,819	(2,037,824)	(1)\$ 204,585
Line of credit	-	-	677,158	-	677,158
Loans payable, current	-	-	21,167	-	21,167
Unearned grant revenue	54,571,803	-	-	-	54,571,803
Total liabilities	54,769,569	2,037,824	705,144	(2,037,824)	55,474,714
<b>Noncurrent liabilities:</b>					
Deferred rent liability	-	-	20,445,216	-	20,445,216
Loans payable, noncurrent	369,750	52,187,279	13,730,000	(52,187,279)	14,099,750
Total noncurrent liabilities	369,750	52,187,279	34,175,216	(52,187,279)	34,544,966
<b>NET POSITION</b>					
Net investment in capital assets	8,821,327	-	81,989,182	-	90,810,509
Restricted	3,441,918	-	-	-	3,441,918
Unrestricted	68,419,383	13,020,663	(20,712,197)	(66,965,713)	(6,237,864)
Total net position	80,682,628	13,020,663	61,276,985	(66,965,713)	88,014,563
Total liabilities and net position	\$ 135,821,948	\$ 67,245,766	\$ 96,157,345	\$ (121,190,816)	\$ 178,034,243

(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: February 28, 2023 (Unaudited)**

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
<b>Operating revenues:</b>					
Grant revenue	\$ 221,801	\$ -	\$ -	\$ -	\$ 221,801
Brownfield funds	31,181	-	-	-	31,181
Loan interest and commitment fees	16,111	-	-	-	16,111
Rental and other revenue	15,227	897,001	329,994	-	1,242,222
Proceeds from land sales, net	-	-	-	-	-
Total operating revenue	284,319	897,001	329,994	-	1,511,315
<b>Operating expenses:</b>					
Development costs	255,774	-	-	-	255,774
Adjustment to net realizable value	4,328	-	-	-	4,328
Salaries and benefits	67,457	-	-	-	67,457
General and administrative	197,532	-	2,618	-	200,150
Management fee	15,400	-	-	-	15,400
Depreciation	-	-	600,000	-	600,000
Total operating expenses	540,492	-	602,618	-	1,143,110
Operating income	(256,172)	897,001	(272,624)	-	368,205
<b>Non-operating revenues (expenses):</b>					
Interest expense	(4,185)	-	(16,727)	-	(20,912)
Interest income	23,407	284	118	-	23,809
Other income/expenses	-	-	-	-	-
Total non-operating revenues (expenses)	19,223	284	(16,609)	-	2,898
Change in net position	(236,949)	897,285	(289,233)	-	371,103
Net position - beginning of year	80,919,578	12,123,377	60,669,506	(66,113,712) (1)	87,598,749
Add: capital contributions	-	-	896,712	(852,001) (1)	44,711
Net position - end of period	\$ 80,682,628	\$ 13,020,663	\$ 61,276,985	\$ (66,965,713)	\$ 88,014,563

(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 February 28, 2023 (Unaudited)**

	YTD February 2023	YTD Budget 2023	Variance
<b>Operating revenues:</b>			
Grant revenue	\$ 221,801	\$ 6,275,833	\$ (6,054,033)
Brownfield funds	31,181	6,667	24,515
Loan interest and commitment fees	16,111	16,111	(0)
Rental and other revenue	1,242,222	330,060	912,162
Proceeds from land sales, net	-	32,950	(32,950)
Total operating revenues	<u>1,511,315</u>	<u>6,661,621</u>	<u>(5,150,306)</u>
<b>Operating expenses:</b>			
Development costs	255,774	5,317,860	(5,062,086)
Adjustment to net realizable value	4,328	-	4,328
Salaries and benefits	67,457	86,516	(19,059)
General and administrative	200,150	220,863	(20,713)
Management fee	15,400	14,500	900
Depreciation	600,000	680,167	(80,167)
Total operating expenses	<u>1,143,110</u>	<u>6,319,905</u>	<u>(5,176,795)</u>
Operating Income (loss)	<b>368,205</b>	<b>341,716</b>	<b>26,489</b>
<b>Non-operating revenues (expenses):</b>			
Interest expense	(20,912)	(40,946)	20,034
Interest income	23,809	83	23,726
Other income	-	-	-
Total non-operating revenues (expenses)	<u>2,898</u>	<u>(40,862)</u>	<u>43,760</u>
Change in net position	<u>\$ 371,103</u>	<u>\$ 300,854</u>	<u>\$ 70,249</u>

**Budget variances:**

- Grant revenue relates mainly to Ralph C. Wilson, Jr. Centennial Park and Northland Solar Projects. The variance is due to lower grant revenue recognition than anticipated as a result of project timing.
- Rental and other revenue consists of recognition of prepaid rent income (straight-line basis) by 683 Northland LLC from 683 Northland Master Tenant, LLC, and rent income at properties other than 683 Northland Avenue. Also included is 2020 brownfield tax credit refund to 683 WTC, LLC of \$897,000, received in January.
- Development costs consist of property/project-related costs (e.g. consultants, operations and maintenance, legal and utility costs). Some costs may be capitalized upon project completion. Variance due mainly to timing of project costs.
- General and administrative costs consist of insurance, rents, audit/tax, 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 714 Northland and construction of 683 Northland and the related line of credit.

**Buffalo Urban Development Corporation**

95 Perry Street

Suite 404

Buffalo, New York 14203

phone: 716-856-6525

fax: 716-856-6754

Buffalo Urban Development Corporation

web: [buffalourbandevelopment.com](http://buffalourbandevelopment.com)



**Item 3.3**

**MEMORANDUM**

**TO: Buffalo Urban Development Corporation Board of Directors**  
**FROM: Thomas Kucharski, Governance Committee Chair**  
**SUBJECT: Governance Committee Report**  
**DATE: March 28, 2023**

---

At the March 14, 2023 Governance Committee meeting, no quorum was present. The Committee members present reviewed and accepted the following items:

2022 Mission Statement & Performance Measurements w/ Results  
Board of Directors 2022 Self-Evaluation Process  
Governance Committee 2022 Self-Evaluation Process  
Governance Committee Charter  
PAAA Training Opportunities  
2022 Summary of Employee Benefits  
New Board Member Orientation Process

The Governance Committee members present also agreed that the following items be forwarded to the Board for approval:

2023 Mission Statement and Performance Measurements (Item 3.3.2 to follow)  
Procurement Policy (Item 3.3.3 to follow)  
Property Disposition Guidelines (Item 3.3.4 to follow)  
Whistleblower Policy (Item 3.3.5 to follow)  
Grant Administration Policy (Item 3.3.6 to follow)  
Code of Ethics (Item 3.3.7 to follow)  
Travel, Conferences, Meals & Entertainment Policy (Item 3.3.8 to follow)  
2022 Public Authorities Annual Report (Item 3.3.9 to follow)

The annual report was reviewed by members present and no changes were recommended for the above referenced policies.

**ACTION:** The Board of Directors is requested to approve the following: (i) 2023 Mission Statement and Performance Measurements; (ii) Procurement Policy; (iii) Property Disposition Guidelines; (iv) Whistleblower Policy (v) Grant Administration Policy (vi) Code of Ethics (vii) Travel, Conferences, Meals & Entertainment Policy and (viii) 2022 Public Authorities Report.

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

# **Buffalo Urban Development Corporation (BUDC)**

## ***2022 Mission Statement and Performance Measurements (w/ Results)***

### **BUDC Mission Statement:**

The mission of Buffalo Urban Development Corporation (BUDC) is to support the urban economic development efforts of the region through acquisition, remediation and management of distressed properties, and to engage in related real estate development activities for the purpose of attracting and/or retaining new and existing businesses to the City as part of the region. The mission of BUDC also includes supporting the revitalization of downtown Buffalo by serving as the lead management entity for Buffalo Building Reuse Project (BBRP) and Race for Place initiatives, working in collaboration with the City of Buffalo; including the coordination of financial assistance for downtown adaptive re-use projects and public right-of-way improvements. BUDC also serves as the lead management entity for the Ralph C. Wilson, Jr. Centennial Park (“Ralph Wilson Park”) transformation.

### **BUDC Performance Measurements:**

**Goal: To reclaim abandoned and distressed land and buildings for future development.**

*Objective A: Continue to establish the Northland Beltline (“Northland”) as the prime urban area for reclamation, by implementing the redevelopment strategy and continuing to engage in appropriate planning processes and leasing for future development.*

**Measurement:** Complete Phase 2 EDA Build Back Better Application for 631 Northland; 612 Northland; 541 East Delavan Ave.; 777 Northland Ave; Clean Energy Microgrid and other relevant infrastructure improvements.

**Result:** BUDC Completed of the Phase 2 EDA Build Back Better Application.

**Measurement:** Assemble any additional properties that become available which are needed to enhance Northland.

**Result:** BUDC did not purchase additional properties on the Northland Campus but continues to explore strategic sites within the campus.

**Measurement:** Obtain City of Buffalo Planning Board approval for various phases of Northland redevelopment as they occur.

**Result:** No City of Buffalo Planning Board approvals were required.

**Measurement:** Obtain State Historic Preservation Office (SHPO) approval to maximize the preservation of structures that will contribute to the redevelopment of Northland and the select demolition of structures that are an impediment to the redevelopment.

**Result:** No SHPO approvals were required.

**Measurement:** Manage all compliance and milestones related to the financing for Northland Central; including Historic Preservation Tax Credits, Brownfield Cleanup Program Tax Credits, New Market Tax Credits, and bridge loan financing.

**Result:** BUDC received the 6<sup>th</sup> and final Historic Preservation Tax Credit Installment and the 2019 Brown Clean Program Tax Credit Return. All compliance milestones were met.

**Measurement:** Negotiate and execute any lease agreement amendments with tenants at Northland Central and 612 Northland.

**Result:** BUDC continues to market available space at Northland Central and 612 Northland and is in discussions with potential leads.

**Measurement:** Continue to implement the Soil (Site) Management Plan (SMP) for Northland Central, under the NYS Brownfield Cleanup Program.

**Result:** BUDC continues to implement the SMP for Northland Central.

**Measurement:** Continue effective M/WBE Utilization and Workforce Participation programs for remaining Northland construction.

**Result:** No construction was completed this year. BUDC will continue to focus on effective M/WBE Utilization and Workforce Participation on future projects.

**Measurement:** Continue to implement the Restore NY V Grant initiatives, including renovations at 541 E. Delavan and select demolition at 777 Northland.

**Result:** 541 E. Delavan was included in BUDC's Build Back Better Challenge Grant for additional funds to continue renovation. Select demolition at 777 Northland continues to be paused until additional funds can be identified.

**Measurement:** Continue the implementation of the Historic Preservation Mitigation measures agreed to with the State Historic Preservation Office, according to the Memorandum of Agreement (MOA).

**Result:** No actions were necessary for the implementation of the Historic Preservation Mitigation measures. The MOA was referenced and guided BUDC's Build Back Better Challenge Grant application.

**Measurement:** Continue to work with the NYSDEC regarding Superfund investigation and remediation at the 537 E. Delavan site.

**Result:** BUDC continues to work with NYSDEC on Superfund investigation and remediation activities at 537 E. Delavan including coordinating site access.

**Measurement:** If funding becomes available, begin renovations or other actions necessary to bring other space across Northland to a “ready-to-lease” condition.

**Result:** BUDC submitted and was awarded an Economic Development Administration (EDA) Build Back Better Challenge Grant which will fund renovations at 612 “B” Building, 537 E. Delavan, Corridor Parking and the Clean Energy Microgrid.

**Measurement:** Continue the Community Outreach Program, with one additional Public Meeting and one additional Stakeholder Advisory Committee Meeting, and additional community outreach through social media.

**Result:** BUDC working with Mustard Seed Consulting, participated in several neighborhood events including National Night Out and a holiday event held at the Northland Workforce Training Center. These events were also featured on BUDC’s social media accounts.

**Measurement:** Continue to implement the green infrastructure plan for 537 E. Delavan, if construction resumes.

**Result:** Construction did not resume. The project is included in BUDC’s Build Back Better Challenge Grant project scope.

**Measurement:** Complete the pre-development planning, analysis, and financing phases of the Community Solar and Microgrid project.

**Result:** Pre-development planning, analysis, and financing phases of the Community Solar and Microgrid project was paused due to EDA procurement requirements associated with the Build Back Better Challenge Grant.

**Measurement:** Execute a contract with the consultant team for the tax credit, legal, and accounting services needed to determine the feasibility of moving forward with a renovation project at 631 Northland.

**Result:** A contract was executed with a team for the tax credit, legal, and accounting services for 631 Northland.

**Objective B:** *Secure funds to continue to advance the Northland Beltline projects.*

**Measurement:** Pursue a Grant Disbursement Agreement (GDA) with Empire State Development (ESD) for \$1.8M in additional funding for the Northland Community Solar & Microgrid Project.



Result: BUDC coordinated with ESD regarding a GDA for \$1.8M in additional funding for the Northland Community Solar & Microgrid Project. These funds will be used as a match for the Build Back Better Challenge Grant.

**Measurement: Draw-down all remaining funds related to the \$200,000 GDA (#133,857) with ESD for the Northland Community Solar & Microgrid Project.**

Result: BUDC drew down on an additional \$65,000 from the ESD grant. Remaining funds will be used as part of the Build Back Better Challenge Grant project scope.

**Measurement: Submit an application to National Grid for additional funding related to the Northland Community Solar & Microgrid Project.**

Result: BUDC received funding in the amount of \$25,000 from National Grid to complete additional feasibility and analysis related to the Northland Community Solar & Microgrid Project and energy related needs on campus.

**Measurement: Continue to draw-down funds related to the City's Restore NY V GDA (#AD009) for new work to be completed at 541 E. Delavan and 777 Northland.**

Result: Remaining funds associated with Restore NY V will be used for 541 E. Delavan as part of BUDC's Build Back Better Challenge Grant project scope. Select demolition at 777 Northland continues to be paused until additional funds can be identified.

**Measurement: Submit all documentation for the 6<sup>th</sup> installment of Historic Tax Credits related to the development of Northland Central.**

Result: Complete.

**Measurement: Confirm receipt of 2020 BTC refund from NYS related to the Northland Central redevelopment.**

Result: Complete.

**Measurement: Draw-down all remaining funds related to the \$6M GDA (#AC426) with ESD for Northland Workforce Training Center equipment.**

Result: Complete.

**Measurement: Identify additional funding sources (i.e. grants and tax credits) and income opportunities for future phases of Northland Beltline projects.**

Result: BUDC successfully leveraged \$14.4 million through the EDA Build Back Better Challenge for improvements to Northland. BUDC has also been in



discussions with other funders such as ESD to secure additional funding to further development on the campus.

**Objective C:** *Continue to transition Northland management responsibilities to the Director of Construction & Project Development*

**Measurement:** Manage construction of 714 Northland parking lot improvements.

**Result:** BUDC has completed some minor repairs to the parking lot and has also secured funding through Build Back Better for the construction of additional improvements.

**Measurement:** Re-engage Watts Engineers and 34 Group to resume Phase 1C construction at 541 E. Delavan.

**Result:** EDA procurement requirements require this work to be rebid.

**Measurement:** Re-engage 34 Group to begin select demolition at 777 Northland.

**Result:** Select demolition has been paused until additional funds can be identified.

**Measurement:** On a monthly basis, coordinate all Northland property maintenance and repairs with Mancuso Management.

**Result:** BUDC continues to conduct monthly coordination meetings regarding property management related issues and repairs.

**Measurement:** Continue to engage NYS Department of State (DOS) on review of Beltline Brownfield Opportunity Area (BOA) Nomination Document.

**Result:** BUDC continues to engage DOS on the Northland BOA including submittal of a Consolidated Funding Application (CFA) to complete the nomination process.

**Measurement:** Coordinate two (2) networking events Northland area small businesses

**Result:** BUDC, working with Mustard Seed Consulting, continues to work on identifying small business networking opportunities.

**Measurement:** Continue to collaborate with LISC to implement components of the Northland Corridor Delavan Grider Community Enhancement Project from 2020.

**Result:** BUDC continues to collaborate with LISC.

**Measurement:** Complete required annual and bi-annual compliance reports for ECIDA and NTCIC/Tax Credit Investors.

Result: Complete.

*Objective D: Prepare land and buildings for development through remediation, select demolition, infrastructure upgrades/construction, site improvements, and amenity construction.*

**New Measurement: Negotiate and close on a Land Sale Agreement for remaining land at 308 Crowley Street**

Result: BUDC has successfully negotiated and closed on all remaining land at 308 Crowley Street.

**Measurement: Finalize the Brownfield Cleanup Work Plan with NYS Department of Environmental Conservation for 193 Ship Canal Parkway.**

Result: Complete.

**Measurement: Assemble appropriate properties throughout the City to increase inventory for future brownfield projects.**

Result: BUDC did not secure any additional brownfield sites this year, but continues to consider strategic sites and to facilitate land transactions on its current inventory of brownfield sites.

**Measurement: Number of acres remediated to shovel-ready condition.**

Result: BUDC did not remediate any additional acres this year, but is actively pursuing additional funding to do so in the upcoming year(s).

**Measurement: Number of building square feet rehabilitated to leasable condition.**

Result: BUDC did not rehabilitate additional leasable space this year, but managed to secure significant additional funding to begin rehabilitating space in the upcoming year.

**Goal: To attract and/or retain new and existing businesses to the City and region.**

*Objective A: Market BUDC properties as an urban alternative for new construction of light manufacturing, distribution and office facilities.*

Result: BUDC continues to market properties in collaboration with Mancuso Business Development Group and Invest Buffalo Niagara.

**Measurement: Close on the Land Sale Agreement with Zephyr Investors for various BLCP parcels.**

Result: BUDC successfully negotiated and closed on the sale of various parcels to Zephyr Partners.

**New Measurement: Negotiate and close on a Land Sale Agreement with G.W. Burnett for 193 Ship Canal Parkway.**

Result: BUDC did not close on a Land sale with G.W Burnett, but has entered into an exclusivity agreement with the Krog Corporation for 193 Ship Canal Parkway.

**Measurement: Assist in a minimum of four (4) prospects interested in purchasing land and/or buildings.**

Result: BUDC has assisted over four (4) prospects in purchasing land, resulting in the execution of two (2) exclusivity agreements for various parcels.

**Measurement: A minimum of six (6) “earned” media appearances and five hundred (500) website page and social media views.**

Result: BUDC had over six (6) BUDC also earned several appearances on WUFO Radio; Buffalo Business First; Buffalo News and WECK Radio. BUDC far exceeded five hundred (500) social media views and had over 6,000 website views this year.

**Measurement: Maintain infrastructure amenities to enhance the marketability of the BLCP and Northland properties.**

Result: BUDC has maintained infrastructure amenities at BLCP in coordination with the recently formed BLCP Property Owners Association. Northland area infrastructure amenities have been maintained in conjunction with BUDC’s property management team, Mancuso Business Development.

***Objective B: Support the economic development efforts of the City of Buffalo Office of Strategic Planning (OSP) with the task of expanding or relocating businesses of a diverse nature in the City.***

**Measurement: Close on the sale of a portion of 308 Crowley to Enterprise Folding Box.**

Result: BUDC successfully negotiated and closed on parcels to Enterprise Folding Box. BUDC also sold the remaining property at 308 Crowley Street to Douglas Development.

**Measurement: Number of businesses contacted, as directed by OSP.**

Result: BUDC has contacted approximately sixty (60) businesses.

*Objective C: Support the economic development efforts of the City by maintaining procurement practices that encourage the participation of local (50%), minority (25%), and women-owned (5%) businesses.*

**Measurement:** All informal bids, formal bids, request for proposals, and requests for qualifications will include the City's participation goals listed above.

**Result:** BUDC uses the City's participation goals as standard for proposals and bids.

**Goal: To support the revitalization of Downtown Buffalo.**

*Objective A: Serve as lead management entity for BBRP/Race for Place initiatives.*

**Measurement:** A minimum of twenty (25) companies contacted.

**Result:** BUDC contacted approximately fifty (50) businesses. In addition, BUDC partnered with OSP and the City of Buffalo's Buy Black Buffalo and Mayor's Communications team on various small business efforts.

*Objective B: Coordinate financial assistance for adaptive re-use projects and/or new construction projects.*

**Measurement:** A minimum of two (2) projects assisted.

**Result:** BUDC worked with multiple property owners to coordinate financial assistance.

*Objective C: Manage lending program as an incentive for adaptive re-use and/or new construction projects.*

**Measurement:** A minimum of two (2) loans approved and closed.

**Result:** No loans approved or closed.

**Measurement:** Facilitate consensus around proposed loan program modifications and implement approved modifications for the Downtown Loan Program.

**Result:** BUDC continued to facilitate discussions regarding the loan fund and plans to implement agreed upon consensus in early 2023.

*Objective D: Assist coordination of public right-of-way and public space improvements.*

**Measurement: Promote and coordinate added creativity and innovation within the public realm.**

Result: BUDC promoted and coordinated multiple efforts in the public realm including public art in Entertainment District; furthered recommendations in the Ellicott Street Placemaking Strategy as well as other coordinated planning initiatives with OSP and DPW.

**Measurement: Further the recommendations included in the Future of Mobility Report.**

Result: BUDC worked to further the recommendations in the Future of Mobility Report by collaborating with partners on securing funding for infrastructure improvements and planning/design studies and micro-mobility demonstrations.

**Measurement: Coordinate a series of Innovative Focus Group sessions to gain community input on upcoming smart city technologies and related infrastructure improvements.**

Result: BUDC participated in small focus group meetings with technology based employers and stakeholders. BUDC plans to coordinate more robust sessions in the upcoming year.

**Measurement: Further the recommendations from Race for Place for continued outreach through community focus groups.**

Result: BUDC continues to connect with stakeholders on Race For Place and plans for additional outreach and collaboration in the upcoming year.

**Measurement: A minimum of two (2) city blocks and one (1) public space improved.**

Result: More than two (2) city blocks and one (1) public space improved.

**Measurement: Complete Waterfront/Inner Harbor public realm strategy and continue waterfront stakeholder coordination efforts.**

Result: BUDC successfully secured funding for a Waterfront/Inner Harbor public realm strategy. An RFP was issued to secure a consultant team to conduct the study. BUDC also continues to facilitate the Waterfront stakeholder coordination efforts on a consistent basis.

**Measurement: Further the recommendations outlined Ellicott Street Placemaking Strategy.**

Result: BUDC continues to further recommendations outlined in the Ellicott Street Placemaking Strategy and secured funding and worked to leverage additional funding from partners for the underpass improvement component outlined in the strategy. BUDC also has facilitated discussions with surrounding stakeholders such as the Michigan Street African American Heritage Corridor, Erie County Public Library and Ciminelli Real Estate to identify opportunities for collaborations.

**Measurement: Facilitate a strategy to improve downtown infrastructure maintenance and sustainability with the six partners.**

Result: BUDC continues to facilitate discussions with partners to improve infrastructure maintenance.

**Measurement: Coordinate with at least six (6) partners to develop strategy for a capital campaign to solicit private funding for public realm improvements.**

Result: BUDC continues to facilitate discussions with various partners on strategy to improve coordinate on public and private funds for public realm improvements.

***Objective E: Coordinate additional phases of Queen City Pop Up (QCPU).***

**Measurement: Explore outdoor QCPU Concepts.**

Result: BUDC continues to explore outdoor concepts for the QCPU. BUDC plans to further these concepts once additional funding has been received. QCPU presented the 2022 Downtown Dollars promotion to encourage holiday shopping in the downtown area following the pandemic. This initiative was done in partnership with the Mayor's Office, Buffalo Place, Buy Black Buffalo and the Michigan African American Heritage Corridor. BUDC received positive feedback from the community as well as the participating restaurants and retailers.

**Measurement: Maintain a webpage and directory for/of QCPU participants.**

Result: BUDC is in the process of developing the QCPU directory with a website design firm.

***Objective F: Continue coordination of the publication, marketing, and online promotion of Buffalo's Race for Place Plan.***



Measurement: Expand digital presence for raceforplacebuffalo.com.

Result: BUDC is in the process of expanding the Race For Place page with a website design firm.

*Objective G: Build awareness of Downtown programs, tools, and incentives.*

Measurement: At least two (2) earned appearances on regional and/or national platforms.

Result: BUDC had appearances in several regional publications such as Site Selector Magazine; Create Magazine; Fast Companies Magazine and the New York Times.

Measurement: At least two (2) presentations to business associations, professional organizations, and community groups.

Result: BUDC conducted presentations to organizations including American Institute of Architects; NAIOP and Buffalo Place Board of Directors.

*Objective H: Promote the construction of additional units of downtown housing.*

**New Measurement: The announcement of two hundred fifty (250) units to be constructed, with at least 20% affordable units.**

Results: Over two hundred fifty (250) units announced with 20% affordable units.

*Objective I: Coordinate the resolution or redevelopment of targeted problem properties within the BBRP boundaries.*

Measurement: A minimum of three (3) problem properties addressed.

Results: At least three (3) problem properties addressed.

**Goal: To transform LaSalle Park into Ralph C. Wilson Centennial Park (Ralph Wilson Park), and a world class waterfront park and recreational amenity that will serve both neighborhood residents, regional citizens and visitors.**

*Objective A: Assist the City of Buffalo and other partners with the management of the design and due diligence phases of the project.*

**Measurement:** Manage the design team and the design process to ensure that the project proceeds on schedule and within budget.

**Result:** Design process is complete. As project manager BUDC continues to ensure the project is on schedule and budget.

**Measurement:** Negotiate and execute contracts for any additional required due diligence investigations, NEPA and other regulatory approvals.

**Result:** No additional contracts were necessary.

**Objective B:** *Assist the City of Buffalo and other partners with the overall management of the project.*

**Measurement:** Manage the contract and deliverable for the project management team contracted to provide assistance.

**Result:** BUDC continues to actively manage the project management contract and related deliverables for Ralph Wilson Park.

**New Measurement:** **Work with the City of Buffalo and project management team to execute a Construction Management Contract.**

**Result:** BUDC aided in developing the contract scope and securing a team for Construction Management. The City of Buffalo and the identified Construction Management team are approaching finalization of contract negotiations.

**Objective C:** *Assist the City of Buffalo and other partners with identifying, securing and managing funding for the implementation of the project.*

**Measurement:** Work with the Ralph C. Wilson Foundation to apply for and manage grants that they have committed for the design and implementation of the project.

**Result:** BUDC has successfully secured additional funding from the Ralph C. Wilson Foundation to further the project. BUDC has also managed previously awarded funds committed for design and implementation of the project.

**Measurement:** Work with other partners, including Buffalo Niagara Waterkeeper and the Ralph C. Wilson Foundation, to identify additional funding sources to implement and construct the project.

**Result:** BUDC continues to work with Buffalo Niagara Waterkeeper and the Ralph C. Wilson Foundation to identify funding opportunities for the implementation and construction of the project.



**Measurement:** Prepare, submit, execute and manage funding applications and agreements that are secured for the project.

**Result:** BUDC has prepared several funding applications for the project and has successfully leveraged additional funding from the Community Foundation, Major League Baseball Youth Development Foundation and the Great Lakes Commission.

**Objective D:** *Assist the City of Buffalo and other partners with ensuring effective and sustainable long-term maintenance and operations of the park.*

**Measurement:** Continue to work with the City of Buffalo and the design and project management team to ensure that the final design of the park is sustainable from a maintenance and operations perspective and provides equitable access to the surrounding community.

**Result:** BUDC worked with the City of Buffalo and the design and project management team on sustainable design elements and equitable access to the surrounding community. BUDC also assisted in the formation of the Ralph Wilson Park Conservancy, which will oversee long term operations and maintenance efforts at the park.

**Goal: To effectively manage property, development projects and initiatives.**

**Objective A:** *Engage in all aspects of productive property management including marketing, leasing, maintenance, etc.*

**Measurement:** Keep property related costs within budget.

**Result:** Property related costs were within budget.

**Objective B:** *Support development projects by working with regional utility companies to include their grant programs in local initiatives. Package other economic development incentives to enhance the marketability of properties.*

**Measurement:** A minimum of two (2) projects referred.

**Result:** More than two (2) projects referred.

## **Additional Questions:**

- 1. Have the board members acknowledged that they have read and understood the mission of BUDC?**

The Board discussed and approved the BUDC's mission statement at the March 29, 2022 Board meeting.

- 2. Who has the power to appoint the management of BUDC?**

The Board of Directors appoints the management of BUDC to the positions of President, Executive Vice-President, Vice-President, Treasurer, Assistant Treasurer and Secretary.

- 3. If the Board appoints management, do you have a policy you follow when appointing the management of BUDC?**

The Board follows the BUDC By-Laws when appointing management.

- 4. Briefly describe the role of the Board and the role of management in the implementation of the mission.**

Management works closely with the Chair, Vice-Chair and Committee Chairs in formulating an on-going work plan for management to carry out the strategic goals related to the mission of the organization. Board members review and approve individual projects, initiatives and transactions to ensure that they are consistent with BUDC's mission. Board members also review and approve the annual budget to ensure resources are allocated appropriately to meet the BUDC's mission.

- 5. Has the Board acknowledged that they have read and understood the responses to each of these questions?**

Responses will be reviewed by the Board at the March 28, 2023 Board meeting.

**Buffalo Urban Development Corporation (BUDC)**  
***2023 Mission Statement and Performance Measurements***  
***Draft Pending Board Review***

**BUDC Mission Statement:**

The mission of Buffalo Urban Development Corporation (BUDC) is to support the urban economic development efforts of the region through acquisition, remediation and management of distressed properties, and to engage in related real estate development activities for the purpose of attracting and/or retaining new and existing businesses to the City as part of the region. The mission of BUDC also includes supporting the revitalization of downtown Buffalo by serving as the lead management entity for Buffalo Building Reuse Project (BBRP) and Race for Place initiatives, working in collaboration with the City of Buffalo; including the coordination of financial assistance for downtown adaptive re-use projects and public right-of-way improvements. BUDC also serves as the lead management entity for the Ralph C. Wilson, Jr. Centennial Park transformation.

**BUDC Performance Measurements:**

**Goal: To reclaim abandoned and distressed land and buildings for future development.**

*Objective A: Continue to establish the Northland Beltline (“Northland”) as the prime urban area for reclamation, by implementing the redevelopment strategy and continuing to engage in appropriate planning processes and leasing for future development.*

Measurement: Secure consultant and complete architectural and engineering work for 612 Northland “B” Building; 541 East Delavan Ave.; Clean Energy Microgrid and other relevant infrastructure improvements.

Measurement: Assemble any additional properties that become available which are needed to enhance Northland.

Measurement: Obtain City of Buffalo Planning Board approval for various phases of Northland redevelopment as they occur.

Measurement: Obtain State Historic Preservation Office (SHPO) approval to maximize the preservation of structures that will contribute to the redevelopment of Northland and the select demolition of structures that are an impediment to the redevelopment.

Measurement: Manage all compliance and milestones related to the financing for Northland Central; including Historic Preservation Tax Credits, Brownfield Cleanup Program Tax Credits, New Market Tax Credits, and bridge loan financing.

- Measurement: Negotiate new lease agreements with tenants for available space at Northland Central and 612 Northland.
- Measurement: Continue to implement the Soil (Site) Management Plan (SMP) for Northland Central, under the NYS Brownfield Cleanup Program.
- Measurement: Continue effective M/WBE Utilization and Workforce Participation programs for remaining Northland construction.
- Measurement: Continue to implement the Restore NY V Grant initiatives, including renovations at 541 E. Delavan.
- Measurement: Continue the implementation of the Historic Preservation Mitigation measures agreed to with the State Historic Preservation Office, according to the Memorandum of Agreement (MOA).
- Measurement: Continue to work with the NYSDEC regarding Superfund investigation and remediation at the 537 E. Delavan site.
- Measurement: If funding becomes available, begin renovations or other actions necessary to bring other space across Northland to a “ready-to-lease” condition.
- Measurement: Continue the Community Outreach Program, with one additional Public Meeting and one additional Stakeholder Advisory Committee Meeting, and additional community outreach through social media.
- Measurement: Continue to implement the green infrastructure plan for 537 E. Delavan, when construction resumes.
- Objective B: Secure funds to continue to advance the Northland Beltline projects.*
- Measurement: Complete application to Empire State Development (ESD) for \$55M for additional funding for projects on the Northland Campus including 631 Northland Avenue; 777 Northland Avenue; 537 E. Delavan Avenue; 741 Northland Avenue and other campus wide improvements.
- Measurement: Identify additional funding sources (i.e. grants and tax credits) and income opportunities for future phases of Northland Beltline projects.
- Objective C: Transition Northland management responsibilities to the Director of Construction & Project Management*
- Measurement: Hire BUDC Director of Construction & Project Management.
- Measurement: On a monthly basis, coordinate all Northland property maintenance and repairs with Mancuso Management.
- Measurement: Continue to engage NYS Department of State on review of Beltline Brownfield Opportunity Area (BOA) Nomination Document.

Measurement: Coordinate two (2) networking events Northland area small businesses

Measurement: Complete required annual and bi-annual compliance reports for ECIDA and NTCIC/Tax Credit Investors.

*Objective D: Prepare land and buildings for development through remediation, select demolition, infrastructure upgrades/construction, site improvements, and amenity construction.*

Measurement: Assemble appropriate properties throughout the City to increase inventory for future brownfield projects.

Measurement: Number of acres remediated to shovel-ready condition.

Measurement: Number of building square feet rehabilitated to leasable condition.

**Goal: To attract and/or retain new and existing businesses to the City and region.**

*Objective A: Market BUDC properties as an urban alternative for new construction of light manufacturing, distribution and office facilities.*

Measurement: Negotiate and close on a Land Sale Agreement with Krog Corporation for 193 Ship Canal Parkway.

Measurement: Negotiate and close on a Land Sale Agreement with Savarino Companies for various Buffalo Lakeside Commerce Park parcels.

**New Measurement:** A minimum of six (6) “earned” media appearances and five thousand (5,000) website page and social media views.

Measurement: Maintain infrastructure amenities to enhance the marketability of the BLCP and Northland properties.

*Objective B: Support the economic development efforts of the City of Buffalo Office of Strategic Planning (OSP) with the task of expanding or relocating businesses of a diverse nature in the City.*

Measurement: Number of businesses contacted, as directed by OSP.

*Objective C: Support the economic development efforts of the City by maintaining procurement practices that encourage the participation of local (50%), minority (25%), and women-owned (5%) businesses.*

Measurement: All informal bids, formal bids, request for proposals, and requests for qualifications will include the City’s participation goals listed above.

**Goal: To support the revitalization of Downtown Buffalo.**

*Objective A: Serve as lead management entity for BBRP/Race for Place initiatives.*

Measurement: A minimum of twenty (25) companies contacted.

*Objective B: Coordinate financial assistance for adaptive re-use projects and/or new construction projects.*

Measurement: A minimum of two (2) projects assisted.

**New Measurement:** Explore new incentive options for adaptive re-use and/or new construction projects that encourage mixed income residential development, minority developer participation, M/WBE entrepreneurship and ground floor activation.

*Objective D: Assist coordination of public right-of-way and public space improvements.*

Measurement: Promote and coordinate added creativity and innovation within the public realm.

Measurement: Further the recommendations included in the Future of Mobility Report.

Measurement: Coordinate a series of Innovative Focus Group sessions to gain community input on upcoming smart city technologies and related infrastructure improvements.

Measurement: Further the recommendations from Race for Place for continued outreach through community focus groups.

Measurement: A minimum of five(5) city blocks and one (1) public space improved.

Measurement: Complete Waterfront/Inner Harbor public realm strategy and continue waterfront stakeholder coordination efforts.

Measurement: Further the recommendations outlined Ellicott Street Placemaking Strategy.

Measurement: Facilitate a strategy to improve downtown infrastructure maintenance and sustainability with the six partners.

Measurement: Coordinate with the six partners to develop strategy for a capital campaign to solicit private funding for public realm improvements.

**New Measurement:** Coordinate with City of Buffalo and Empire State Development to further schematic design of Erie Street connection from I-190 to the Erie Basin Marina.

*Objective E: Coordinate additional phases of Queen City Pop Up (QCPU).*

**New Measurement:** Explore outdoor QCPU Concepts and new post pandemic recovery initiatives for downtown area restaurants and retailers.

*Objective F: Continue coordination of the publication, marketing, and online promotion of Buffalo's Race for Place Plan.*

**Measurement:** Complete digital expansion for raceforplacebuffalo.com.

*Objective G: Build awareness of Downtown programs, tools, and incentives.*

**Measurement:** At least two (2) earned appearances on regional and/or national platforms.

**Measurement:** At least two (2) presentations to business associations, professional organizations, and community groups.

*Objective H: Promote the construction of additional units of downtown housing.*

**Measurement:** The announcement of two hundred fifty (250) units to be constructed, with at least 20% affordable units.

*Objective I: Coordinate the resolution or redevelopment of targeted problem properties within the BBRP boundaries.*

**Measurement:** A minimum of three (3) problem properties addressed.

**Goal: To transform LaSalle Park into Ralph C. Wilson Centennial Park, and a world class waterfront park and recreational amenity that will serve both neighborhood residents, regional citizens and visitors.**

*Objective A: Assist the City of Buffalo and other partners with the management of the design and due diligence phases of the project.*

**Measurement:** Manage the design team and the design process to ensure that the project proceeds on schedule and within budget.

**Measurement:** Negotiate and execute contracts for any additional required due diligence investigations, NEPA and other regulatory approvals.

*Objective B: Assist the City of Buffalo and other partners with the overall management of the project.*

Measurement: Manage the contract and deliverables for the project management team contracted to provide assistance.

**New Measurement: Work with the City of Buffalo and project management team to execute a Construction Management Contract.**

*Objective C: Assist the City of Buffalo and other partners with identifying, securing and managing funding for the implementation of the project.*

Measurement: Work with the Ralph C. Wilson Foundation to apply for and manage grants that they have committed for the design and implementation of the project.

Measurement: Work with other partners, including Buffalo Niagara Waterkeeper and the Ralph C. Wilson Foundation, to identify additional funding sources to implement and construct the project.

Measurement: Prepare, submit, execute and manage funding applications and agreements that are secured for the project.

*Objective D: Assist the City of Buffalo and other partners with ensuring effective and sustainable long-term maintenance and operations of the park.*

Measurement: Continue to work with the City of Buffalo, Gilbane Companies and the Ralph Wilson Park Conservancy as needed, on park sustainability and equitable access to the surrounding community during the construction phase of the project.

**Goal: To effectively manage property, development projects and initiatives.**

*Objective A: Engage in all aspects of productive property management including marketing, leasing, maintenance, etc.*

Measurement: Keep property related costs within budget.

*Objective B: Support development projects by working with regional utility companies to include their grant programs in local initiatives. Package other economic development incentives to enhance the marketability of properties.*

Measurement: A minimum of two (2) projects referred.



## **Additional Questions:**

- 1. Have the board members acknowledged that they have read and understood the mission of BUDC?**

The Board will review and discuss the BUDC's mission statement at the March 28, 2023 Board meeting.

- 2. Who has the power to appoint the management of BUDC?**

The Board of Directors appoints the management of BUDC to the positions of President, Executive Vice-President, Vice-President, Treasurer, Assistant Treasurer and Secretary.

- 3. If the Board appoints management, do you have a policy you follow when appointing the management of BUDC?**

The Board follows the BUDC By-Laws when appointing management.

- 4. Briefly describe the role of the Board and the role of management in the implementation of the mission.**

Management works closely with the Chair, Vice-Chair and Committee Chairs in formulating an on-going work plan for management to carry out the strategic goals related to the mission of the organization. Board members review and approve individual projects, initiatives and transactions to ensure that they are consistent with BUDC's mission. Board members also review and approve the annual budget to ensure resources are allocated appropriately to meet the BUDC's mission.

- 5. Has the Board acknowledged that they have read and understood the responses to each of these questions?**

These questions and responses will be discussed by the Board at the March 28, 2023 Board meeting.

# **BUFFALO URBAN DEVELOPMENT CORPORATION**

## **AMENDED AND RESTATED PROCUREMENT POLICY**

### **A. Scope and Purpose.**

Pursuant to Section 2824 of the Public Authorities Law, the Buffalo Urban Development Corporation ("BUDC") is required to establish and adopt a procurement policy. This Amended and Restated Procurement Policy ("Policy") shall also be applicable to all procurements undertaken by any existing subsidiary or affiliated organizations of BUDC and such other subsidiaries and affiliates as may hereafter be established by BUDC.

### **B. Procurement Procedures.**

#### **1. Solicitation Procedures for the Purchase of Goods and Services.**

- a. Up to \$10,000 per instance – Documented verbal quotes or written/fax/email quotes from at least two vendors.
- b. Greater than \$10,000 to \$25,000 per instance – Written/fax/email quotes from at least three vendors.
- c. Greater than \$25,000 to \$100,000 per instance – Formal written Request for Proposal (RFP) submitted to at least three vendors and posted at the BUDC website.
- d. Greater than \$100,000 per instance – Formal written Request for Proposal (RFP) submitted to at least three vendors, posted at the BUDC website and publicly noticed in the NYS Contract Reporter.
- e. Notwithstanding the foregoing, if it is reasonably anticipated that cumulative procurements pursuant to subsections (a) or (b) above will cost between \$25,000 and \$100,000 per calendar year for a single vendor or service, BUDC shall comply with the provisions of subsection (c) above; or if such cumulative procurements are reasonably anticipated to cost over \$100,000 per calendar year, BUDC shall comply with the provisions of subsection (d) above.

#### **2. Exceptions. Alternative proposals or quotations shall not be required for procurements made through or with respect to:**

- a. New York State or Erie County contracts.
- b. State Finance Law Section 175-b (from agencies for the blind or severely handicapped).

- c. **Correction Law Section 186 (articles manufactured in correctional institutions).**
- d. **Emergency Procurements – an emergency exists if the delay caused by soliciting quotes would endanger public health, welfare or property. Approval of the President after consultation with the officers of BUDC is necessary, which shall be documented in the procurement file and shall include a description of the facts giving rise to the emergency and the basis for selecting the particular vendor.**
- e. **Time Sensitive Economic Development Opportunity - An opportunity is time-sensitive when a vendor must be retained quickly to avoid a delay that would adversely impact an economic development project or initiative of BUDC. Such time-sensitive situations include, but are not limited to: the possible loss of grant funding; the termination, default or withdrawal of an existing vendor; the need to respond to a court order or regulatory directive; or some other compelling need for goods or services. Approval of the President after consultation with the officers of BUDC is necessary, which shall be documented in the procurement file and shall also include a description of the facts relating to the time-sensitive opportunity and the basis for selecting the particular vendor.**
- f. **Sole Source Procurements – A “sole source” means a situation where (i) there is only one possible source in the marketplace for the goods or services, (ii) no other goods and/or services provide substantially equivalent or similar benefits, and (iii) considering the benefits, the cost to BUDC is reasonable and in the best interests of BUDC. Approval of the President after consultation with the officers of BUDC is necessary, which shall be documented in the procurement file along with an explanation of the basis for the procurement qualifying as a sole source procurement.**
- g. **Single Source Procurements – A “single source” means 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 competitive procedures impractical; and (ii) considering the benefits, the cost to BUDC is reasonable. Approval of the President after consultation with the officers of BUDC is necessary, which shall be documented in the procurement file along with an explanation of the basis for concluding that a single**

source procurement was in the best interests of BUDC and the manner in which BUDC identified the selected vendor.

- h. **Utilities and Affiliate Transactions** – The purchase of utilities and inter-affiliate or subsidiary transactions are excepted from alternative proposal/quotation requirements.
- i. **Unavailability of the minimum number of vendors required under Section B, as applicable, that are able or willing to respond to a solicitation.**
- j. **Resolution Waiving Solicitation Requirements** – The BUDC Board of Directors may adopt a resolution prospectively waiving solicitation requirements upon the Board's determination that solicitation would be impractical and such waiver is in the best interests of BUDC.

3. **Basis for the Award of Contracts.**

It is the general policy of BUDC to award contracts to the lowest responsible dollar offeror who meets the specifications therefor. BUDC may award contracts to other than the lowest responsible dollar offeror under circumstances that BUDC determines justify an award to other than the lowest responsible dollar offeror. In making any such determination, BUDC shall consider relevant factors including, without limitation:

- a. **The vendor is an MBE or WBE firm, or relative to other vendors for the specific procurement has demonstrated the ability to meet or exceed applicable M/WBE and/or minority or workforce participation requirements;**
- b. **Delivery, quality and quantity requirements;**
- c. **Past vendor performance and/or experience;**
- d. **Which proposal is most advantageous to BUDC, considering other factors in addition to price;**

- e. Unavailability of the minimum number of vendors required under Section B, as applicable, that are able or willing to respond to a solicitation; and
- f. Any procurement excepted from the alternative proposal/quotation requirements as set forth in subsection 2 of this Section B, and the procurement of professional services in Section E of this Policy.

4. Documentation: Procurement Tracking Form.

Each procurement made under this Policy shall be documented on a separate Procurement Tracking Form, the form of which is attached hereto as Schedule A and made a part hereof. An annual procurement report shall be presented to the Audit & Finance Committee.

5. Contents of Requests for Proposals (RFP).

For all procurements under this Policy that require an RFP, the following information shall be included in the solicitation:

- a. Goods being sought or the scope of services desired;
- b. The projected term of the contract;
- c. Criteria to be used in evaluating proposals and the requirements that must be fulfilled;
- d. Schedule of relevant dates;
- e. Insurance requirements;
- f. M/WBE goals; and
- g. Designation of the BUDC representative to whom communications regarding the RFP should be directed.

6. Contents of Requests for Qualifications (RFQ).

For all procurements under this Policy that require an RFQ, the following information shall be included in the solicitation:

- a. The scope of services desired;

- b. Criteria to be used in evaluating qualifications and the requirements that must be fulfilled;
- c. Insurance requirements, if applicable;
- d. M/WBE goals; and
- e. Designation of the BUDC representative to whom communications regarding the RFQ should be directed.

**C. Erie County Businesses and Minority & Women Owned Enterprises.**

It is the goal of BUDC to provide opportunities for the purchase of goods and services from (i) business enterprises located in Erie County and (ii) certified minority and/or women-owned business enterprises. To that end, BUDC will utilize available lists of M/WBE businesses certified by Erie County and/or State of New York and use its best efforts to solicit proposals from such businesses by notifying them of opportunities to submit proposals for goods or services when practical. In addition, where the procurement of a specific good or service is to be accomplished using funds other than the funds of BUDC or its affiliates, BUDC shall comply with all M/WBE goals and other M/WBE requirements applicable to such funding.

**D. Effect on Other Procurement Requirements.**

Where the procurement of a specific good or service is to be accomplished using funds other than the funds of BUDC and such funding sources specify different or more restrictive procurement requirements than are provided for in this Policy, the procurement requirements of the funding source will supersede the requirements of this Policy.

In those instances where BUDC is a recipient of federal funds which it will use to pay for goods or services, the procurement provisions set forth in 2 C.F.R §200.318 et seq. shall apply, including procurement requirements applicable to goods or services that exceed \$150,000 in value (as such amount is adjusted in accordance with 48 C.F.R. Section 2.101). For procurements using federal funds, BUDC shall include in its contract with the vendor or contractor the applicable contract provisions set forth in Appendix II to Part 200 of Title 2 of the Code of Federal Regulations, or any successor regulation or appendix.

**E. Professional Services.**

Contracts for professional services involve the application of specialized expertise, the use of professional judgment, or a high degree of creativity. Professional services include services which require special education and/or training, license to practice or are creative in nature. Examples are: lawyers, doctors, accountants, and engineers. Furthermore, professional service contracts often involve a relationship of personal trust and confidence. Procurement of professional services in an amount up to \$25,000 is not subject to the solicitation procedures contained in Sections B(1)(a) and (b) of this Policy. Procurement of professional services in an amount greater than \$25,000

shall be made through a written Request for Proposal (RFP) or a Request for Qualifications (RFQ) process.

**F. Procurement of Insurance.**

Procurement of Insurance Brokerage services is subject to this Policy as a professional service. Notwithstanding the foregoing, actual insurance policies procured are not subject to the requirements of this Policy.

**G. Procurement Lobbying.**

BUDC shall follow the applicable provisions of the New York Procurement Lobbying Law (State Finance Law §§ 139-j, 139-k) for any contract or other agreement for an article of procurement involving an estimated annualized expenditure in excess of \$15,000.

**H. Reporting Requirements.**

Procurements are intended to be made for no greater than the fair market value of the asset procured. In the event circumstances exist in which the acquisition of an asset is made where the contract price to be paid by BUDC exceeds the fair market value of the asset, BUDC shall include in its annual report required by Section 2800(2) of the Public Authorities Law a detailed explanation of the justification for making the purchase and a certification by the President and Chief Financial Officer of BUDC that they have reviewed the terms of the acquisition and determined that it complies with applicable law and this Policy.

**I. Approval Thresholds.**

The following approval thresholds shall apply to the procurement of all goods and services, except those procurements made under Section B(2)(d) and (e):

1. The President and Executive Vice President of BUDC are each authorized to procure goods and services in an amount up to \$10,000. Prior to procuring such goods or services, the President or Executive Vice President shall confer with the Treasurer to confirm that the proposed expenditure is within budgetary limits. The President or Executive Vice President shall report the procurement of goods and services at the next Board of Directors meeting following the date of procurement.
2. The Audit and Finance Committee, Downtown Committee and Real Estate Committee, as applicable, are each authorized to approve the procurement of goods and services greater than \$10,000, but not in excess of \$25,000. Prior to procuring such goods or services, the President and applicable committee chair shall confer with the Treasurer to confirm that the proposed expenditure is within budgetary limits. The President or Executive Vice President shall report the procurement of goods and

services authorized by the applicable committee at the next BUDC Board of Directors meeting following the date of procurement.

3. The procurement of goods and services in an amount greater than \$25,000 shall require the approval of the BUDC Board of Directors. By resolution, the Board may delegate to BUDC executive staff or a committee of the Board the authority to procure goods or services in an amount greater than \$25,000 without Board approval.

**J. Annual Review.**

This Policy shall be annually reviewed and approved by BUDC's Board of Directors.

Adopted: 7/7/2009

Amended & Adopted: 6/8/2010

Re-adopted: 3/29/2011

Re-adopted: 3/27/2012

Re-adopted: 2/26/2013

Amended and Adopted: 3/31/2015

Re-adopted: 3/29/2016

Re-adopted: 3/28/2017

Amended & Adopted: 3/27/2018

Re-adopted: 3/26/2019

Re-adopted: 3/31/2020

Re-adopted: 3/30/2021

Re-adopted: 3/29/2022



**SCHEDULE A**  
**Procurement Tracking Form**

**Buffalo Urban Development Corporation**

95 Perry Street | Buffalo, NY 14203 | Phone: 716-856-6525 | Fax: 716-856-6754

**Procurement Tracking Form**

Original Solicitation Date: \_\_\_\_\_ Procurement Category:  Goods/Services  
 Procurement Description: \_\_\_\_\_  Professional Services

Approving Party (§ 1, 1-3):  President  Executive Vice President  BUDC Committee  Board of Directors  
 Vendor Selected: \_\_\_\_\_

Is Vendor an M/WBE?  Yes  No If Yes, Specify type: \_\_\_\_\_ Contract Price: \_\_\_\_\_  
 Date Awarded: \_\_\_\_\_ Source of Funds: \_\_\_\_\_

**If A Procurement Exception Applies, Please Explain (§ B(2)(a-ii)):**  
 (e.g., Emergency, Time Sensitive Opportunity, Sole Source, Single Source, etc.)

---



---



---



---



---

**Reporting Procedure (§ 1, 1-3)**

Procurement Report Delivered to:  Board of Directors  N/A  
 Date of Report (Meeting): \_\_\_\_\_

**Quotations/Proposals Received:**

#	Vendor	Type of Solicitation (§ B(1)(a-d))	Amount
1		<input type="radio"/> RFP/RFQ/Written Proposal <input type="radio"/> Written <input type="radio"/> Verbal	
2		<input type="radio"/> RFP/RFQ/Written Proposal <input type="radio"/> Written <input type="radio"/> Verbal	
3		<input type="radio"/> RFP/RFQ/Written Proposal <input type="radio"/> Written <input type="radio"/> Verbal	
4		<input type="radio"/> RFP/RFQ/Written Proposal <input type="radio"/> Written <input type="radio"/> Verbal	
5		<input type="radio"/> RFP/RFQ/Written Proposal <input type="radio"/> Written <input type="radio"/> Verbal	
6		<input type="radio"/> RFP/RFQ/Written Proposal <input type="radio"/> Written <input type="radio"/> Verbal	

Was Lowest Cost Proposal Selected?  Yes  No  
 If No, Please Explain (§ B(3)(a-h)):

---



---



---

# **BUFFALO URBAN DEVELOPMENT CORPORATION**

## **Procurement Procedures Applicable to the Expenditure of Federal Funds**

---

### **ARTICLE I**

#### **Scope**

1.1 The procurement of goods and services made by Buffalo Urban Development Corporation or any of its affiliates or subsidiaries ("**BUDC**") involving the expenditure by BUDC of federal funds will be undertaken in accordance with the procurement procedures set forth herein (the "**Policy**") and the applicable provisions of 2 CFR Sections 200.318 through 200.326. All other procurements (i.e., those made with non-federal funds) shall be made in accordance with the BUDC procurement policy then in effect.

### **ARTICLE II**

#### **Procurement Standards**

2.1 All procurements subject to this Policy are to be undertaken in a manner that provides for full and open competition consistent with the standards set forth in 2 CFR Section 200.319. Regardless of the procurement method utilized, BUDC may only award contracts to responsible contractors or vendors possessing the ability to perform successfully under the terms and conditions of the procurement. Consideration will be given to such matters as contractor/vendor integrity, compliance with public policy, record of past performance and financial and technical resources in awarding contracts.

2.2 Solicitations will contain a clear and accurate description of the technical requirements for the material, product, or service to be procured and will identify all requirements that the bidders must fulfill and all other factors that will be used by BUDC in evaluating bids or proposals. In addition, BUDC will ensure that all solicitations include enough qualified sources to ensure maximum open and free competition.

2.3 In order to ensure objective contractor/vendor performance and eliminate unfair competitive advantages, contractors/vendors that develop or draft specifications, requirements, statements of work, invitations for bids, or requests for proposals will be excluded from competing for such procurements.

2.4 Solicitations will not contain features that unduly restrict competition. Some examples of situations considered under federal regulations to be restrictive of competition include, but are not limited to, the following:

- Placing unreasonable requirements on firms in order for them to qualify to do business with BUDC;
- Requiring unnecessary experience and excessive bonding;
- Non-competitive pricing practices between firms or between affiliated companies;
- Executing non-competitive contracts with consultants that are on retainer contracts
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered; and
- Any arbitrary action in the procurement process.

2.5 In undertaking procurements, BUDC shall avoid the acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach to procuring the specific good or service.

2.6 Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms. In accordance with 2 CFR Section 200.321, BUDC will take affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible. These affirmative steps include the following:

- Placing qualified small and minority businesses and women’s business enterprises on BUDC’s solicitation lists;
- Assuring that BUDC solicits small and minority businesses and women’s business enterprises whenever they are potential sources;
- When economically feasible, dividing total project requirements into smaller tasks or quantities to permit maximum participation by small and minority businesses and women’s business enterprises;
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women’s business enterprises;
- Using the services and assistance, as appropriate, of organizations such as the Small Business Administration and the Minority Business Development Agency of the United States Department of Commerce; and
- Requiring the prime contractor, if subcontracts are to be let, to take the above affirmative steps.

### ARTICLE III Methods of Procurement

3.1 Methods. In accordance with 2 CFR Section 200.320, BUDC shall procure good and services utilizing one of the following methods: (i) micro-purchase procedures; (ii) small purchase procedures; (iii) procurement by competitive proposals; or (iv) procurement by competitive sealed bids. In addition, BUDC may procure goods and services without competition under the circumstances set forth in Section 3.6.

**3.2 Micro-purchases (2 CFR Section 200.67).** Micro-purchases involve the acquisition of goods or services that in the aggregate, cost no more than the Micro-Purchase Threshold, as such threshold is set forth in 2 CFR Section 200.67 (currently \$10,000). Micro-purchases may be made without soliciting competitive quotations, provided that the BUDC President considers the price to be reasonable, and such determination is documented in the record of procurement.

**3.3 Small Purchases (2 CFR Section 200.68).** Small purchases involve the acquisition of goods or services that cost no more than the Simplified Acquisition Threshold, as such threshold is set forth in 2 CFR Section 200.68 (currently \$250,000). For small purchases, BUDC will obtain written price or rate quotations from an adequate number of qualified sources, which generally will involve soliciting written price or rate quotations from a minimum of two (2) vendors.

**3.4 Procurement through Competitive Proposals.** As provided in 2 CFR Section 200.320(d), the competitive proposals method of procurement is normally conducted with more than one source submitting an offer and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. When the competitive proposal method is used, the following requirements apply:

- Requests for proposals (RFP) must be publicized and identify all evaluation factors and their relative importance;
- Proposals must be solicited from an adequate number of qualified sources—three proposals will generally be deemed adequate;
- BUDC will utilize a documented method for conducting technical evaluations of the proposals received and for selecting recipients;
- Contracts will be awarded to the responsible firm whose proposal is most advantageous to BUDC, with price and other factors considered.

BUDC may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. This method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform such services.

**3.5 Procurement by Sealed Bids.** BUDC may procure goods and services through the use of a competitive sealed bid process. Where sealed bid procurement is used, bids must be publicly solicited with a firm fixed-price contract (lump sum or unit price) to be awarded to the responsible bidder whose bid is the lowest in price while conforming to all material terms and conditions of the solicitation.

**3.5.1 Construction Services.** As provided in 2 CFR Section 200.320, the competitive sealed bid method of procurement is the preferred method of procuring construction services, if the following conditions apply: (A) a complete, adequate, and realistic specification or purchase description is available; (B) two or more responsible bidders are willing and able to

compete effectively for the business; and (C) the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

Where sealed bids are used, the following requirements apply:

- Bids must be solicited from a sufficient number of known suppliers who are given adequate response time prior to the date set for opening the bids;
- The invitations for bids must define the items or services in order for the bidder to properly respond;
- All bids should be opened at the time and place identified in the invitation for bids;
- A firm fixed price contract will be made in writing to the lowest responsive and responsible bidder; and
- Any or all bids may be rejected if there is a sound documented reason for doing so.
- Bid bonds, performance bonds and payment bonds are required as provided in 2 CFR Section 200.325.

**3.6 Procurements without Competition.** BUDC may procure goods or services without competition when one or more of the following circumstances apply:

- The good or service being procured is available only from a sole source;
- The public exigency or emergency nature of the procurement will not permit a delay resulting from a competitive solicitation;
- The federal awarding agency or pass-through entity expressly authorizes non-competitive proposals in response to a written request from BUDC; or
- After solicitation of a number of sources, competition is determined by BUDC to be inadequate.

#### **ARTICLE IV**

##### **Contracts: Incorporation of Federal Contract Provisions**

4.1 All contracts entered into by BUDC shall contain the applicable provisions set forth in Appendix II to 2 CFR Part 200, or any successor regulation or appendix. BUDC shall undertake such cost or price analysis as may be required in accordance with 2 CFR Section 200.323. Time and materials contracts are discouraged and shall be utilized only in compliance with the provisions of 2 CFR 200.318(j)(i).

#### **ARTICLE V**

##### **Records of Procurement Transactions**

5.1 BUDC will maintain records of all procurements made pursuant to this Policy. Such records shall include, at a minimum, a written report with relevant source documents setting forth the rationale for the method of procurement selected, the type of contract, the basis

for contractor selection or rejection, and the basis for the contract price. Source documents for purposes of this Article shall include receipts, purchase orders, invoices, RFP/RFQ data and bid documents. These documents will be maintained for such period of time as the federal award or sub-grant requires, or if no such period is specified, in accordance with BUDC records retention policies.

## **ARTICLE VI** **Conflicts of Interest**

6.1 No employee, director, officer or agent of BUDC may participate in the selection, award or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, director, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. In the event that a conflict of interest, real or apparent, exists, the employee, director officer, or agent of BUDC shall notify the appropriate official(s) of BUDC, and such conflict of interest shall be processed in accordance with the provisions of the BUDC Code of Ethics.

6.2 No employee, director, officer or agent of BUDC shall solicit or accept gratuities, favors, or anything of monetary value from current or prospective consultants, contractors, vendors in connection with any federal procurements made under this Policy. For purposes of this Section, "gratuities, favors, or anything of monetary value" shall include money, services, loans, travel, entertainment, hospitality or any financial transaction on terms not available to the general public, but shall not include normal hospitality or promotional materials if such hospitality or materials do not exceed \$100.00 in value and are not received in circumstances in which it might reasonably be inferred that they were given with intention to influence or reward an employee, director, officer or agent of BUDC in relation to the performance of their duties.

6.3 Any BUDC employee, director, officer, or agent who knowingly and deliberately violates the provisions of this Article may be subject to disciplinary action up to and including termination or employment or removal from the board or office. Any contractor or potential contractor who knowingly and deliberately violates these provisions will be barred from future transactions with BUDC.

## **ARTICLE VII** **Contract Approval Thresholds**

7.1 The approval thresholds set forth in Section (I) of the BUDC Procurement Policy shall be applicable to the procurement of all goods and services made under this Policy, other than emergency procurements made pursuant to Section 3.6.

**ARTICLE VIII**  
**Amendments**

**8.1 This Policy may be amended from time to time by the BUDC Board of Directors.**

**Adopted: October 27, 2020**

**Re-adopted: March 30, 2021**

**Re-adopted: March 29, 2022**



# **BUFFALO URBAN DEVELOPMENT CORPORATION**

## **Property Disposition Guidelines**

---

The Buffalo Urban Development Corporation ("BUDC") is required by Section 2896 of the Public Authorities Law to adopt by resolution comprehensive guidelines regarding the use, awarding, monitoring and reporting of contracts for the disposal of Property (as defined herein). The following guidelines (the "Guidelines") are adopted pursuant to such requirement and are applicable with respect to the use, awarding, monitoring and reporting of all Property Disposition Contracts which are (i) entered into by BUDC or (ii) solicited or awarded by BUDC on behalf of any subsidiary of BUDC (a "BUDC Subsidiary").

### **ARTICLE I** **DEFINITIONS**

1. "Contracting Officer" shall mean the officer of BUDC who shall be appointed by resolution of the Board of Directors of BUDC to be responsible for the disposition of Property.
2. "Dispose" or "disposal" or "disposition" shall mean the transfer of title or any other beneficial interest in Property from BUDC or a BUDC Subsidiary to any unrelated third party.
3. "Property" shall mean personal property in excess of Five Thousand Dollars (\$5,000.00) in value, real property, or any other legally transferable interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.
4. "Property Disposition Contracts" shall mean written agreements for the sale, lease, transfer or other disposition of Property from BUDC or a BUDC Subsidiary to any unrelated third party.
5. "Real Property" shall mean real property and interests therein.

### **ARTICLE II** **APPOINTMENT AND DUTIES OF CONTRACTING OFFICER**

#### **A. Appointment**

The Contracting Officer shall be an officer of BUDC appointed by the Board of Directors who is responsible for the supervision and direction over the custody, control and disposition of

Property and responsible for BUDC's compliance with and enforcement of these Guidelines. The Executive Vice President of BUDC shall be the Contracting Officer for purposes of these Guidelines.

**B. Duties**

The duties of the Contracting Officer shall include the following:

1. Maintaining adequate inventory controls and accountability systems for all Property under BUDC's control.
2. Periodically conducting an inventory of Property to determine which Property may be disposed of.
3. Preparing an annual written report of all Property. Each report shall include a list of all Real Property, a full description of all real and personal property disposed of during the reporting period, the price received and the name of the purchaser for all Property sold during each reporting period. Each report shall be completed and delivered to the New York State Comptroller, the Director of the Budget, the Commissioner of General Services and the New York State Legislature no later than ninety (90) days following the completion of BUDC's fiscal year.
4. Disposing of Property as promptly as possible in accordance with these Guidelines, as directed by BUDC.

**ARTICLE III**  
**PROPERTY DISPOSITION REQUIREMENTS**

**A. Method of Disposition**

1. Subject to such exceptions and/or requirements set forth in these Guidelines, in the event that BUDC or a BUDC Subsidiary determines to dispose of any of its Property, BUDC shall endeavor to dispose of such Property for at least the fair market value of the Property. The disposition of Property may be made by sale, exchange, or transfer, for cash, credit or other Property, with or without warranty, and upon such terms and conditions as are determined by BUDC to be appropriate and reasonable and consistent with these Guidelines.
2. No disposition of Real Property, or any interest in Real Property, may be made unless an appraisal of the value of such Real Property has been made by an independent appraiser and included in the record of the transaction. In addition, no disposition of any personal property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued with reference to an active market for similar property, shall be made without an independent appraisal.

## **B. Award and Approval of Property Disposition Contracts**

1. **Compliance with Guidelines: Approval Requirements.** All dispositions of Property shall be conducted in accordance with these Guidelines by or under the supervision of the Contracting Officer. Any proposed dispositions of real property shall be presented to the BUDC Real Estate Committee for consideration, and if approved by said committee, shall be submitted to the BUDC Board of Directors for approval or other appropriate action.

### **2. Disposition by Public Bid.**

(a) All Property Disposition Contracts may be made only after publicly advertising for bids, unless the criteria set forth in Article III(B)(3) below has been satisfied for such contracts to be made by negotiation or public auction.

(b) Whenever public advertising for bids is required, (i) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions, as shall permit full and free competition consistent with the value and nature of the Property; (ii) all bids shall be publicly disclosed at the time and place stated in the advertisement; and (iii) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to BUDC and New York State, price and other factors considered.

(c) Any public bid for the disposition of Property may be rejected, refused, or declined by BUDC or the Contracting Officer on any basis or ground allowable at law.

3. **Disposition by Negotiated Sale/Public Auction.** The following dispositions are exempt and excepted from the public bidding requirements set forth above in Article III(B)(2) and may be consummated through a negotiated sale or by public auction:

(a) **Below Market Dispositions.** BUDC may dispose of Property for less than the fair market value of the Property under the circumstances set forth in Article III(B)(5) of these Guidelines.

(b) **Disposition of Certain Personal Property.** BUDC may dispose of personal property where such personal property has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality or similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of through public advertisement and bidding, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation.

(c) **Disposition of Low FMV Property.** BUDC may dispose of Property the fair market value of which does not exceed Fifteen Thousand Dollars (\$15,000.00).

(d) **Disposition Following Receipt of Unacceptable Bid Prices.** BUDC may dispose of Property where the bid prices received by BUDC after public advertising are not

commercially reasonable (either as to all or some part of the Property) as determined by BUDC in its sole discretion.

(e) Disposition to New York State. BUDC may dispose of Property to New York State or any political subdivision of New York State.

(f) Disposition Authorized by Law. BUDC may dispose of Property where such disposition is otherwise authorized by law.

4. Reporting Requirements Regarding Negotiated Dispositions.

(a) Preparation of Written Statements. The Contracting Officer shall prepare a written statement explaining the circumstances of each negotiated disposition of Property involving any of the following:

- (i) the negotiated disposition of personal property which has an estimated fair market value in excess of Fifteen Thousand Dollars (\$15,000.00);
- (ii) the negotiated disposition of Real Property that has an estimated fair market value in excess of One Hundred Thousand Dollars (\$100,000.00);
- (iii) the negotiated disposition of Real Property that will be disposed of by lease, if the estimated annual rent over the term of the lease is in excess of Fifteen Thousand Dollars (\$15,000.00); or
- (iv) the negotiated disposition of Real Property or real and related personal property where the same will be disposed of by exchange, regardless of value, or any Property any part of the consideration for which is Real Property.

(b) Submission of Written Statements. Written statements prepared pursuant to Article III(B)(4) shall be submitted to the New York State Comptroller, the Director of the Budget, the Commissioner of General Services and the State Legislature no later than ninety (90) days prior to the date on which the disposition of Property is expected to take place. The Contracting Officer shall maintain a copy of all written statements at BUDC's principal office.

5. Disposal of Property for Less Than Fair Market Value.

(a) No asset owned, leased or otherwise in the control of BUDC may be sold, leased or otherwise alienated for less than its fair market value unless such disposition meets one of the following requirements:

(i) The transferee is a government or other public entity, and the terms and conditions of the disposition require that ownership and use of the asset will remain with the government or any other public entity.

(ii) The purpose of the disposition is within BUDC's corporate purpose, mission or its governing statute.

(b) In the event that BUDC seeks to dispose of an asset for less than its fair market value and neither of the circumstances set forth in Section 5(a)(i) and (ii) are applicable, then BUDC shall provide written notification of the proposed disposition to the Governor, the Speaker of the Assembly and the temporary President of the Senate, and such proposed disposition shall be subject to approval or denial by the Governor, the Senate or the Assembly in accordance with the provisions set forth in the Section 2897 (7) of the Public Authorities Law.

(c) In the event a below fair market value disposition is proposed, the following information shall be provided to the BUDC Board of Directors and to the public:

(i) A full description of the asset;

(ii) An appraisal of the fair market value of the asset and any other information establishing the fair market value that may be sought by the Board;

(iii) A description of the purpose of the disposition and a reasonable statement of the kind and amount of the benefit to the public resulting from the disposition, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the disposition, the benefits, if any, to the communities in which the asset is situated as are required by the disposition;

(iv) A statement of the value to be received compared to the fair market value;

(v) The names of any private parties participating in the disposition, and if different than the statement required by paragraph (iv) above, a statement of the value to the private party; and

(vi) The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

(d) Before authorizing the disposition of any property for less than fair market value, the BUDC Board of Directors shall consider the information described in 5(c) above and make a written determination that there is no reasonable alternative to the proposed below market disposition that would achieve the same purpose as the proposed disposition.

**ARTICLE IV**  
**GENERAL PROVISIONS**

**A. Annual Review and Submission of Guidelines**

These Guidelines shall be annually reviewed and approved by the BUDC Board of Directors. On or before the 31<sup>st</sup> day of March of each year, BUDC shall file with the New York State Comptroller a copy of the most recently reviewed and adopted guidelines, including the name of the Contracting Officer, and shall post the Guidelines on BUDC's website. Guidelines posted on BUDC's website shall be maintained at least until the Guidelines for the following year are posted on BUDC's website.

**B. Effect of Awarded Contracts**

These Guidelines are intended for the guidance of the officers, directors and employees of BUDC and its Subsidiaries only. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof, or be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, these Guidelines. Without limiting the generality of the preceding sentence, any deed, bill of sale, lease, or other instrument executed by or on behalf of BUDC or a BUDC Subsidiary, purporting to transfer title or any other interest in Property shall be conclusive evidence of compliance with these Guidelines insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of compliance with these Guidelines prior to the closing.

**C. Effective Date: Amendments.**

These Guidelines shall be effective upon the affirmative vote of the Board of Directors of the Corporation and may be amended upon affirmative vote of a majority of the Board of Directors.

Effective Date: November 30, 2006

Amended: March 2, 2010

Re-Adopted: March 29, 2011

Re-Adopted: March 27, 2012

Re-adopted: February 26, 2013

Re-adopted: February 25, 2014

Re-adopted: March 31, 2015

Re-adopted: March 29, 2016

Re-adopted: March 28, 2017

Re-adopted: March 27, 2018

Re-adopted: March 26, 2019

Re-adopted; March 31, 2020

Re-adopted: March 30, 2021

Re-adopted: March 29, 2022

## **BUFFALO URBAN DEVELOPMENT CORPORATION (“BUDC”)**

### **WHISTLEBLOWER POLICY**

#### **I. Introduction**

- a. **Applicability:** This Whistleblower Policy (“Policy”) shall apply to the Buffalo Urban Development Corporation (“BUDC”), its existing affiliates and any other affiliated entities that may hereafter be established by BUDC (hereinafter collectively referred to as the “Corporation”) upon approval by the Board of Directors of the Corporation.
- b. **Scope:** In accordance with Title 12 of Article 9 of the Public Authorities Law, the Corporation is required to adopt a policy to protect individuals who, in good faith, report violations of the Corporation’s Code of Ethics or other instances of potential wrongdoing within the Corporation.
- c. **Purpose:** This Policy provides directors, officers and employees of the Corporation with a confidential means to report credible allegations of misconduct, wrongdoing, or unethical behavior and to protect those individuals, when acting in good faith, from personal or professional retaliation.

#### **II. Definitions**

- a. **“Corporation Employee”:** All directors and officers of the Corporation, and all staff employed by the Corporation, whether employed full-time or part-time, employed pursuant to a contract, employed temporarily, or employed on a probationary basis.
- b. **“Good Faith”:** Information concerning potential Wrongdoing is disclosed in “good faith” when the individual making the disclosure reasonably believes such information to be true and reasonably believes that it constitutes potential Wrongdoing.
- c. **“Personnel Action”:** Any action affecting compensation, appointment, promotion, transfer, assignment, reassignment, reinstatement or evaluation of performance.
- d. **“Whistleblower”:** Any Corporation Employee who in good faith discloses information concerning Wrongdoing by another Corporation Employee, or concerning the business of the Corporation itself.
- e. **“Wrongdoing”:** Any alleged corruption, fraud, criminal or unethical activity, misconduct, waste, conflict of interest, intentional reporting of false or misleading information, or abuse of authority engaged in by a Corporation Employee that relates to the Corporation.

### **III: Reporting Wrongdoing**

All Corporation Employees who discover or have knowledge of potential Wrongdoing concerning directors, officers or employees of the Corporation; or a person having business dealings with the Corporation; or concerning the Corporation itself, shall report such activity in accordance with the following procedures:

- a. The Corporation Employee shall disclose any information concerning Wrongdoing either orally or in a written report to his or her supervisor, or to the Corporation's ethics officer, general counsel, or human resources representative.
- b. A Corporation Employee who discovers or has knowledge of Wrongdoing shall report such Wrongdoing in a prompt and timely manner.
- c. The identity of the Whistleblower and the substance of his or her allegations will be kept confidential to the best extent possible.
- d. The individual to whom the potential Wrongdoing is reported shall investigate and handle the claim in a timely and reasonable manner, which may include referring such information to the Authorities Budget Office or an appropriate law enforcement agency where applicable.
- e. Should a Corporation Employee believe in good faith that disclosing information within the Corporation pursuant to Section III(a) above would likely subject him or her to adverse Personnel Action or be wholly ineffective, the Corporation Employee may instead disclose the information to the Authorities Budget Office or to an appropriate law enforcement agency, if applicable. The Authorities Budget Office's toll free number (1-800-560-1770) should be used in such circumstances.

### **IV: No Retaliation or Interference**

No Corporation Employee shall retaliate against any Whistleblower for the disclosure of potential Wrongdoing, whether through threat, coercion, or abuse of authority; and, no Corporation Employee shall interfere with the right of any other Corporation Employee by any improper means aimed at deterring disclosure of potential Wrongdoing. Any attempts at retaliation or interference are strictly prohibited, and:

- a. No Corporation Employee who, in good faith, discloses potential violations of the Corporation's Code of Ethics or other instances of potential Wrongdoing shall suffer harassment, retaliation or adverse Personnel Action.
- b. All allegations of retaliation against a Whistleblower or interference with an individual seeking to disclose potential Wrongdoing will be investigated by the Corporation.
- c. Any Corporation Employee who retaliates against or attempts to interfere with any individual for having in good faith disclosed potential violations of the Corporation's



Code of Ethics or other instances of potential Wrongdoing is subject to disciplinary action, which may include termination of employment.

- d. Any allegation of retaliation or interference will be taken and treated seriously and, irrespective of the outcome of the initial complaint, will be treated as a separate matter.

#### **V: Other Legal Rights Not Impaired**

This Policy is not intended to limit, diminish or impair any other rights or remedies that an individual may have under the law with respect to disclosing potential wrongdoing free from retaliation or adverse personnel action, including without limitation the whistleblower protections provided under Civil Service Law §75-b, Labor Law §740, State Finance Law §191 (commonly known as the “False Claims Act”), and Executive Law §55(1). BUDC shall comply with all such provisions as applicable, including the posting of any notice required pursuant to Labor Law §740, as amended effective January 26, 2022.

#### **VI. Implementation**

This Whistleblower Policy shall be provided to all directors, officers, and employees of the Corporation and shall be reviewed annually by the Corporation’s Governance Committee.

Approved and Adopted: 3/27/2012

Re-adopted: 2/26/2013

Re-adopted: 2/25/2014

Re-adopted: 3/31/2015

Re-adopted: 3/29/2016

Re-adopted: 3/28/2017

Reviewed: 3/5/2018 (Governance Committee of the Board of Directors)

Reviewed: 3/13/2019 (Governance Committee of the Board of Directors)

Reviewed: 3/16/2020 (Governance Committee of the Board of Directors)

Reviewed: 3/4/2021 (Governance Committee of the Board of Directors)

Re-adopted: 3/29/2022

# BUFFALO URBAN DEVELOPMENT CORPORATION

## GRANT ADMINISTRATION POLICY

### A. Purpose.

This grant administration policy (the "Grant Administration Policy") sets forth the requirements and procedures for the application, acceptance and administration of grant funding by Buffalo Urban Development Corporation or any of its subsidiary or affiliated companies (hereinafter "BUDC").

### B. Grant Application Procedures (Pre-Award).

#### 1. Pre-Application Assessment.

BUDC staff is responsible for conducting a pre-application assessment in connection with potential grant funding. When pursuing grant funding opportunities, BUDC staff shall consider the following factors:

- a. Alignment with BUDC's mission and purpose;
- b. Alignment with current or anticipated BUDC projects;
- c. Matching fund requirements, if any;
- d. Whether the grant funding includes a component that will pay or reimburse BUDC for administering the grant;
- e. Potential costs incurred by BUDC as a result of implementing the grant funding award; and
- f. Staffing capacity to administer the grant.

#### 2. Application Submission.

Prior to submission of a grant application, the BUDC staff member(s) completing the application will ensure that the pre-application assessment factors noted in Section B(1) above have been evaluated and documented on the Pre-Application Grant Assessment, the form of which is attached hereto as Schedule A and made a part hereof. BUDC will retain a copy of the Pre-Application Grant Assessment in its file.

### C. Grant Acceptance Procedures.

Upon BUDC's receipt of a grant award, BUDC staff shall review the grant award notification and any grant agreements received and forward a copy of the same to BUDC legal

counsel. If a grant award contains matching fund requirements that were not previously budgeted for, BUDC staff will follow the procedures for acceptance outlined in Section C(1). For all other grant awards, BUDC staff will follow the applicable procedure outlined in Section C(2).

1. Grants Requiring Matching Funds.

The approval of the BUDC Board of Directors (the “Board”) shall be required for any grant award that contains a matching fund requirement.

2. Approval Thresholds for Grant Awards Without Matching Fund Requirements.

- a. The BUDC President and Executive Vice President are each authorized to accept grant awards on behalf of BUDC in an amount up to \$500,000 and to execute the applicable grant agreements. The President or Executive Vice President will report the acceptance of the grant award at the next BUDC Board meeting following the date of acceptance.
- b. The Audit & Finance Committee, Downtown Committee, and Real Estate Committee, as applicable, are each authorized to approve, on behalf of BUDC, the acceptance of grant awards greater than \$500,000 but not in excess of \$1,000,000. The President or Executive Vice President shall report the applicable committee’s acceptance of the grant award at the next BUDC Board meeting following the date of acceptance.
- c. The approval of the BUDC Board shall be required for grant funds greater than \$1,000,000.

**D. Grant Administration.**

Following the acceptance of grant funds in accordance with Section C, BUDC staff shall implement applicable mechanisms for compliance with any grant agreement requirements, including reporting obligations, recordkeeping, and monitoring.

BUDC staff should also identify whether the pass through of a grant award and its obligations is to be implemented through the execution of a subgrant agreement. Should a subgrant agreement be necessary, BUDC staff will seek authorization for entering into a subgrant agreement in accordance with the approval thresholds outlined in Section C.

**E. Procedure for Receipt and Management of Individual Donations.**

BUDC, as a 501(c)(3), tax-exempt organization is authorized to accept donations from individuals and entities. BUDC will not accept any donations that: (i) are for purposes outside of BUDC’s mission and purpose; (ii) is not permitted by any applicable law; (iii) would result in BUDC violating its Certificate of Incorporation, Bylaws, or any policy or procedure applicable to BUDC; (iv) would result in the potential revocation of its status as a 501(c)(3) tax-exempt organization; (v) would be too difficult or expensive to administer in relation to their value; or (vi)

would result in any other unacceptable consequence. Decisions regarding the acceptance or refusal of a donation shall be made by the President or Executive Vice President, in consultation with the Chair of the Audit & Finance Committee or the relevant BUDC committee Chair if there is a stated purpose to the donation.

BUDC shall maintain a record of any donations received, including the identity of such donors and will disclose the receipt of any donations to the Audit & Finance Committee and Board on a periodic basis.

**F. Effective Date: Amendments.**

This Grant Administration Policy shall be effective as of the date that the Board approved the policy by affirmative vote of a majority of the Board and may be amended upon the affirmative vote of a majority of the Board.

Adopted: September 27, 2022

**Schedule A**

**Pre-Application Grant Assessment Form**

**See attached.**

# Buffalo Urban Development Corporation

## Pre-Application Grant Assessment Form

Completed By: \_\_\_\_\_

Grant Name: \_\_\_\_\_

Associated BUDC Project: \_\_\_\_\_ Project Partner(s): \_\_\_\_\_

Description of Grant (including potential funding amount and grant source):

---

---

---

Does the Grant Contain a matching fund requirement? If yes, please describe. \_\_\_\_\_

---

Briefly describe how the Grant aligns with BUDC's mission and purpose and any current or future BUDC Projects:

---

---

---

---

---

Will the Grant, if awarded, require additional staffing or other in-kind services from BUDC? If yes, please describe.

---

---

---

What costs incurred by BUDC will the Grant, if awarded, cover and not cover?

---

---

---

If awarded, what impact will the Grant have on current BUDC staffing?

---

---

---

# **BUFFALO URBAN DEVELOPMENT CORPORATION**

## **CODE OF ETHICS**

---

This Code of Ethics is adopted in accordance with Section 2824 of the Public Authorities Law and applies to all directors, officers and employees of the Buffalo Urban Development Corporation, its affiliated entities, and any other affiliated entities that may hereafter be established by BUDC (hereinafter collectively referred to as "BUDC").

This Code of Ethics shall serve as a guide for official conduct and is intended to enhance the ethical and professional performance of BUDC's directors, officers and employees and to preserve public confidence in BUDC's mission.

### **ARTICLE I Standards of Conduct**

1. No director, officer or employee of BUDC should accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties.

2. No director, officer or employee of BUDC should accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position or authority.

3. No director, officer or employee of BUDC should disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.

4. No director, officer or employee of BUDC should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or for others.

5. No director, officer or employee of BUDC should engage in any transaction as representative or agent of BUDC with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties.

6. No director, officer or employee of BUDC should by his or her conduct give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.

7. Each director, officer and employee of BUDC should abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.

8. Each director, officer or employee of BUDC should endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

## **ARTICLE II Conflicts of Interest**

1. **Purpose.** The purpose of this Article is to protect BUDC when it is considering entering into a transaction or arrangement that might benefit the private interest of a Related Party, and to set forth procedures for handling potential or actual Conflicts of Interest and Related Party Transactions.

2. **Definitions.**

**"Conflict of Interest."** A Conflict of Interest exists if an outside interest or activity influences (or reasonably appears to influence) the ability of an individual to exercise objectivity, impairs the individual's ability or independence in fulfilling his or her duties to BUDC or reasonably tends to conflict with the proper discharge of his or her duties to BUDC.

**"Financial Interest."** An individual has a Financial Interest if the individual has, directly or indirectly, through business, investment, or a Relative:

(i) An ownership or investment interest in any entity with which BUDC has a transaction or arrangement;

(ii) A compensation arrangement with BUDC or with any entity or individual with which BUDC has a transaction or arrangement;  
or

(iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which BUDC is negotiating a transaction or arrangement.



- (ii) If disclosure is made at a meeting of any BUDC committee or to the BUDC Ethics Officer or BUDC legal counsel, the matter will be referred to the Governance Committee for determination of whether a Conflict of Interest and/or Related Party Transaction exists.

(b) The Interested Person shall, at the request of the Board or the Governance Committee, as applicable, explain the circumstances of the actual or potential Conflict of Interest and/or Related Party Transaction. The Interested Person shall not, however, be present at, participate in, or attempt to influence the Board or Governance Committee deliberation or vote regarding whether a Conflict of Interest and/or Related Party Transaction exists.

- (i) If the Board or the Governance Committee, as applicable, determines that the agreement, transaction or arrangement is a Related Party Transaction, then the Board or the Governance Committee shall follow the procedures for Related Party Transactions set forth in Section 4 of this Article.
- (ii) If the Board or the Governance Committee, as applicable, determines that a Conflict of Interest exists, but the agreement, transaction or arrangement does not constitute a Related Party Transaction, then the Board or the Governance Committee may proceed with its consideration of the transaction, provided however, that the Interested Person shall abstain from deliberation and voting regarding the transaction.
- (iii) If the Board or the Governance Committee, as applicable, determines that a Conflict of Interest does not exist, then the Board or the Governance Committee may proceed with its consideration of the transaction, and the Interested Person may participate in the deliberation and voting regarding the transaction.
- (iv) The existence and resolution of the potential Conflict of Interest and/or Related Party Transaction shall be documented in the minutes of the meeting(s) at which the matter was discussed and voted upon.

#### 4. Related Party Transactions.

(a) BUDC may enter into a Related Party Transaction only if the Board or the Governance Committee determines that the transaction is fair, reasonable and in BUDC's best interest at the time of such determination (such determination shall be

documented in the minutes of the meeting at which the Related Party Transaction was approved); provided, however, that prior to entering into the transaction, the Board or the Governance Committee shall consider alternatives to the extent available.

(b) Related Party Transactions shall be approved by not less than a majority vote of the Board or the Governance Committee, as applicable (not counting the Interested Person for purposes of voting or quorum). The Board or Governance Committee shall contemporaneously document in the meeting minutes the basis for approval, including its consideration of alternative transactions.

5. **Annual Disclosure.** Prior to the initial election of any director or officer, and annually thereafter, he or she shall complete, sign and submit to the Secretary a written statement identifying, to the best of his or her knowledge, any entity of which he or she is an officer, director, trustee, member, owner (either as a sole proprietor or as partner), or employee, and with which BUDC has a relationship, and any transaction in which he or she might have a conflicting interest. Compliance with the financial disclosure requirements of the City of Buffalo, if so applicable, shall be deemed compliance with the requirements of this Section.

### **ARTICLE III Ethics Officer**

The Executive Vice President of BUDC shall serve as the Ethics Officer. In the event of a vacancy, the BUDC Governance Committee Chair shall serve as the Ethics Officer until such time as the BUDC Board appoints a successor.

The Ethics Officer shall report to the Board. The Ethics Officer shall have the duties set forth below, and such other duties as may be prescribed by the Board:

1. Advise in confidence each director, officer or employee of BUDC who seeks guidance regarding ethical behavior.
2. Receive and investigate complaints about possible violations of this Code of Ethics.
3. Dismiss complaints found to be without substance.
4. Prepare investigative reports of his or her findings to be submitted for action by the Chair or the Board.

### **ARTICLE IV Reporting Unethical Behavior; Whistleblower Policy**

In accordance with Title 12 of Article 9 of the Public Authorities Law, BUDC has adopted a Whistleblower Policy to afford certain protections to individuals who, in good

faith, report violations of the Code of Ethics or other instances of potential wrongdoing within BUDC. The Whistleblower Policy provides BUDC directors, officers, and employees with a confidential means to report credible allegations of misconduct, wrongdoing, or unethical behavior and to protect those individuals, when acting in good faith, from personal or professional retaliation. Any director, officer or employee who seeks to report a violation of the Code of Ethics or other instances of potential wrongdoing should utilize the reporting procedures set forth in the Whistleblower Policy.

## **ARTICLE V Implementation; Annual Review**

This Code of Ethics shall be provided to all directors, officers and employees of BUDC upon commencement of employment or appointment and shall be reviewed annually by BUDC's Governance Committee.

Approved and Adopted: 6-2-2009  
Reviewed by Governance Committee: 5-24-2010  
Re-Adopted: 3-29-2011  
Amended and Adopted: 3-27-2012  
Re-adopted: 2-26-2013  
Re-adopted: 2-25-2014  
Amended and Adopted: 3-31-2015  
Re-adopted: 3-29-2016  
Amended and Adopted: 3-28-2017  
Reviewed: 3-5-2018 (Governance Committee of the Board of Directors)  
Reviewed: 3-13-2019 (Governance Committee of the Board of Directors)  
Reviewed: 3-16-2020 (Governance Committee of the Board of Directors)  
Reviewed: 3-4-2021 (Governance Committee of the Board of Directors)  
Reviewed: 3-8-2022 (Governance Committee of the Board of Directors)

# **Buffalo Urban Development Corporation (“BUDC”) and Affiliates**

## ***Travel, Conferences, Meals and Entertainment Policy***

### ***Objective:***

The purpose of this Travel, Conferences, Meals and Entertainment Policy (Policy) is to outline the policies and procedures the Buffalo Urban Development Corporation will follow with respect to these and other related expenditures in accordance with Section 2824 of the Public Authorities Accountability Act of 2005.

### ***Applicability:***

This policy shall apply to the Buffalo Urban Development Corporation (“BUDC”) and any other affiliated entities that may be established by BUDC upon approval by the Board of Directors of the Corporation. This policy shall apply to every director, member, officer and employee of the Corporation.

### ***General Guidelines:***

It is the Corporation’s general policy to pay reasonable and necessary travel, conferences, meals and entertainment expenses incurred as a result of official business subject to the presentation of appropriate documentation.

Any exceptions or potential exceptions to this Policy must be submitted to the President (or in the case of the President to the Board Chair<sup>1</sup>) for approval.

## ***Section 1: Travel***

### ***1.1 Approval of Travel:***

Travel involving overnight accommodation or travel outside of Western New York and Southern Ontario requires the approval of the President (or the Board Chair in the case of the President).

### ***1.2 Personal Travel:***

Personal Travel is **not** reimbursable. This exclusion applies to personal travel which interrupts official travel, or precedes or follows a business trip.

Personal expenses are not reimbursable even when incurred while on a Corporation trip. Examples of such excluded expenses are pet care, house, or child-care expenses and purchase or repair of personal luggage.

---

<sup>1</sup> If the Board Chair benefited from the expenditure then the Audit Committee Chair will approve the exception. If both the Board Chair and Audit Committee Chair benefited from the expenditure then the full Board of the Corporation must approve the exception.

### **1.3 Reimbursable Travel Expenses:**

Where practical, employees should perform appropriate due diligence to obtain the lowest reasonable costs for travel expenses.

Transportation expenses shall be reimbursed based on an economical mode of transportation and the most commonly traveled route consistent with the authorized purpose of the trip.

Transportation tickets should be procured in advance in order to obtain any discounts offered by the carrier. Every reasonable effort should be made to cancel reservations on a timely basis to avoid no-show or late cancellation charges.

#### **A. Automobile Travel**

##### **i) Personal Vehicle**

Travelers may use their personal vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time.

In most circumstances, mileage shall be computed as the distance traveled to the business destination. Mileage will be reimbursed at the prevailing IRS mileage rate reimbursement limits which are intended to cover the cost of fuel, depreciation, insurance, maintenance and other similar operating costs. Expenses related to the mechanical failure or accidents to personal cars are not reimbursable.

When utilizing a personal vehicle for business, travelers must maintain liability insurance on the vehicle in accordance with New York State requirements. The Corporation may periodically request proof of insurance from such travelers.

##### **ii) Rental Cars**

A vehicle may be rented when renting would be more advantageous to the Corporation than other means of commercial transportation, such as using a taxi. Advance reservations should be made whenever possible and a compact or economy model should be requested unless the itinerary, number of travelers or baggage support the choice of a larger vehicle. The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip. When the traveler uses a rental car also for a personal side trip, he or she is expected to pay the appropriate portion of both the per-diem and the mileage expense.

The Corporation's insurance company currently provides liability and physical damage coverage if a vehicle is rented in the Corporation's name in the U.S. or Canada. Therefore, if similar coverage is offered by the rental company, it should be declined in these circumstances.

##### **iii) Miscellaneous Automobile-related Expenses**

Charges for parking, ferries, bridges, tunnels, or toll roads while an individual is traveling on Corporation business will be reimbursed.

## **B. Air Travel**

Whenever practical, travelers are expected to use tourist, economy, coach or "standard" accommodations for air travel. The Corporation discourages more than three employees traveling on the same flight.

Travelers may retain Corporation business frequent flyer mileage credits for personal use. However, air carrier selection cannot be biased by the traveler's frequent flyer affiliation. The lowest cost air travel should take precedence after considering departure/arrival times and number of stops.

## **C. Surface Transportation Used in Lieu of Air Travel**

If advance approval has been obtained, a traveler may use surface transportation for personal reasons even though air travel is the appropriate mode of transportation. The cost of meals and lodging, parking, mileage, tolls, taxis, and ferries incurred while in transit by surface transportation may be reimbursed. Such costs shall not exceed the cost of airfare, based on the cost of regular coach fare available for the location of travel from a standard commercial air carrier plus transportation costs to and from the airport.

## **D. Other Forms of Transportation**

Rail, shuttle, subway or bus transportation may be used if it is convenient and less expensive than alternative transportation or it saves time. If a traveler's destination is served by a regularly scheduled airline, the use of rail or bus transportation shall be reimbursed in accordance with the procedures specified under Surface Transportation in Lieu of Air Travel.

## **E. Food and Lodging**

Lodging, meals, gratuities and related miscellaneous expenses while an individual is on travel status for the Corporation will be reimbursed in their actual, reasonable amounts when properly documented. Gratuities should generally not exceed 20% of the total bill and are reimbursable if a restaurant receipt is submitted. Generally, hotel housekeeping gratuities are reimbursable up to \$5 per day. Accommodations are expected to be comfortable and appropriate to the particular purpose of the trip-not luxurious or extravagant. Wherever possible, the Corporation's New York State sales tax exemption should be claimed. Tax exemption letters are available from the Finance Department.

## **F. Miscellaneous Travel Expenses**

Examples of miscellaneous travel expenses that are reimbursable are the following:

- Reasonable tips for baggage handling, etc.
- Business telephone or internet calls and occasional, reasonable personal calls.
- Highway and bridge tolls.
- Necessary parking fees.
- Small supplies on an emergency basis
- Fees for visas, passports, and inoculations are allowable when they are a specific and necessary condition of fulfilling a work assignment.

- Cab gratuities, generally not exceeding 20% of the total cost of the cab ride.

## **G. Travel Expenses Not Reimbursed**

Expenses that are not reimbursable include:

- Lost or stolen tickets, cash, or personal property.
- Fines.
- Accident insurance premiums (the Corporation provides workers' compensation and accidental death and disability insurance to employees).
- Child, pet or house-sitting expenses.
- Penalties or fees for cancellation or change of discounted tickets when the cancellation or change came about from personal rather than Corporation choice.
- In-room movie or video game rentals.
- Hotel mini-bar charges.
- Dry cleaning (unless the Corporation requests that the traveler extends their regularly scheduled trip or when the traveler is away from home for more than six days).
- All costs pertaining to spouses, partners or other non-Corporation personnel accompanying the traveler
- Tobacco products

The above listings are not all-inclusive and items not listed will be reviewed on a case-by-case basis.

## **Section 2: Conferences and Seminars**

Reimbursement of conference and seminar fees and related hotel and meal expenses will be limited to those reasonable, necessary, approved expenses which are reported in an Expense Report with supporting receipts or documentation. The Corporation will only reimburse reasonable meal and beverage expenses of guests when the purpose of the meeting is to discuss Corporation business. If this is the case, the Corporation requires that the traveler provide a listing of the guests whose costs are being reimbursed, their organization and title and the business purpose of the meeting.

If a conference registration fee includes an extra charge for social activities, such as site-seeing tours, golf outings, etc., these charges are considered personal expenses and will not be reimbursed.

## **Section 3: Dues of Professional or Technical Organizations**

Dues for approved memberships in professional or technical organizations are reimbursable when they are related to the employee's job responsibilities.

## **Section 4: Meals & Entertainment**

There are occasions when the Corporation may provide meals and light refreshments to Board or committee members, officers, employees, guests or visitors to support the mission of the Corporation. As with other Corporation expenditures, authorized officials must exercise prudent business judgment in reviewing proposed expenditures for meals and light refreshments based on their reasonableness and benefit to the Corporation and its mission. In addition, such expenditures should be cost effective and in accordance with the best use of Corporation administered funds.

Meals and entertainment costs of a spouse or partner will only be reimbursed if their presence serves a business purpose (such as if he or she has a significant role in the proceedings or makes an important contribution to the success of the event). Official functions to which spouses or partners are invited as a matter of protocol or tradition may be considered as bona fide business-related activities if their inclusion serves a legitimate business purpose.

### **4.1 Employee morale-building activities Exception**

The cost of meals, light refreshments and entertainment for official employee morale-building activities that serve a Corporation business purpose may be reimbursed as an exception to this Policy. Examples of such occasions include a gathering to honor a departing employee who is retiring or who is separating from Corporation employment, employee recognition receptions, annual staff picnics, and holiday gatherings. Employee gifts and/or celebrations for milestone anniversaries (ex. 10, 15, 20, 25, etc.) are also allowed. Celebrations and/or cakes for employee birthdays or for Corporation interns are not reimbursable.

### **4.2 Entertainment Expenses Not Reimbursed**

Expenses that are not reimbursable include:

- Entertainment expenses that are lavish or extravagant under the circumstances;
- Entertainment expenses for birthdays, weddings, anniversaries, or farewell gatherings (excluding the morale-building expenses referenced in section 4.1 above).
- Memberships/dues for private clubs, unless such membership is determined by the Board and/or Members to be appropriate for the conduct of Corporation business in accordance with its corporate purposes.
- Adult entertainment

## **Section 5: Advances**

Cash advances are not generally provided because individuals who travel regularly on Corporation business are encouraged to use their personal credit cards to charge their travel expenses.



If hardship would result or for travelers without a personal credit card, cash advances can be obtained from the Finance department. To obtain an advance, the traveler must complete a "Request for Cash Advance" form which must be approved by both the CFO and President (or CFO and the Chair of the Audit Committee in the case of the President). Any excess of cash advances over allowable out-of-pocket costs must be promptly refunded to the Corporation.

## **Section 6: Reimbursement Approval**

Reimbursement may be requested as soon as the individual has made the expenditure, completed their Expense Report and had it approved. Expense Reports must be approved by the President or Executive Vice President (or Chair of the Audit Committee in the case of the President). The individual approving the Expense Report should not have personally benefited from the expenditure. If the Corporation Chairperson benefited from the expenditure then the Audit Committee Chair must approve the Expense Report. If both the Corporation Chairperson and the Audit Committee Chair benefited from the expenditure then the Board or Members of the Corporation must approve the Expense Report.

In approving a request to reimburse an individual for expenditures authorized under this Policy, the approving authority must determine that:

- The expenditure serves a clear and necessary business purpose or benefit to the Corporation and its mission.
- The expenditure of funds is reasonable, cost effective, and in accordance with the best use of Corporation administered funds;
- Any alternatives that would have been equally effective in accomplishing the desired objectives were considered.

Individuals may not approve the reimbursement of their own expenses. In addition, an employee shall not approve the expenses of an individual to whom he or she reports either directly or indirectly.

Original, dated receipts or bills are required for hotel, car rental and airline expenditures and for any other item of expense exceeding \$25. Other out-of-pocket expenses should be listed by date, type, and purpose on the traveler's Expense Report.

If a required receipt is lost or unavailable, a written explanation of the circumstances must accompany the reimbursement request.

### **6.1 Expenses Charged directly to the Corporation**

Certain expenses may be paid directly by the Corporation through check, ACH or other direct payment methods. Examples include such items as airline tickets, rental cars, accommodation and seminar registration fees. The fact that certain allowable business expenses may be paid directly by the Corporation does not relieve a traveler from complying with the substantiation requirements of this Policy (original

receipts, airline tickets and other supporting documentation must be attached and details provided regarding any guest costs).

Fees for membership in credit card reward programs where the beneficiary of the rewards is the individual are not reimbursable.

## **Section 7: Expenses in Foreign Currency**

For expenses paid in foreign cash, the exchange rate at which the traveler bought the foreign currency applies, and a receipt for the purchase of that currency should be kept and attached to the Expense Report.

## **Section 8: Taxability of Reimbursements**

In general, where the individual supplies a detailed accounting of bona fide business expenses to the employer, the amounts reimbursed are not taxable income to the traveler. It is therefore in the traveler's interest to carefully follow the Corporation's procedures for reporting and documenting expenses.

## **Section 9: Policy Exceptions**

On rare occasions, exceptions to this policy may be required. Exceptions may only be made with prior written approval by the BUDC Board Chair or Vice Chair.

## **Attachments**

Corporation Expense Report  
Corporation Tax exemption letter  
Corporation Cash Advance Form

Adopted: 4/17/07

Amended: 10/25/11

Amended and Adopted: 2/26/2013

Re-adopted: 2/25/2014

Re-adopted: 3/31/2015

Re-adopted: 3/29/2016

Re-adopted: 3/28/2017

Reviewed: 3/5/2018 (Governance Committee of the Board of Directors)

Reviewed: 3/13/2019 (Governance Committee of the Board of Directors)

Reviewed: 3/16/2020 (Governance Committee of the Board of Directors)

Reviewed: 3/4/2021 (Governance Committee of the Board of Directors)

Reviewed: 3/8/2022 (Governance Committee of the Board of Directors)

# **BUFFALO URBAN DEVELOPMENT CORPORATION**

**RIVERBEND LLC  
BUFFALO LAKESIDE COMMERCE PARK I LLC  
NORDEL I LLC  
NORDEL II LLC  
683 WTC LLC  
683 NORTHLAND LLC  
KING CROW LLC  
714 NORTHLAND LLC  
631 NORTHLAND LLC**

**2022 ANNUAL REPORT**  
**(For purposes of Section 2800(2) of the Public Authorities Law)**

### **Purpose of the Annual Report:**

As a local development corporation established by the City of Buffalo, the Buffalo Urban Development Corporation (BUDC) is required to comply with New York State's Public Authorities Law. Under this Law, BUDC is required to submit a comprehensive annual report that includes information on:

1. Operations and accomplishments
2. Financial Reports
3. Mission Statement & Performance Measurements
4. Bonds and notes outstanding
5. Compensation (for those earning \$100,000 +)
6. Projects undertaken during the year
7. Property Report
8. Code of Ethics
9. An assessment of internal control structure and effectiveness
10. Legislation that forms the statutory basis of the authority
11. Board structure
12. By-Laws
13. Listing of material changes in operations and programs
14. Four-year Financial Plan
15. Board Performance Evaluations
16. Assets/Services brought or sold without competitive bidding
17. Description of material pending litigation

In compliance with the Public Authorities Law, the following required information is presented for the fiscal year ended December 31, 2022.

#### **1. Operations & Accomplishments:**

A report on the 2022 operations and accomplishments of the BUDC and its affiliates is posted on BUDC's website at:

<https://www.buffalourbandevelopment.com/documents/budc/2023%20Website%20Documents/BUDC%20Operations.pdf>.

#### **2. Financial Reports:**

##### **i) Audited Financial Statements:**

The audited financial statements for the BUDC will be posted on its website at <http://www.buffalourbandevelopment.com/budc-corporate-reports>.

The financial statement certification is included on page 8.

The financial statements are audited on an annual basis, by BUDC's independent auditors Freed Maxick CPAs, P.C. In their opinion, the financial statements present fairly, in all material respects, the financial position of BUDC as of December 31, 2022 and the

changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**ii) Grants & Subsidy Programs:**

BUDC and its affiliates are recipients of certain Federal, State, Local and private foundation grant programs that are utilized for land development projects. Details of the various grants are outlined in BUDC's audited financial statements.

**iii) Operating & Financial Risks:**

The following outline some of the operating and financial risks that impact BUDC:

- **Liquidity** – A significant portion of BUDC's assets consist of land and buildings held for sale or lease which are not readily convertible to cash. Since BUDC relies upon land sales and lease revenues to fund operations, a reduction in the amount of cash derived from land sales and lease revenues could cause BUDC difficulty in funding operations.
- **Recovery of Land held for sale** – BUDC has capitalized a large proportion of its development costs as "Land and Improvements held for sale". If BUDC has difficulty selling the underlying parcels due to local economic conditions, it may not be able to recover the amount recorded on the financial statements.
- **Environmental** – Since BUDC and its affiliates may assume title to properties with environmental contamination, it is exposed to the related potential clean-up costs, litigation and other liabilities.
- **Regulatory** – BUDC is subject to various regulations including those imposed by the NYS Authorities Budget Office. These regulations may increase the cost of compliance or impact the financial position of the Corporation. In 2017, BUDC closed on tax credit financing for the redevelopment of 683 Northland (Northland Central) involving New Markets and Historic Tax Credits. Changes to regulations governing these and Brownfield Tax Credits could impact the overall funding of the project.
- **Funding** – As a not-for-profit local development corporation, BUDC has limited sources of operating funds and relies heavily on grant funding for certain projects. BUDC management is always cognizant of the fact that a change in the legislative climate or administration of the State could have a significant effect on future grant opportunities.

BUDC mitigates a portion of the above risks with prudent internal financial management, external financial and legal guidance, and comprehensive insurance coverage.

**iv) Current bond ratings:**

BUDC does not issue bonds on its own behalf and therefore is not rated by municipal bond rating agencies.

**v) Long-term liabilities including leases and employee benefit plans:**

BUDC has long-term liabilities related to loans and notes payable as described in Section 4.

### **3. Mission Statement & Performance Measurements:**

BUDC's Mission Statement & Performance Measurements Report for 2022 is included in Attachment 1. This document was reviewed and approved by the Board at the March 29, 2022 Board meeting.

### **4. Schedule of Bonds and Notes Outstanding:**

In 2006, BUDC issued \$675,000 in promissory notes in connection with the expansion of its Buffalo Lakeside Commerce Park remediation and redevelopment. During 2007, \$150,000 of these notes were repaid while in 2008 an additional \$267,619 of these notes were repaid, and in 2022 the remaining \$257,381 was repaid. In 2017, 683 Northland LLC borrowed amounts totaling \$13,730,000 related to the Northland Workforce Training Center project as part of a transaction to syndicate certain tax credits. 683 Northland LLC also entered into two agreements for bridge financing in 2017 totaling \$30,000,000; \$1,001,167 of which was outstanding at December 31, 2022. In 2019, BUDC entered into a \$369,750 term note for a property purchase. See Attachment 2 for detail of BUDC's loans and notes payable.

### **5. Compensation Schedule:**

See Attachment 3 for a list of BUDC employees who were paid a salary exceeding \$100,000 during 2022. Attachment 3A is a summary of benefits provided to those staff per the New York State Public Authorities Reporting Information System (PARIS). Biographies for these individuals are posted on BUDC's website at <http://www.buffalourbandevelopment.com/budc-contact-us>. Salaries and benefit information for other BUDC staff are also reported under PARIS.

None of the Directors of the Buffalo Urban Development Corporation or its affiliates receive any compensation for their services as Directors. None of the Officers of the Buffalo Urban Development Corporation or its affiliates receive any compensation for their services as Officers, beyond their compensation as employees.

### **6. Projects Undertaken by the Corporation during fiscal year 2022:**

See above Operations and Accomplishments report posted at <http://www.buffalourbandevelopment.com/budc-corporate-reports> for a listing of various initiatives accomplished in 2022.

### **7. Listing of certain Property of the Corporation:**

Attachment 4 provides information regarding the real property holdings of BUDC and its affiliates.

## **8. Code of Ethics:**

The Corporation's Code of Ethics is posted on BUDC's website at <http://www.buffalourbandevelopment.com/budc-corporate-policies>.

## **9. Assessment of the Effectiveness of Internal Control Structure and Procedures:**

Management's Assessment of the Effectiveness of Internal Controls of BUDC is posted on BUDC's website at <https://www.buffalourbandevelopment.com/budc-corporate-reports>.

BUDC's independent auditors have conducted tests of the effectiveness of BUDC's internal controls over financial reporting and their report is included in the audited financial statements posted on BUDC's website at <https://www.buffalourbandevelopment.com/budc-corporate-reports>.

## **10. Legislation that forms the Statutory Basis of the Authority:**

### **BUDC**

BUDC is a local development corporation which was formed and empowered to conduct certain projects pursuant to Not-For-Profit Corporation Law § 1411. Distinguished from IDAs (which exist as public benefit corporations), LDCs are established as charitable corporations that are empowered to construct, acquire, rehabilitate and improve for use by others, industrial or manufacturing plants in the territory in which its operations are principally to be conducted ("Benefited Territory") and to make loans. LDCs can provide financial assistance for the construction, acquisition, rehabilitation, improvement, and maintenance of facilities for others in its Benefited Territory. Specific LDC powers include the ability to: (i) disseminate information and furnish advice, technical assistance and liaison services to Federal, State and local authorities; (ii) to acquire by purchase, lease, gift, bequest, devise or otherwise, real or personal property; and (iii) to borrow money and to issue negotiable bonds, notes and other obligations. LDCs are empowered to sell, lease, mortgage or otherwise dispose of or encumber facilities or any real or personal property or any interest therein.

A copy of this specific legislation can be found at the following address:

[http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=\\$NPC1411\\$\\$@TXNPC01411+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW](http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=$NPC1411$$@TXNPC01411+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW)

## **11. Description of the Authority and its Board Structure:**

### **i) Names of Committees and Committee Members:**

Buffalo Urban Development Corporation is administered by a Real Estate Committee, Audit & Finance Committee, Governance Committee, Downtown Committee, and Loan Committee. A description of the committees and a listing of committee members is posted on the BUDC website at <http://www.buffalourbandevelopment.com/budc-board-committees>.

**ii) List of Board Meetings & Attendance:**

A list of the 2022 Board meetings and Board attendance is outlined on Attachment 5.

**iii) Description of major authority units, subsidiaries:** BUDC's Corporate Chart is included in Attachment 6.

**iv) Number of Employees:**

BUDC had three full-time employees in 2022. It also utilized employees of the Erie County Industrial Development Agency (ECIDA) to provide financial, administrative, and property management services on a fee basis, through a shared services agreement.

**v) Organizational Chart:**

BUDC's organizational chart is posted on BUDC's website at:  
<http://www.buffalourbandevelopment.com/budc-contact-us>.

**12. Bylaws:**

The Bylaws for BUDC are posted on its website at

[http://www.buffalourbandevelopment.com/documents/budc\\_corporate\\_policies/BUDCBY-Laws\\_Feb\\_2012.pdf](http://www.buffalourbandevelopment.com/documents/budc_corporate_policies/BUDCBY-Laws_Feb_2012.pdf).

**13. Listing of Material Changes in Operations and Programs:**

In 2022, BUDC staff continued developing and managing a material change in BUDC operations and programs that began in 2019, as indicated in Section 1 (Operations & Accomplishments) in the section titled Waterfront / Ralph Wilson Park Project. BUDC applied to the Ralph C. Wilson, Jr. Foundation for grant funds to assist the City of Buffalo to become more engaged in downtown waterfront planning and development activities. The Foundation initially awarded BUDC a \$2.8 million dollar grant to enhance both BUDC's and the City's capacity to manage such development activities and to successfully implement the design and construction of Ralph Wilson Park. The project continues to progress through the first phase of construction, which began in 2022. In addition to securing and managing additional grant funding from the Ralph C. Wilson Foundation in the amount of \$50 million, BUDC was also successful in leveraging additional funding from the Great Lakes Commission; the Major League Baseball Youth Development Foundation; the Community Foundation for BUDC staff capacity, and other sources to support this transformational project. BUDC also continues to successfully manage contracts with Gardiner & Theobald for project management and cost estimating services, as well as a contract with Michael Van Valkenburg & Associates for landscape design and monitoring services. BUDC also provided assistance to the City of Buffalo to secure Gilbane Companies for Construction Management services.

BUDC continued to make significant strides in the Northland Beltline Corridor redevelopment area in 2022. BUDC, in coordination with Empire State Development (ESD), successfully secured \$14.4 million through the EDA Build Back Better grant



program to bring additional resources for the development of 541 E. Delavan Avenue; 612 Northland–B Building; a Clean Energy Microgrid; substation upgrades and other improvements within the Northland Beltline Corridor. The Northland Beltline Corridor continues to evolve as an innovation hub focused on workforce training, advanced manufacturing, and energy, with a focus on encouraging job training and employment for East Side residents. The combined project at Northland Central has exceeded \$100 million.

The BUDC has also continued to advance its downtown development efforts through its Buffalo’s Race for Place initiative. BUDC successfully secured funding from Empire State Development for the Downtown Waterfront Improvement Plan, which will provide infrastructure and public realm designs to improve connections from the downtown waterfront to the investment at Ralph Wilson Park. BUDC also began implementing recommendations for the Ellicott Street Placemaking Strategy. BUDC has also participated with the City of Buffalo’s Office of Strategic Planning in efforts to redevelop the Mohawk Ramp and Broadway Barn, as well as the Smart Streets Planning initiative. These investments in existing assets/infrastructure will increase development density in the City of Buffalo that encourages walkability and multi-modal transportation, connects dis-advantaged communities with employment clusters, and attracts private investment to further foster a vibrant, sustainable community in line with the Region’s established smart growth principles.

**14. Four-Year Financial Plan:**

A copy of the four-year financial plan is posted on BUDC’s website at <http://www.buffalourbandevelopment.com/budc-corporate-reports>.

**15. Board Performance Evaluations:**

The BUDC Board of Directors conducted a Board Performance Evaluation for 2022 and forwarded the results to the Authorities Budget Office. The results of the survey are not subject to disclosure under Article six of the Public Officers Law.

**16. Assets/Services bought or sold without competitive bidding:**

Attachment 7 is a Procurement Report that will be filed under PARIS. The report outlines the assets and services purchased through competitive and non-competitive bidding for those procurements in excess of \$5,000.

**17. Description of material pending litigation:**

The audited financial statements for BUDC outline any material pending litigation. The audited financial statements are posted on BUDC’s website at <http://www.buffalourbandevelopment.com/budc-corporate-reports>.

## **Certification Pursuant to Section 2800(3) of the Public Authorities Law**

Pursuant to Section 2800 (3) of the Public Authorities Law, each of the undersigned Officers of Buffalo Urban Development Corporation, does hereby certify with respect to the annual financial report of the Corporation (the "Annual Financial Report") posted on BUDC's website at <http://www.buffalourbandevelopment.com/budc-corporate-reports> that based on the officer's knowledge:

1. The information provided in the Annual Financial Report is accurate, correct and does not contain any untrue statement of material fact;
2. Does not omit any material fact which, if omitted, would cause the financial statements contained in the Annual Financial Report to be misleading in light of the circumstances under which such statements are made; and
3. Fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in such financial statements.

\_\_\_\_\_  
Brandye M. Merriweather  
President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mollie Profic  
Treasurer

\_\_\_\_\_  
Date



Annual Report for Buffalo Urban Development Corporation  
Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023  
Status: UNSUBMITTED  
Certified Date: N/A

**Current Debt**

Question	Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period? If yes, has the Authority issued any debt during the reporting period?	Response
1.		Yes
2.		No

**New Debt Issuances**



Annual Report for Burdick Urban Development Corporation  
 Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023  
 Status: UNSUBMITTED  
 Certified Date: N/A

**ATTACHMENT 2**

**Schedule of Authority Debt**

Type of Debt		State Guaranteed	State Supported	State Contingent Obligation	State Moral Obligation	Other State-Funded	Authority Debt - General Obligation	Authority Debt - Revenue Obligation	Authority Debt - Other	Conduit Debt	Conduit Debt - PACT Increment Financing	Standby Authorization(\$)	Outstanding Start of Fiscal Year(\$)	New Debt Issuance(\$)	Debt Retired (\$)	Outstanding End of Fiscal Year(\$)
State Obligation																
State Obligation																
State Obligation																
Other State-Funded																
Authority Debt - General Obligation																
Authority Debt - Revenue Obligation																
Authority Debt - Other																
Conduit																
<b>TOTALS</b>												0.00	24,537,941.00	0.00	9,437,024.00	15,100,917.00

**Buffalo Urban Development Corporation**  
**Compensation Schedule**  
**Year Ended: December 31, 2022**

**ATTACHMENT 3**

The following employees had a base salary greater than \$100,000 in 2022:

Name	Title	Salary	Performance Compensation	Payroll Taxes*	Benefits	Total
Brandi Merrinweather	President	\$ 120,000	-	9,551	23,101	\$ 152,652
Rebecca Gandour	Executive Vice President	\$ 105,000	-	8,404	29,467	\$ 142,871

\* Represents Employer's Share of FICA taxes (Social Security & Medicare) & NYS Unemployment Insurance taxes

Annual Report for Buffalo Urban Development Corporation  
 Fiscal Year Ending: 12/31/2022

Run Date: 03/08/2023  
 Status: UNSUBMITTED  
 Certified Date: N/A

Name	Title	Governance Package	Payment for Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these Benefits	Other
David Pennan,	Directors												X	
Dennis Prtogen,	Board of Directors												X	
Darius Utz, Karen	Board of Directors												X	
Vacant	Board of Directors												X	

Staff

Name	Title	Governance Package	Payment for Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these Benefits	Other
Gandour, Rebecca	Executive Vice President												X	
Mariweathe r, Brandye	President												X	



**2022 BUDC Board Meeting Attendance List**

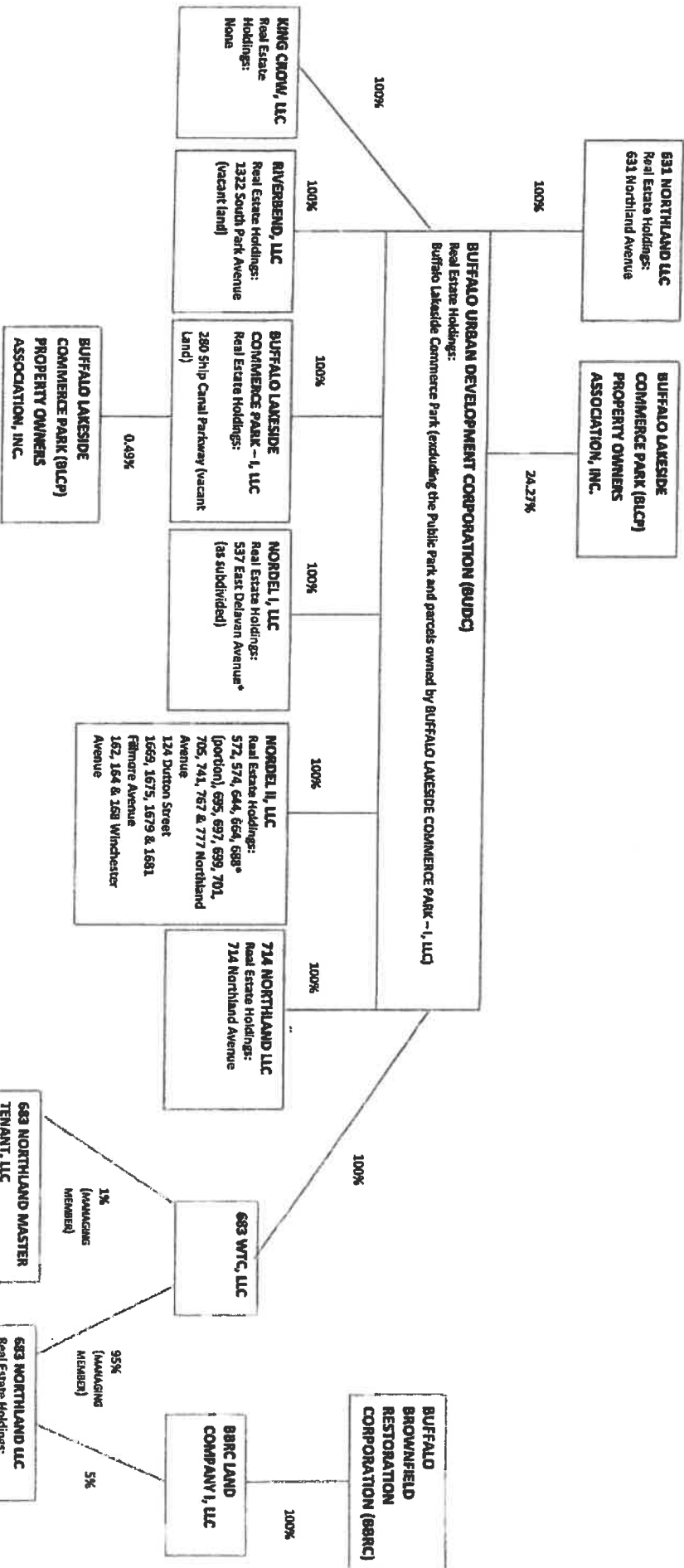
**ATTACHMENT 5**

X = Attended

Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
Catherine Amdur	1/25/22	2/22/22	3/29/22	No Meeting	5/31/22	6/28/22	7/26/22	8/30/22	9/27/22	10/25/22	11/29/22	12/20/22	Term Begin: 3/29/22
Hon. Byron Brown	X		X		X	X	X	X	X	X		X	
Trina Burruss		X	X		X		X	X	X				
Daniel Castle	X	X	X		X	X	X	X	X	X	X	X	
Janique Curry	X	X	X		X	X	X	X	X	X	X	X	
Dennis W. Eisenbeck	X	X			X	X	X	X			X	X	
Michael Finn		X	X		X	X					X	X	Term End: 8/29/2022
Darby Fishkin	X		X		X	X	X	X	X	X	X	X	
Dotie Gallagher	X							X	X			X	
Thomas Halligan	X	X	X		X	X	X	X	X			X	
Elizabeth Holden, Esq.							X	X	X		X	X	Term Begin: 6/28/2022
Thomas A. Kucharski	X	X	X		X	X	X	X	X	X	X	X	
Nathan Marton										X	X	X	Term Begin: 11/9/2022
Brendan Mehaffy	X	X	X		X	X		X	X	X	X	X	
Kimberley Minkel		X	X		X	X	X	X	X	X		X	
David Nasca		X	X		X	X	X	X	X	X	X		
Dennis Penman	X		X		X	X	X	X	X	X	X	X	
Rev. Darius Pridgen	X	X			X	X	X	X	X	X	X	X	
Karen Utz						X	X		X	X	X	X	Term Begin: 6/28/2022
Marla Whyte			X			X	X		X	X	X	X	Term End: 9/27/2022



**BUFFALO URBAN DEVELOPMENT CORPORATION**  
 Corporate Structure Chart  
 As of December 31, 2022



**NOTES:**

1. The BBRC Board of Directors is comprised of all of the members of BUDC's Real Estate Committee, along with two independent (non-BUDC affiliated) directors.
2. BUDC and BBRC are 501(c)(3) tax-exempt organizations.

# ATTACHMENT 7

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
 Status: UNSUBMITTED  
 Certified Date : N/A

**Procurement Information:**

Question	Response	URL (If Applicable)
1. Does the Authority have procurement guidelines?	Yes	<a href="https://www.buffalourbandevelopment.com/budc-corporate-policies">https://www.buffalourbandevelopment.com/budc-corporate-policies</a>
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	Yes	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-1(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-1(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-1(9) of the State Finance Law?	Yes	

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
Status: UNSUBMITTED  
Certified Date: N/A

Procurement Transactions Listing:

<b>1.</b>	<b>Vendor Name</b>	360 PSG	<b>Address Line1</b>	678 Sheridan Drive
	<b>Type of Procurement</b>	Technology - Consulting/Development or Support	<b>Address Line2</b>	
	<b>Award Process</b>	Authority Contract - Non-Competitive Bid	<b>City</b>	TONAWANDA
	<b>Award Date</b>	3/14/2022	<b>State</b>	NY
	<b>End Date</b>		<b>Postal Code</b>	14150
	<b>Fair Market Value</b>	\$9,700.00	<b>Plus 4</b>	
	<b>Amount</b>	\$9,700.00	<b>Province/Region</b>	
	<b>Amount Expended For</b>	\$10,640.00	<b>Country</b>	United States
	<b>Explain why the Fair Market Value Is Less than the Amount</b>		<b>Procurement Description</b>	Website custom design bundle (\$9,700), monthly website maintenance (\$940)

<b>2.</b>	<b>Vendor Name</b>	Acadia Insurance	<b>Address Line1</b>	P. O. Box 639804
	<b>Type of Procurement</b>	Other Professional Services	<b>Address Line2</b>	
	<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	CINCINNATI
	<b>Award Date</b>	9/20/2020	<b>State</b>	OH
	<b>End Date</b>	9/20/2023	<b>Postal Code</b>	45263
	<b>Fair Market Value</b>		<b>Plus 4</b>	
	<b>Amount</b>	\$11,477.10	<b>Province/Region</b>	
	<b>Amount Expended For</b>	\$11,477.10	<b>Country</b>	United States
	<b>Fiscal Year</b>		<b>Procurement Description</b>	NorDel I Property/Liability insurance
	<b>Explain why the Fair Market Value Is Less than the Amount</b>			

**Procurement Report for Buffalo Urban Development Corporation**

Fiscal Year Ending: 12/31/2022

 Run Date: 03/15/2023  
 Status: UNSUBMITTED  
 Certified Date: N/A

<b>3. Vendor Name</b>	Ace American Insurance Company	<b>Address Line1</b>	436 Walnut St
<b>Type of Procurement</b>	Other Professional Services	<b>Address Line2</b>	
<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	PHILADELPHIA
<b>Award Date</b>	12/1/2021	<b>State</b>	PA
<b>End Date</b>	1/31/2023	<b>Postal Code</b>	19106
<b>Fair Market Value</b>		<b>Plus 4</b>	
<b>Amount</b>	\$6,309.00	<b>Province/Region</b>	
<b>Amount Expended For</b>	\$6,309.00	<b>Country</b>	United States
<b>Fiscal Year</b>		<b>Procurement Description</b>	NorDel I builders risk coverage
<b>Explain why the Fair Market Value is Less than the Amount</b>			

<b>4. Vendor Name</b>	Apollo Steel Corp.	<b>Address Line1</b>	4800 Wilton Avenue
<b>Type of Procurement</b>	Design and Construction/Maintenance	<b>Address Line2</b>	
<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	NIAGARA FALLS
<b>Award Date</b>	10/31/2019	<b>State</b>	NY
<b>End Date</b>	12/31/2022	<b>Postal Code</b>	14304
<b>Fair Market Value</b>		<b>Plus 4</b>	
<b>Amount</b>	\$1,134,298.00	<b>Province/Region</b>	
<b>Amount Expended For</b>	\$128,021.73	<b>Country</b>	United States
<b>Fiscal Year</b>		<b>Procurement Description</b>	Material and Installation at 541 E. Delevan
<b>Explain why the Fair Market Value is Less than the Amount</b>			

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
 Status: UNSUBMITTED  
 Certified Date : NA

5.	Vendor Name	Atlantic Casualty Insurance Co.	Address Line1	400 Commerce Ct
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	GOLDSBORO
	Award Date	2/28/2022	State	NC
	End Date	2/28/2023	Postal Code	27534
	Fair Market Value		Plus 4	
	Amount	\$14,439.13	Province/Region	
	Amount Expended For Fiscal Year	\$14,439.13	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Property and liability coverage for 714 Northland.

6.	Vendor Name	Bisonwing Planning & Development LLC	Address Line1	25000 Cypress Hollow Court #102
	Type of Procurement	Consulting Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	BONITA SPRINGS
	Award Date	1/1/2022	State	FL
	End Date	12/31/2022	Postal Code	34134
	Fair Market Value	\$25,000.00	Plus 4	
	Amount	\$25,000.00	Province/Region	
	Amount Expended For Fiscal Year	\$12,325.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Consulting services for various development projects

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
Status: UNSUBMITTED  
Certified Date : N/A

<b>7.</b>	<b>Vendor Name</b>	Cammarata Consulting, LLC	<b>Address Line1</b>	1033 Parkside Avenue
	<b>Type of Procurement</b>	Consulting Services	<b>Address Line2</b>	
	<b>Award Process</b>	Authority Contract - Non-Competitive Bid	<b>City</b>	BUFFALO
	<b>Award Date</b>	1/1/2022	<b>State</b>	NY
	<b>End Date</b>	12/31/2022	<b>Postal Code</b>	14216
	<b>Fair Market Value</b>	\$25,000.00	<b>Plus 4</b>	
	<b>Amount</b>	\$25,000.00	<b>Province/Region</b>	
	<b>Amount Expended For Fiscal Year</b>	\$16,300.00	<b>Country</b>	United States
	<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Consulting services for various development projects

<b>8.</b>	<b>Vendor Name</b>	DMJ Property Services	<b>Address Line1</b>	295 Coronation Drive
	<b>Type of Procurement</b>	Design and Construction/Maintenance	<b>Address Line2</b>	
	<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	AMHERST
	<b>Award Date</b>	11/3/2020	<b>State</b>	NY
	<b>End Date</b>	10/31/2023	<b>Postal Code</b>	14226
	<b>Fair Market Value</b>		<b>Plus 4</b>	
	<b>Amount</b>	\$135,200.00	<b>Province/Region</b>	
	<b>Amount Expended For Fiscal Year</b>	\$43,065.97	<b>Country</b>	United States
	<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Lawn care, maintenance, and snow plowing at Buffalo Lakeside Commerce Park

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
Status: UNSUBMITTED  
Certified Date : N/A

<b>9.</b>	<b>Vendor Name</b>	Dmyles, Inc.	<b>Address Line1</b>	1901 Connecticut Ave
	<b>Type of Procurement</b>	Design and Construction/Maintenance	<b>Address Line2</b>	
	<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	NIAGARA FALLS
	<b>Award Date</b>	3/1/2020	<b>State</b>	NY
	<b>End Date</b>	12/31/2022	<b>Postal Code</b>	14305
	<b>Fair Market Value</b>		<b>Plus 4</b>	
	<b>Amount</b>	\$148,145.08	<b>Province/Region</b>	
	<b>Amount Expended For</b>	\$6,815.08	<b>Country</b>	United States
	<b>Fiscal Year</b>		<b>Procurement Description</b>	541 E. Delavan foundation work
	<b>Explain why the Fair Market Value is Less than the Amount</b>			

<b>10.</b>	<b>Vendor Name</b>	Erie County Industrial Development Agency	<b>Address Line1</b>	95 Perry Street
	<b>Type of Procurement</b>	Other	<b>Address Line2</b>	Suite 403
	<b>Award Process</b>	Non Contract Procurement/Purchase Order	<b>City</b>	BUFFALO
	<b>Award Date</b>		<b>State</b>	NY
	<b>End Date</b>		<b>Postal Code</b>	14203
	<b>Fair Market Value</b>		<b>Plus 4</b>	
	<b>Amount</b>		<b>Province/Region</b>	
	<b>Amount Expended For</b>	\$182,496.00	<b>Country</b>	United States
	<b>Fiscal Year</b>		<b>Procurement Description</b>	683 Northland project admin fee, ECIDA staff reimbursement, rent
	<b>Explain why the Fair Market Value is Less than the Amount</b>			

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
 Status: UNSUBMITTED  
 Certified Date : N/A

11.	Vendor Name	First Mercury Insurance	Address Line1	26600 Telegraph Road
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	SOUTHFIELD
	Award Date	7/1/2021	State	MI
	End Date	7/1/2023	Postal Code	48033
	Fair Market Value		Plus 4	
	Amount	\$20,754.00	Province/Region	
	Amount Expended For Fiscal Year	\$20,754.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Umbrella insurance coverage (NorDel I)

12.	Vendor Name	Freed Maxick CPAs, P.C.	Address Line1	424 Main Street, Suite 800
	Type of Procurement	Financial Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	1/1/2022	State	NY
	End Date	5/31/2026	Postal Code	14202
	Fair Market Value	\$186,475.00	Plus 4	
	Amount	\$186,475.00	Province/Region	
	Amount Expended For Fiscal Year	\$80,179.60	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Audit and consulting fees



Procurement Report for Buffalo Urban Development Corporation  
 Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
 Status: UNSUBMITTED  
 Certified Date : N/A

13.	Vendor Name	Frey Electric Construction, Inc.	Address Line1	100 Pearce Avenue
	Type of Procurement	Consulting Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	TONAWANDA
	Award Date	8/18/2020	State	NY
	End Date		Postal Code	14150
	Fair Market Value		Plus 4	
	Amount	\$188,600.00	Province/Region	
	Amount Expended For Fiscal Year	\$64,852.19	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Pre-development consulting for solar microgrid project

14.	Vendor Name	Gardiner & Theobald, Inc.	Address Line1	535 Fifth Avenue
	Type of Procurement	Other Professional Services	Address Line2	3rd Floor
	Award Process	Authority Contract - Competitive Bid	City	NEW YORK
	Award Date	7/9/2020	State	NY
	End Date	12/31/2024	Postal Code	10017
	Fair Market Value		Plus 4	
	Amount	\$2,864,000.00	Province/Region	
	Amount Expended For Fiscal Year	\$623,661.67	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Services related to the Centennial Park project

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
 Status: UNSUBMITTED  
 Certified Date : N/A

<b>15. Vendor Name</b>	Hurwitz Fine, P.C.	<b>Address Line1</b>	1300 Liberty Building
<b>Type of Procurement</b>	Legal Services	<b>Address Line2</b>	
<b>Award Process</b>	Authority Contract - Non-Competitive Bid	<b>City</b>	BUFFALO
<b>Award Date</b>	1/3/2005	<b>State</b>	NY
<b>End Date</b>		<b>Postal Code</b>	14202
<b>Fair Market Value</b>		<b>Plus 4</b>	
<b>Amount</b>	\$228,778.43	<b>Province/Region</b>	
<b>Amount Expended For Fiscal Year</b>	\$228,778.43	<b>Country</b>	United States
<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Legal services for BUDC and 683 Northland, LLC.

<b>16. Vendor Name</b>	Illinois Union Insurance Company	<b>Address Line1</b>	525 W Monroe Street, Suite 400
<b>Type of Procurement</b>	Other Professional Services	<b>Address Line2</b>	
<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	CHICAGO
<b>Award Date</b>	4/6/2022	<b>State</b>	IL
<b>End Date</b>	4/6/2023	<b>Postal Code</b>	60661
<b>Fair Market Value</b>		<b>Plus 4</b>	
<b>Amount</b>	\$25,318.76	<b>Province/Region</b>	
<b>Amount Expended For Fiscal Year</b>	\$25,318.76	<b>Country</b>	United States
<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Property insurance (NorDel II)

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
 Status: UNSUBMITTED  
 Certified Date : N/A

17.	Vendor Name	Independent Health	Address Line1	511 Farber Lakes Drive
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	1/1/2022	State	NY
	End Date	1/31/2023	Postal Code	14211
	Fair Market Value		Plus 4	
	Amount	\$34,579.58	Province/Region	
	Amount Expended For Fiscal Year	\$34,579.58	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Health insurance policies for BUDDC staff

18.	Vendor Name	Invest Buffalo Niagara	Address Line1	257 West Genesee St.
	Type of Procurement	Other Professional Services	Address Line2	Suite 600
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14202
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$15,000.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Annual contribution resulting in in-kind marketing services.

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
Status: UNSUBMITTED  
Certified Date : N/A

19.	Vendor Name	Kinsale Insurance Company	Address Line1	2221 Edward Holland Drive
	Type of Procurement	Other Professional Services	Address Line2	Suite 600
	Award Process	Authority Contract - Competitive Bid	City	RICHMOND
	Award Date	1/1/2022	State	VA
	End Date	12/31/2022	Postal Code	23230
	Fair Market Value		Plus 4	
	Amount	\$25,762.80	Province/Region	
	Amount Expended For Fiscal Year	\$25,762.80	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	General liability, and umbrella insurance policies for Nordel II.

20.	Vendor Name	Landscape Associate of WNY, Inc.	Address Line1	P.O. Box 623
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	SANBORN
	Award Date	4/1/2020	State	NY
	End Date	3/31/2023	Postal Code	14132
	Fair Market Value		Plus 4	
	Amount	\$136,500.00	Province/Region	
	Amount Expended For Fiscal Year	\$55,516.01	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland campus landscaping and snow removal

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
Status: UNSUBMITTED  
Certified Date : N/A

21.	Vendor Name	Lexington Insurance Company	Address Line1	99 High Street, Floor 24
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BOSTON
	Award Date	12/31/2021	State	MA
	End Date	12/31/2022	Postal Code	02110
	Fair Market Value		Plus 4	
	Amount	\$22,048.77	Province/Region	
	Amount Expended For Fiscal Year	\$22,048.77	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Directors and officers excess liability coverage

22.	Vendor Name	Lincoln Life & Annuity Company of NY	Address Line1	P.O. Box 2609
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	OMAHA
	Award Date	1/1/2022	State	NE
	End Date	1/31/2023	Postal Code	68103
	Fair Market Value		Plus 4	
	Amount	\$6,903.65	Province/Region	
	Amount Expended For Fiscal Year	\$6,903.65	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Dental, AD&D, group term life, and long-term disability insurance policies for BUDC employees.

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
 Status: UNSUBMITTED  
 Certified Date : N/A

<b>23.</b>	<b>Vendor Name</b>	Mancuso Management, Inc.	<b>Address Line1</b>	56 Harvester Avenue
	<b>Type of Procurement</b>	Other Professional Services	<b>Address Line2</b>	
	<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	BATAVIA
	<b>Award Date</b>	8/1/2015	<b>State</b>	NY
	<b>End Date</b>	12/31/2022	<b>Postal Code</b>	14020
	<b>Fair Market Value</b>		<b>Plus 4</b>	
	<b>Amount</b>	\$17,270.67	<b>Province/Region</b>	
	<b>Amount Expended For Fiscal Year</b>	\$17,270.67	<b>Country</b>	United States
	<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Contractual property management services plus reimbursement of direct costs associated with Northland property.

<b>24.</b>	<b>Vendor Name</b>	Michael Van Valkenburgh Associates, Inc.	<b>Address Line1</b>	231 Concord Avenue
	<b>Type of Procurement</b>	Design and Construction/Maintenance	<b>Address Line2</b>	
	<b>Award Process</b>	Authority Contract - Non-Competitive Bid	<b>City</b>	CAMBRIDGE
	<b>Award Date</b>	5/28/2019	<b>State</b>	MA
	<b>End Date</b>	4/1/2026	<b>Postal Code</b>	02138
	<b>Fair Market Value</b>	\$15,576,300.00	<b>Plus 4</b>	
	<b>Amount</b>	\$15,576,300.00	<b>Province/Region</b>	
	<b>Amount Expended For Fiscal Year</b>	\$3,856,338.89	<b>Country</b>	United States
	<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Services related to Centennial Park

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
Status: UNSUBMITTED  
Certified Date : N/A

25.	Vendor Name	National Fuel	Address Line1	P.O. Box 371835
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	PITTSBURGH
	Award Date		State	PA
	End Date		Postal Code	15250
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For	\$10,226.30	Country	United States
	Fiscal Year		Procurement Description	Natural gas service for Northland properties
	Explain why the Fair Market Value Is Less than the Amount			

25.	Vendor Name	National Grid	Address Line1	PO Box 11742
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	NEWARK
	Award Date		State	NJ
	End Date		Postal Code	07101
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For	\$11,326.59	Country	United States
	Fiscal Year		Procurement Description	Electrical utility service for Northland properties and Buffalo Lakeside Commerce Park.
	Explain why the Fair Market Value Is Less than the Amount			

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
Status: UNSUBMITTED  
Certified Date: N/A

27.	Vendor Name	National Grid	Address Line1	300 Erie Blvd. West
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	SYRACUSE
	Award Date		State	NY
	End Date		Postal Code	13202
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For	\$658,520.00	Country	United States
	Fiscal Year		Procurement Description	Relocation of electrical service related to Centennial Park project.
	Explain why the Fair Market Value is Less than the Amount			

28.	Vendor Name	Philadelphia Insurance Company	Address Line1	PO Box 70251
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	PHILADELPHIA
	Award Date	12/31/2021	State	PA
	End Date	12/31/2022	Postal Code	19176
	Fair Market Value		Plus 4	
	Amount	\$26,994.00	Province/Region	
	Amount Expended For	\$26,994.00	Country	United States
	Fiscal Year		Procurement Description	BUDC Directors & Officers Insurance
	Explain why the Fair Market Value is Less than the Amount			



Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
Status: UNSUBMITTED  
Certified Date: N/A

29.	Vendor Name	SBSA, LLC	Address Line1	5926 McInyre Street
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	GOLDEN
	Award Date		State	CO
	End Date		Postal Code	80403
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$19,755.00	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	Expert witness services.

30.	Vendor Name	SJB Services, Inc.	Address Line1	5167 South Park Avenue
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	HAMBURG
	Award Date	8/31/2021	State	NY
	End Date		Postal Code	14075
	Fair Market Value	\$189,960.00	Plus 4	
	Amount	\$189,960.00	Province/Region	
	Amount Expended For Fiscal Year	\$11,750.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Services related to Centennial Park.

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
Status: UNSUBMITTED  
Certified Date : N/A

31.	Vendor Name	Sandra White	Address Line1	170 Florida Street, Apt 214
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14208
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$10,000.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	dtb/a Mustard Seed World Consulting Group. Video production services.

32.	Vendor Name	Sandra White	Address Line1	170 Florida Street, Apt 214
	Type of Procurement	Consulting Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	2/15/2022	State	NY
	End Date	12/31/2023	Postal Code	14208
	Fair Market Value	\$25,000.00	Plus 4	
	Amount	\$25,000.00	Province/Region	
	Amount Expended For Fiscal Year	\$12,540.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	dtb/a Mustard Seed World Consulting Group. Community outreach and marketing services related to Northland Beltline project.

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/15/2023  
 Status: UNSUBMITTED  
 Certified Date : N/A

33.	Vendor Name	The Hartford Insurance	Address Line1	P. O. Box 660916
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	DALLAS
	Award Date	12/31/2022	State	TX
	End Date	12/31/2023	Postal Code	75286
	Fair Market Value		Plus 4	
	Amount	\$14,321.68	Province/Region	
	Amount Expended For Fiscal Year	\$14,321.68	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	BUDC umbrella insurance, commercial package (property, auto, liability), and Workers' Compensation insurance.

Additional Comments

**Buffalo Urban Development Corporation**

95 Perry Street  
Suite 404  
Buffalo, New York 14203

phone: 716-856-6525

fax: 716-856-6754

web: [buffalourbandevelopment.com](http://buffalourbandevelopment.com)



**Item 3.4**

**MEMORANDUM**

**TO: BUDC Board of Directors**

**FROM: Antonio Parker, Project Manager**

**SUBJECT: Ralph C. Wilson Park – MVVA Agreement Amendment #10**

**DATE: March 28, 2023**

---

On August 30, 2022, the BUDC Board of Directors approved the 8<sup>th</sup> amendment to the Master Service Agreement (the “MVVA Agreement”) with Michael Van Valkenburgh Associates (“MVVA”) for additional work to assist Gilbane with bid negotiations, pre-construction services and limited construction administration through the pre-construction phase at Ralph C. Wilson, Jr. Centennial Park (“Ralph Wilson Park”). The Board also recently approved a 9<sup>th</sup> amendment to the MVVA Agreement for certain post-construction monitoring services. Gilbane anticipates moving from the pre-construction phase to the construction phase of the Ralph Wilson Park project in April 2023.

An additional amendment to the MVVA Agreement is now required in order to include construction administration services. These construction administration services will be provided by MVVA for Phases 1/1A and 2 of the project’s construction over a period of thirty-six (36) months. Gardiner & Theobald has negotiated with MVVA to provide additional construction administration services for a sum not to exceed \$4,334,386. Packaging MVVA’s construction administration services for phases 1 and 2 of construction together will equate to savings in the amount of \$295,200 over the 36-month period.

The cost of this amendment will be split and funded through two grants. The first \$2,167,193 will be funded through Wilson Grant 7, which was accepted by the BUDC Board of Directors at its November 29, 2022, meeting. The remaining \$2,167,193 will come from BUDC’s next grant ask to the Wilson Foundation for phase 2 of construction which will be brought to the Board for approval at a later date. MVVA is aware that funds for phase 2 of construction are not yet in place. To account for this, the 10<sup>th</sup> amendment will provide that MVVA will not perform construction administration services for Phase 2 of

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



**Item 3.5**

**MEMORANDUM**

**TO: BUDC Board of Directors**

**FROM: Rebecca Gandour, Executive Vice President**

**SUBJECT: Build Back Better Regional Challenge — A&E, Inspection and Grant Administration Services for Northland Corridor Redevelopment Phase 3**

**DATE: March 28, 2023**

---

On September 27, 2022, the Board of Directors approved the acceptance by BUDC of a \$14,400,000 grant awarded through the federal Economic Development Administration (EDA) Build Back Better Regional Challenge to be used for Phase 3 of the Northland Corridor Redevelopment.

On December 5, 2022, BUDC issued a Request for Proposals (RFP) for Architectural & Engineering Consulting, Project Inspection and Grant Administration Services for Northland Corridor Redevelopment Phase 3. In addition to direct distribution to over 20 companies, BUDC advertised the RFP in the Buffalo News and New York State Contract Reporter and posted the RFP on its webpage. Twenty-five percent (25%) MBE and five percent (5%) WBE goals were included as part of the solicitation. A pre-proposal information meeting was held December 12, 2022 and questions were accepted until January 9, 2023.

On January 17, 2023, BUDC received proposals from five (5) architectural and engineering teams. The proposals were reviewed and evaluated by the selection committee comprised of the following representatives from BUDC, the City of Buffalo and Empire State Development (“ESD”):

- Rebecca Gandour, Executive Vice President, BUDC
- Dave Stebbins, Bisonwing Planning and Development, LLC, BUDC Consultant
- Peter Cammarata, Cammarata Consulting, LLC, BUDC Consultant
- Jason Paananen, Director of Environmental Affairs, City of Buffalo
- Cody Osborn, Building Code Specialist, City of Buffalo
- Paul J. Tronolone, Vice President for Policy & Planning, Empire State Development

The proposals were evaluated based upon a set of criteria including experience with:

- All facets of the design process from initiation through construction administration
- Historic building rehabilitation, including experience with SHPO and NPS

- Renewable energy and micro-grid projects
- Projects with U.S. EDA and/or NYS ESD funding
- Brownfield redevelopment, hazardous materials, and other environmentally challenged property development
- Regulatory environmental review and
- Grant administration

Proposals were also evaluated based upon:

- Approach and methodology
- Local presence and performance of key personnel
- Fee
- MWBE utilization and equity practices

As a result of the review and evaluation of the proposals, the following three (3) teams were selected for interviews, which were held on February 8, 2023 by the selection committee:

1. Bergman with E.B.M. Consulting, BAC (A+P), 34 Group, Trophy Point, LLC, Foit-Albert Associates, Siena Environmental and The LiRo Group
2. LaBella Associates with Foit-Albert Associates, KHEOPS, Siena Environmental and Nature's Way Contracting
3. Watts Architects and Engineering with Pathfinder Engineers and Architects, BAC (A+P), The LiRo Group, Trophy Point, LLC, SWBR and Foit-Albert Associates

After much discussion, the selection committee is recommending entering into a contract with LaBella Associates. In the view of the selection committee the LaBella team best demonstrated a thorough understanding of the project, and possesses substantial experience in both the building and energy components of the Phase 3 project. LaBella proposed the lowest fee structure and effectively presented their grant and construction management experience.

The contract amount would not exceed \$1,132,000 and would be eligible for reimbursement from EDA and ESD.

This item was reviewed by the BUDC Real Estate Committee on March 20, 2023 and was recommended for approval by the BUDC Board of Directors.

**ACTION:**

We are requesting that the Board of Directors: (i) authorize BUDC to enter into a contract with LaBella Associates for architectural & engineering consulting, project inspection services and grant administration services for Northland Corridor Redevelopment Phase 3 for an amount not to exceed \$1,132,000; and (ii) authorize each of the President or Executive Vice President to execute the contract and any related documents and agreements, and to take such other actions as may be necessary or appropriate to implement this authorization.

**Buffalo Urban Development Corporation**

95 Perry Street  
Suite 404

Buffalo, New York 14203

phone: 716-856-6525

fax: 716-856-6754

web: [buffalourbandevelopment.com](http://buffalourbandevelopment.com)



**Item 3.6**

**MEMORANDUM**

**TO: BUDC Board of Directors**

**FROM: Rebecca Gandour, Executive Vice President**

**SUBJECT: Northland Corridor—2023-2025 Landscaping Services Contract Approval**

**DATE: March 28, 2023**

---

Mancuso Management, Inc. (“Mancuso”) issued a request for proposals (RFP) on behalf of BUDC for mowing and landscaping services for the Northland Corridor. The contract award would be for a three-year term, beginning April 1, 2023, with services to be provided through November 30<sup>th</sup> of each contract year. The RFP was emailed to twelve contractors. Of the twelve, three proposals were received: one from the current vendor, Scott Lawn Yard/LAWNY, a WBE company, and two others from Hall Services and Aaron’s Landscaping, both of which are MBE companies. A copy of the report comparing the proposals is attached to this memorandum.

This item was reviewed with the Real Estate Committee at its March 20, 2023 meeting. The Committee is recommending that the Board approve a mowing and landscaping services contract between Mancuso Management, Inc. and Aaron’s Landscaping for a total cost of \$47,280.

**ACTION:**

We are requesting that the BUDC Board of Directors approve a contract between Mancuso Management, Inc. and Aaron’s Landscaping for mowing and landscaping services in the Northland Corridor for a total cost of \$47,280.00 over a three (3) year term.

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