

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation Board of Directors Meeting

Date: Tuesday, March 30, 2021

Time: Noon

Conference Call for Board Members and Staff
Live Stream Audio for Press and Public

1.0 CALL TO ORDER

- 1.1 Chairman's Presentation on Leadership Transition
- 1.2 Appointment of Officers (*Action*)

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

3.0 NEW BUSINESS

- 3.1 Governance Committee Report (*Enclosure*)
 - 3.1.1 2020 Mission Statement & Performance Measurements w/ Results (*Info.*) (*Enclosure*)
 - 3.1.2 2021 Mission Statement & Performance Measurements Approval (*Action*) (*Enclosure*)
 - 3.1.3 Procurement Policy Re-adoption (*Action*) (*Enclosure*)
 - 3.1.4 Property Disposition Guidelines Re-adoption (*Action*) (*Enclosure*)
 - 3.1.5 2020 Public Authorities Annual Report Approval (*Action*) (*Enclosure*)
- 3.2 Audit & Finance Committee Report (*Enclosure*)
 - 3.2.1 2020 683 Northland Master Tenant, LLC Audited Financial Statements (*Info.*) (*Encl.*)
 - 3.2.2 2020 BUDC Audited Consolidated Financial Statements Approval (*Action*) (*Encl.*)
 - 3.2.3 2020 Audited Financial Statements - BBRF (*Information*) (*Enclosure*)
 - 3.2.4 2020 Investment Report Approval (*Action*) (*Enclosure*)
 - 3.2.5 Investment and Deposit Policy Re-adoption (*Action*) (*Enclosure*)
 - 3.2.6 2020 Brownfield Expenses Reimbursement From BBRF Approval (*Action*) (*Encl.*)
- 3.3 Monthly Financial Report Approval (*Action*) (*Zoom Share*)
- 3.4 RCWJ Centennial Park Project – RCWJ Foundation Grant #6 Acceptance (*Action*) (*Enclosure*)
- 3.5 Northland Central (683 Northland) Bank on Buffalo Lease Approval (*Action*) (*Zoom Share*)
- 3.6 Northland Corridor Project Update (*Information*)
- 3.7 Ralph C. Wilson Jr. Centennial Park Project Update (*Information*)
- 3.8 BBRP / Race For Place Project Update (*Information*)
- 3.9 Buffalo Lakeside Commerce Park Project Update (*Information*)
- 3.10 308 Crowley 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
Via Video Conference Call & Live Stream Audio**

**February 23, 2021
12:00 p.m.**

1.0 Call to Order

Directors Present:

Hon. Byron W. Brown (Chair)
Trina Burruss
James W. Comerford
Dennis W. Elsenbeck
Darby Fishkin
Thomas Halligan
Thomas R. Hersey, Jr.
Thomas A. Kucharski
Amanda Mays
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Dennis M. Penman (Vice Chair)
Darius G. Pridgen
Craig A. Slater

Directors Absent:

Janique S. Curry
Michael J. Finn
Dottie Gallagher
Maria R. Whyte

Officers Present:

Peter M. Cammarata, President
Brandye Merriweather, Vice President, Downtown Development
Rebecca Gandour, Vice President, Finance & Development
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Others Present: Jenna Bichler, Buffalo Urban Renewal Agency; Evan Y. Bussiere, Hurwitz & Fine, P.C; Arthur Hall, BUDC; Lisa Hicks, Office of Strategic Planning; Seth Piccirillo, Buffalo Niagara Partnership; and David Stebbins, Bisonwing Planning and Development, LLC.

Roll Call – The Secretary called the roll of directors and a quorum was determined to be present. Ms. Mays joined the meeting during the presentation of item 3.1. Mayor Brown joined the meeting during the presentation of item 3.2.

The meeting was held via video/telephone conference in accordance with the provisions of Executive Order 202, issued by Governor Andrew Cuomo on March 12, 2020, as amended. The meeting was also live-streamed to the general public and recorded. A transcript of the meeting will be made available at a later date.

2.0 Presentation of the Minutes – The minutes of the December 22, 2020 meeting of the Board of Directors were presented. Mr. Mehaffy made a motion to approve the meeting minutes. The motion was seconded by Mr. Nasca and unanimously carried (13-0-0).

3.0 Monthly Financial Reports – Ms. Profic presented the financial statements for 683 Northland Master Tenant, LLC and the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending January 31, 2021. Ms. Profic noted that draft audited financial statements will be presented to the Audit & Finance Committee at its March 22nd meeting and to the Board at the March 30th meeting. Mr. Pridgen made a motion to accept the financial report. The motion was seconded by Mr. Comerford and unanimously carried (15-0-0).

Following the presentation of the monthly financial report, Mr. Cammarata announced his retirement from BUDC, effective as of April 4th. He thanked Mayor Brown and the Board for the honor of assisting with the revitalization of the City of Buffalo, and indicated that he would continue with BUDC in a consulting capacity until the end of the calendar year. He also thanked BUDC staff. Mayor Brown, Council President Pridgen, Vice Chair Penman and many other Board members expressed great appreciation for Mr. Cammarata's leadership and his efforts on behalf of BUDC and the City of Buffalo. Mayor Brown indicated that discussions are underway to select a successor to serve as BUDC President.

Mr. Pridgen left the meeting prior to the presentation of item 4.1.

4.0 New Business

4.1 Northland Corridor – Solar & Microgrid Project – Empire State Development Grant Disbursement Agreement Approval – Ms. Gandour presented her February 23, 2021 memorandum regarding a \$200,000 grant from the Empire State Development (ESD). She noted that the Board had previously approved an initial Pre-Development Contract with the Frey Electric Construction Company for the implementation of the Northland Community Solar, Microgrid and Workforce Renewable Energy Infrastructure project. The ESD Board, as part of the Buffalo Billion 2 East Side Initiative, recently approved \$200,000 in funding to advance the project. BUDC staff and counsel reviewed the proposed Grant Disbursement Agreement which was presented and recommended for Board approval by the Real Estate Committee at its February 16, 2021 meeting.

Mr. Elsenbeck made a motion to authorize acceptance of a \$200,000 grant from ESD for costs associated with the Pre-Development Analysis of the Northland Community Solar, Microgrid and Workforce Renewable Energy Infrastructure project and to authorize the President or Vice President–Finance & Development to execute the Grant Disbursement Agreement and take such other actions as are necessary to implement this authorization. The motion was seconded by Mr. Mehaffy and carried by twelve affirmative votes (12-0-1). Ms. Mays abstained from the vote. Ms. Fishkin was not present for the vote on this item.

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

683 Northland: BUDC continues to negotiate with Bank on Buffalo regarding a potential branch location at Northland Central. Staff anticipates that a final version of the lease agreement will be presented to the Real Estate Committee in March. Garwood Medical continues its internal build-out of the "Red Shed" and now anticipates being fully operational by April 1, 2021. Tenant improvements for the Retech Systems manufacturing space have been completed. The company is fully-operational in both their office and manufacturing spaces. Base rent payments commenced on February 1st. Mr. Hall also noted that the Northland Workforce Training Center has resumed in-person classes.

612 Northland: BUDC staff is working with the Albright Knox, LISC and other local partners to develop public art and place-making strategies throughout the corridor. BUDC, Albright Knox and their local partners are discussing a series of spring movie nights and other community engagement events. A new exhibit opened at the beginning of the month and has experienced very good visitor attendance on the weekends.

537/541 E. Delavan: The subdivision of the 537 East Delavan property has been completed and the City will be issuing separate SBL numbers for the new parcels. Phase 1C contractors at 541 East Delavan continue to be on hold until NYS Restore NY V reimbursements are received. It is anticipated that construction will be able to resume this spring or summer.

Property Management: The new snow removal contractor continues to perform well through a challenging month of February. As new tenants have come on-line over the winter months, Mancuso Management has coordinated parking, building access, signage and general maintenance issues.

Property Exchanges: BUDC counsel has completed the City of Buffalo and BUDC land exchange that provides BUDC with land at the intersection of Fillmore and Northland for future commercial development. The first step to redeveloping this land is to proceed with an underground storage tank (UST) removal/cleanup at 1669 Fillmore, which BUDC committed to undertake as part of the transaction. LaBella Associates has agreed to perform the work for the same cost that it initially quoted in 2017. BUDC staff is nearing completion of the land exchange with Plesh.

Neighborhood Planning and Development: BUDC staff, with assistance from the Office of Strategic Planning, BURA and the Buffalo Sewer Authority, continues to update the BOA Nomination Document. BUDC staff is coordinating with OSP and COB staff this week to review the final draft and submit it to the Department of State.

UB Studio: This semester, an Urban Design class at the University of Buffalo is focusing their final design project on concepts and renderings for "Houdaille Place", a community place-making concept for the Northland Beltline Campus, located at a portion of 537 E. Delavan.

Community Outreach: BUDC staff continues to work with the LISC, which received a grant from AARP to advance place-making concepts, including several Northland Campus sites. The funding focuses on celebrating and reinvigorating Black and Brown culture, a sense of community, and local pride.

- 4.3 Buffalo Lakeside Commerce Park – 255 Ship Canal Parkway – Consent for Uniland to Participate in Brownfield Cleanup Program** – Mr. Cammarata presented his February 23, 2021 memorandum regarding a request from Uniland for BUDC consent to the submission of an application to the Brownfield Cleanup Program (BCP) for the 255 Ship Canal Parkway site. As part of its due diligence, Uniland has been exploring BCP opportunities for the site and has presented a request that BUDC, as landowner, consent to Uniland submitting a BCP application. Mr. Cammarata then reviewed a proposed resolution included in the meeting agenda packet that would authorize Uniland to submit the BCP application and allow testing at the site in furtherance of the application. He noted that no remedial activities would be permitted until Uniland closes on the purchase of the site. Uniland will also share all documents that it submits to the NYSDEC in connection with its participation in the BCP. Mr. Cammarata noted that the Real Estate Committee reviewed this item at its February 16, 2021 meeting and that the proposed resolution incorporates the comments of the Committee. Mr. Comerford made a motion to adopt the resolution in the form presented to the Board to authorize Uniland to proceed with a Brownfield Cleanup Program application for 255 Ship Canal Parkway. The motion was seconded by Mr. Mehaffy and unanimously carried (13-0-0).

- 4.4 Buffalo Lakeside Commerce Park – Project Update** - Mr. Cammarata noted that the two land sale agreements currently in effect for parcels at the park are in their respective due diligence periods. Uniland's due diligence period expires on February 28th. The due diligence period for the Zephyr land sale transaction expires on July 31, 2021. Mr. Cammarata noted that there are positive signs that the NYS legislature is on a path to legalize adult use cannabis, which is a requirement for Zephyr to proceed with its land acquisition.
- 4.5 RCWJ Centennial Park – Project Update** – Ms. Gandour updated the Board regarding the Ralph C. Wilson, Jr. Centennial Park project. The project has achieved 100% design development and the design documents are complete. Discussions continue with regulatory partners regarding the shoreline. Ms. Gandour also reported that BUDC has been awarded a capacity grant by the Ralph C. Wilson, Jr. Foundation. She noted that the Ralph J. Wilson Conservancy was recently established to maintain the park following completion of construction. Ms. Gandour also noted that BUDC continues to seek additional funding sources for the project.
- 4.6 BBRP/Race for Place Project Update** – Ms. Merriweather presented an update on BBRP and the Race for Place project. She updated the Board regarding the two requests for proposals issued by the City of Buffalo, one for the redevelopment of the Mohawk parking ramp and the second for proposals for a mobility coordinator to manage City of Buffalo parking ramps and consider and support innovative mobility strategies for multiple modes of transportation, including micro-mobility options and transportation technologies. Work continues on the Ellicott Node concept plan. She noted that BUDC is gearing up for additional collaboration sessions regarding the accelerator fund. BUDC continues to work with Buffalo Place regarding the expansion of the Buffalo Place business improvement district. Ms. Merriweather also reported that new concepts are under consideration for the Queen City Pop Up program. She concluded her presentation by noting that the Race for Place project will be featured at the March Urbanism Next conference.
- 4.7 308 Crowley Project Update** – Mr. Cammarata reported that BUDC continues to work on the sale of the cinder block building to Enterprise Folding Box Company. He also updated the Board regarding the advancement of a memorandum of agreement with SHPO in connection with the partial demolition work.
- 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, upon motion made by Mr. Comerford, seconded by Mr. Hersey and unanimously carried, the February 23, 2021 meeting of the Board of Directors was adjourned at 1:07 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary

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Item 3.1

MEMORANDUM

TO: Buffalo Urban Development Corporation Board of Directors
FROM: Thomas Kucharski, Governance Committee Chair
SUBJECT: Governance Committee Report
DATE: March 30, 2021

At the March 4th and March 11th, 2021 Governance Committee meetings, those committee members participating reviewed the following items that do not require any action by the full Board of Directors:

Board of Directors 2020 Self-Evaluation Process
Governance Committee 2020 Self-Evaluation Process
2020 Mission Statement & Performance Measurements w/ Results (Item 3.1.1 to follow)
Code of Ethics
Governance Committee Charter
Whistleblower Policy
Travel, Conferences, Meals & Entertainment Policy
2021 Summary of Employee Benefits
PAAA Training Opportunities
New Board Member Orientation Process

At the March 4th meeting the Committee recommended that the following items be forwarded to the full Board for action:

2021 Mission Statement and Performance Measurements (Item 3.1.2 to follow)
Procurement Policy (Item 3.1.3 to follow)
Property Disposition Guidelines (Item 3.1.4 to follow)

At the March 11th meeting the Committee recommended that the following item be forwarded to the full Board for action:

2020 Public Authorities Annual Report (Item 3.1.5 to follow)

Buffalo Urban Development Corporation (BUDC)

2020 Mission Statement and Performance Measurements (w/ Results)

Date Approved: 3/31/2020

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) 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 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 for future development.

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

Result: Completed land swap with the City of Buffalo. Obtained developable commercial properties at Fillmore/Northland intersection.

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

Result: Obtained approval for land swap and 537 E. Delavan subdivision.

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 new structures introduced to SHPO for approval because of COVID pandemic.

Measurement: Complete all remaining components of Phase 2 renovation at 683 Northland (“Northland Central”), including the “Red Shed” and Retch Systems related spaces.

Result: Both spaces completed by mid-year 2020.

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: Financing compliance and milestones delayed, but managed through pandemic conditions.

Measurement: Negotiate and execute any lease agreement amendments with the Economic Development Group Inc. (NWTC), EWI (BMW), SparkCharge, Retech Systems, and Manna Culinary Group for Northland Central.

Result: Negotiated and executed a lease agreement amendment with Manna Culinary Group.

New Measurement: Negotiate and execute a lease with Rodriguez Construction Group and two (2) other potential tenants at Northland Central.

Result: Negotiated and executed leases with Rodriguez Construction and Garwood Medical.

Measurement: Secure SHPO and National Park Service Part 3 approval for Phase 1 and 2 work at Northland Central.

Result: Secured Part 3 approval for Phase 1 & 2 Construction at Northland Central from SHPO and the National Park Service.

Measurement: Complete any further remedial investigation and implement the Soil Management Plan (SMP) for Northland Central, under the NYS Brownfield Cleanup Program.

Result: Remedial investigations completed at Northland Central and Site (soil) Management Plan (SMP) implemented.

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

Result: M/WBE Utilization and Workforce Participation programs continued to be effective.

Measurement: Continue to implement the Restore NY IV & V Grant initiatives, including the final completion of renovations at 612 Northland and Phase 1 renovations at 541 East Delavan.

Result: 612 Northland renovations completed, but 541 E. Delavan construction paused by COVID pandemic.

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: MOA measures implemented for all development activities.

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

Result: New treatment protocol approved and implemented by NYSDEC and consultant.

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

Result: Because of the COVID pandemic and the related financial condition of New York State, additional funding did not become available for new rehabilitation or demolition projects.

Measurement: Continue the Community Outreach Program, with at least one additional Public Meeting and two additional Stakeholder Advisory Committee meetings, and additional community outreach, as appropriate such as newsletters, social media and individual outreach.

Result: During the pandemic, the Community Outreach Program was centered on the Northland Business Network Series. Two very successful presentations were organized and held via a Zoom platform with break-out sessions.

Measurement: Continue to implement the green infrastructure plan for 537 E. Delavan.

Result: Based on the paused development activity at 537 E. Delavan, no further green infrastructure work was advanced.

New Measurement: Finalize the procurement process and execute a contract with the consultant team for the Community Solar and Microgrid project. Initiate the pre-development planning, analysis, and financing phases of the project.

Result: The procurement process was finalized and a contract was executed with Frey Electric. Only a \$200,000 portion of the \$2M grant was initially approved, so only the pre-development planning and analysis phases are advancing in early 2021.

Measurement: Continue to work with energy stakeholders to solicit funding from Eaton Corporation to create an Energy Experience Center at Northland Central, and get construction of same underway.

Result: Due to the COVID pandemic, the energy stakeholders have put this initiative on hold, but have remained in communication with Eaton Corporation.

New Measurement: Finalize the procurement process and 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: The procurement process was completed and resulted in the selection of Cannon, Heyman, and Weiss (and team) as the consultant team. The development of a contract was put on hold because of the COVID pandemic.

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

New Measurement: Develop and execute a \$2M Grant Distribution Agreement (GDA) with Empire State Development (ESD) for the Northland Community Solar project.

Result: The consideration of the \$2M grant was delayed by the ESD Board because of the COVID pandemic. In late 2020, the ESD Board did approve and initial grant of \$200,000 to begin the project.

Measurement: Close-out all documentation related to the \$6.7M GDA with ESD for Northland Central.

Result: Closed.

Measurement: Close-out all documentation related to the \$10.3M GDA with ESD for Northland Central.

Result: Closed.

Measurement: Draw-down all remaining funds related to the \$6M GDA with ESD for the WNY Workforce Training Center.

Result: One final reimbursement request still needs to be processed for the remaining \$49,300 in funds. Buffalo Niagara Manufacturing Alliance needs to provide us with the information needed for this request.

Measurement: Draw-down all remaining funds related to the \$25M GDA with ESD for Phase 2 of Northland Central.

Result: Closed

Measurement: Continue a grant agreement relationship with Local Initiatives Support Corporation (LISC) for additional funding related to Northland Corridor redevelopment.

Result: The grant Agreement conditions were satisfied in August of 2020 and BUDC received final payment.

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

Result: The COVID pandemic made it difficult to identify and pursue other funding sources. Our energies were concentrated on getting reimbursements for monies we were already owed.

New Objective C: Continue to transition Northland Corridor management responsibilities to the Northland Project Manager.

New Measurement: Complete the Northland Brownfield Opportunity Area Application for designation and submit to NYSDOS.

Result: The completion of the BOA application was delayed by the need to produce additional mapping. The City of Buffalo Sewer Authority has stepped in to assist in that process during the first quarter of 2021.

New Measurement: Further Development of the Northland Small Business Networking Series. At least three (3) additional events in 2020.

Result: The spring 2020 event was cancelled because of the COVID pandemic, but two (2) very successful virtual events were held in August and November of 2020.

New Measurement: Reach a decision on the future hosting of an Urban Manufacturing Alliance National Gathering in 2020 or 2021, and solicit sponsors if the event moves forward.

Result: Due to the COVID pandemic, staff has decided not to pursue any further relationship with the Urban Manufacturing Alliance regarding future events.

New Measurement: Work with LISC to implement the Northland Corridor Delavan Grider Community Enhancement Project.

Result: Various implementation items were completed to the satisfaction of LISC and the related grant was closed in August 2020.

New Measurement: Complete required annual and bi-annual compliance reports for ECIDA and NTCIC tax credit investors.

Result: All reports produced on a timely basis.

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

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

Result: The land swap with the City of Buffalo was completed late in 2020 and will add to the inventory for future brownfield projects. The project at 541 E. Delavan and potential projects at 631 & 777 Northland were shut down by the COVID pandemic.

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

Result: The project at 541 E. Delavan and potential projects at 631 & 777 Northland were shut down by the COVID pandemic. The recently acquired property at 1669 Fillmore will be remediated in 2021 and will become shovel-ready.

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

Result: An additional seventy (70) thousand square feet of space at Northland Central (683 Northland) was rehabilitated to leasable condition...and leases were executed for all of it (Retech Systems, Rodriguez Construction, and Garwood Medical).

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

Result: Continued to work with three (3) land purchasers and prospects at BLCP, In addition, new interest is developing for the purchase of land in the Northland Corridor.

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

Result: Website hits for the Northland Corridor remained high as the Corridor continued to become more of a “household name”. Media appearances revolved around new leases being signed at Northland Central and events at Albright-Knox Northland.

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

Result: All infrastructure amenities were maintained properly at both BLCP and the Northland Corridor.

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: Assist in identifying parcels of land in or added to marketable inventory.

Result: Assisted in investigating a significant potential development site in the Clinton/Bailey area. Continued to identify additional vacant land inventory opportunities in the Northland Corridor.

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

Result: Three businesses were contacted based on our on-going communication with the team of development directors assembled 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.

Result: All out-going communications reflected the City of Buffalo goals.

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: Approximately sixty (60) businesses contacted.

Objective B: Coordinate financial assistance for adaptive re-use projects.

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

Result: Worked with several property owners to coordinate financial assistance for projects.

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 were approved, some projects that were anticipated to advance in 2020 were delayed due to the pandemic, but are expected to move forward in 2021.

New Measurement: Implement approved loan modifications for the Downtown Loan Program.

Result: BUDC is still working to implement modifications to the Downtown Loan program.

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

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

Result: Construction of 2020 improvements experienced delays due to the pandemic and will resume in Spring 2021.

New Measurement: Identify funding and develop waterfront public realm strategy and continue waterfront stakeholder coordination efforts.

Result: BUDC has continued waterfront stakeholder coordination efforts and is still exploring opportunities for funding related to the development of a waterfront public realm strategy.

Measurement: Develop a draft Flower District / Ellicott Corridor Concept Plan.

Result: BUDC is working with Wendel Companies to finalize the Ellicott Corridor Concept Plan for release in early 2021.

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

Result: BUDC continues work on strategies to improve downtown infrastructure maintenance through efforts such as the Buffalo Place Business Improvement District Expansion Committee and collaboration with other public and private property owners.

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

Result: BUDC has worked in collaboration with the City of Buffalo and other private sector partners on public-private funding partnerships such as the Accelerator Fund that will leverage \$40 Million for public realm improvements.

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

Measurement: A minimum of six (6) temporary retailers and two (2) permanent retailers added to the downtown market area.

Result: Queen City Pop Up phases in 2020 were cancelled due to the pandemic. BUDC focused on Business Recovery efforts such as City Of Buffalo Small Business Social Distancing Initiative; Erie County Small Business Taskforce; Downtown Dollars Holiday Sweepstakes; and the City of Buffalo's Buy Black Buffalo campaign – all of which were geared to helping small businesses impacted by the pandemic.

Measurement: Coordinate at least two (2) technical assistance training sessions for QCPU retailers.

Result: Worked to with partners to coordinate 2-3 business assistance sessions for QCPU graduates and other area businesses.

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

Result: 2020 cycles of QCPU were cancelled due to the pandemic. BUDC will work on website development in 2021.

New Objective F: Coordinate the publication, marketing, and online distribution of the new Race for Place Plan.

Measurement: A minimum of five hundred (500) copies distributed and two (2) “earned” media appearances.

Result: BUDC coordinated development of marketing pieces for the Race For Place initiative, which also include the Race For Place landing page.

(www.raceforplacebuffalo.com). In addition, Race for Place was highlighted in approximately five (5) publications. Race for Place was also a featured initiative in the following virtual programs: International Downtown Association Advancing Places webinar; Buffalo Business First's State of The Region; Urban Land Institute's - Lunch and Learn Series and the UB/NYS Wireless Association's Annual Conference.

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

Measurement: At least two (2) presentations to business associations and professional/community groups on BBRP.

Result: Four (4) presentations were done on BBRP/Race for Place.

New Measurement: Finalize a list of recommendations from Race for Place outreach and focus groups.

Result: Recommendations for Race For Place outreach and focus groups are being modified due to COVID 19 impacts on gatherings and will now contain a combination of virtual and socially distanced sessions.

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

Measurement: The announcement of two hundred fifty (250) units to be constructed.

Result: Over five hundred fifty (550) units announced.

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

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

Result: Coordinated with property owners on redevelopment of three (3) problem properties.

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

Measurement: Organize four (4) sessions with the community.

Result: Four (4) focus group sessions on Race for Place were conducted, BUDC is in the process of planning to conduct additional sessions in 2021, due to Covid-19 delays/gathering restrictions.

New 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.

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

New Measurement: Negotiate and execute contracts with Michael Van Valkenburgh Associates for Schematic Design, Design Development, and Construction Documents.

Result: Executed contracts for Schematic Design and Design Development. Cost estimates have been received for Construction Documents with negotiations are ongoing.

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

Result: Management of design team and design process is ongoing with 100% Design Development Complete. Value engineering continues to ensure the project remains within budget. Construction is anticipated to being on time in 2021-2022.

New Measurement: Negotiate and execute contracts for required due diligence investigations, SEQRA, NEPA and other regulatory approvals.

Result: Contracts for due diligence were executed with Wendell Companies and SJB. SEQRA is complete.

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

New Measurement: Solicit, negotiate and execute contracts for a third-party project management company to assist BU DC, the City of Buffalo and other partners with the implementation and overall management of the project, including design, regulatory approvals, and construction.

Result: A contract with Gardiner & Theobald, Inc. (G&T) was executed for project management and cost estimating services.

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

Result: Actively manage G&T's contract including invoice review and deliverables.

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

New 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: Three grants have been secured from the Ralph C. Wilson Jr. Foundation for the design of the project. Two required grant reports have also been submitted ensuring grant compliance. The application for construction dollars is anticipated to be submitted at the end of 2021.

New 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: Buffalo Niagara Waterkeeper applied for and is negotiating a grant agreement for \$2.5 million from the Environmental Facilities Corporation (EFC).

New Measurement: Preparer, submit, execute and manage grant applications and agreements that are secured for the project.

Result: \$1 million was secured from the Great Lakes Commission for shoreline design development.

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

New Measurement: 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.

Result: Ongoing maintenance and operations continues to be prioritized by the design and project management team.

New Measurement: Assist the Ralph C. Wilson Foundation, the City of Buffalo and other project partners to identify and secure funding and a governance structure to ensure sustainable long-term maintenance and operations of the park.

Results: HR&A presented a report on a potential governance structure in early 2020, with negotiations for the development of a “conservancy” structure between the City of Buffalo and Ralph C. Wilson Jr. Foundation continuing throughout 2021.

Goal: To effectively manage BUDC’s 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 maintained within budget. Two new vendors were procured for landscaping/snow removal at BLCP and the Northland Corridor for a three year period, at level cost over the term.

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: All new projects were referred to National Grid and National Fuel for grant program consideration, including new Northland Central tenants.

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 31, 2020 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?**

Yes, these questions and responses were discussed and approved by the Board at the March 31, 2020 Board meeting.

Buffalo Urban Development Corporation (BUDC)

2021 Mission Statement and Performance Measurements

Date Approved: 3/30/2021

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 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.

New Measurement: Negotiate and execute a lease with Bank on Buffalo for branch bank space at Northland Central.

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 and execute any lease agreement amendments with tenants at Northland Central, 714 Northland, 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 and select demolition at 777 Northland.
- 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, if construction resumes.
- Measurement: Execute a contract with the consultant team for the Community Solar and Microgrid project. Initiate the pre-development planning, analysis, and financing phases of the project.
- Measurement: Continue to work with energy stakeholders to solicit funding from Eaton Corporation to create an Energy Experience Center at Northland Central, and get construction of same underway.
- Measurement: Finalize the procurement process and 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.

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

New 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.

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

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

- New 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.**
- New Measurement: Submit all documentation for the 6th installment of Historic Tax Credits related to the development of Northland Central.**
- New Measurement: Receive 2018 Brownfield Tax Credit (BTC) refund from NYS related to the Northland Central redevelopment.**
- New Measurement: Complete submittal and receive 2019 BTC refund from NYS related to the Northland Central redevelopment.**
- New Measurement: Complete submittal for 2020 BTC refund from NYS related to the Northland Central redevelopment.**
- New Measurement: Submit an application to the US Economic Development Administration (EDA) for funding related to the rehabilitation of 631 Northland.**
- Measurement: Close-out all documentation related to the \$10.3M GDA (#Z415) with ESD for Northland Central.
- Measurement: Draw-down all remaining funds related to the \$6M GDA (#AC426) with ESD for Northland Workforce Training Center equipment.
- Measurement: Identify additional funding sources (i.e. grants and tax credits) and income opportunities for future phases of Northland Beltline projects.
- Objective C: Continue to transition Northland management responsibilities to the Northland Project Manager.*
- New Measurement: Prepare an application to the US Economic Development Administration (EDA) for funding related to the rehabilitation of 631 Northland.**
- New Measurement: Follow-through on the sub-division of 537 E. Delavan to create new marketable properties.**
- New Measurement: Complete land swap with Plesh for Northland Central parking lot development.**
- New Measurement: Manage construction of 714 Northland parking lot improvements.**
- New Measurement: Coordinate the environmental remediation at 1669 Fillmore.**
- New Measurement: Re-engage Watts Engineers and 34 Group to resume Phase 1C construction at 541 E. Delavan.**

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

New Measurement: Coordinate involvement with University of Buffalo Urban Design class regarding the plan for Houdaille Place at 537 E. Delavan,

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

Measurement: Complete the Beltline Brownfield Opportunity Area (BOA) Nomination Document and submit to the NYS Department of State for review.

Measurement: Further Development of the Northland Small Business Networking Series. Schedule two (2) additional events in 2021.

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

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.

New Measurement: Continue to move the 308 Crowley site to the point that partial demolition can occur.

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

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.

New Measurement: Close on the Land Sale Agreement with Uniland Development for 255 Ship Canal Parkway.

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

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

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

Measurement: A minimum of six (6) “earned” media appearances and five hundred (500) 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.

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

Measurement: Assist in identifying parcels of land currently in or to be added to marketable inventory.

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.

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

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.

Measurement: Implement approved loan modifications for the Downtown Loan Program.

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

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

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

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

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

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

Measurement: Identify funding and develop waterfront public realm strategy and continue waterfront stakeholder coordination efforts.

Measurement: Finalize Flower District / Ellicott Corridor Concept Plan.

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.

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

New Measurement: Explore outdoor QCPU Concepts.

Measurement: Coordinate at least two (2) technical assistance and/or business recovery sessions for QCPU retailers.

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

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

New Measurement: Expand digital presence for raceforplacebuffalo.com.

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

New 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.

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.

New Measurement: Negotiate and execute contract with Michael Van Valkenburgh Associates for Construction Documents.

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 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 deliverable for the project management team contracted to provide assistance.

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: 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.

Measurement: Assist the Ralph C. Wilson Foundation, the City of Buffalo and other project partners to identify and secure funding and a governance structure to ensure sustainable long-term maintenance and operations of 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.

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 discussed and approved the BUDC's mission statement at the March 30, 2021 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.

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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?**

Yes, these questions and responses were discussed and approved by the Board at the March 30, 2021 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

SCHEDULE A
Procurement Tracking Form

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 Real Estate 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-j)):
 (e.g., Emergency, Time Sensitive Opportunity, Sole Source, Special Source, etc.)

Reporting Procedure (§ 1, 1-3)

Procurement Report Delivered to:	<input type="radio"/> Board of Directors <input type="radio"/> 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)):

[Section ("§") references in this form refer to sections of the BUDC Amended and Restated Procurement Policy]
 v.2 09/08/2017

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

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 31st 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

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**

2020 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, 2020.

1. Operations & Accomplishments:

A report on the 2020 operations and accomplishments of the BUDC and its affiliates is posted on BUDC's website at <http://www.buffalourbandevelopment.com/budc-corporate-reports>.

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 10.

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, 2020 and the changes in net assets and its cash flows for the years then ended in conformity with accounting principals 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 from New York State 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 by 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 2020 is included in **Attachment 1**. This document was reviewed and approved by the Board at the March 30, 2021 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, leaving a balance of \$257,381 outstanding at December 31, 2020. 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, \$29,100,000 of which was outstanding at December 31, 2020. 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 2020. **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 2020:

See above Operations and Accomplishments report posted at <http://www.buffalourbandevelopment.com/budc-corporate-reports> for a listing of various initiatives accomplished in 2020. Buffalo Urban Development Corporation does not provide project financing, therefore, no such project details are included in this section.

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) Lists of Board Meetings & Attendance:

A list of the 2020 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 four full-time employees in 2020. 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.

13. Listing of Material Changes in Operations and Programs:

In 2020, 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 C. Wilson, Jr. Centennial Park Project. The further development of this project is described in greater detail at the end of this section.

BUDC also continued to make significant strides in the Northland Beltline Corridor redevelopment area in 2020, despite the disruption caused by the COVID 19 pandemic. More specifically, following the completion of Phase II renovations of 683 Northland (Northland Central) at the end of 2019 and the opening of Buffalo Manufacturing Works (BMW) as the second anchor tenant, management began to endeavor to fill the building with new tenants.

To recap, The Northland Central project is the complete rehabilitation of a vacant, 240,000 square foot industrial complex at 683 Northland Avenue in the City of Buffalo, which houses the Northland Workforce Training Center (NWTC), BMW, SparkCharge, and Manna Restaurant. The over \$100 million Project is a signature initiative of Governor Andrew Cuomo's "Buffalo Billion" Investment Plan, and is part of a larger regional plan to promote smart growth, workforce development, and economic development goals. Through the efforts of Mayor Byron W. Brown, this site was identified long ago as an area that could ignite significant development on Buffalo's east side.

The NWTC is an approximately 80,000 square foot facility that includes administrative space, classrooms, and industrial shops/labs designed to train and graduate new highly-skilled members of the local workforce to meet the requirements of the 21st century advanced manufacturing and electric utility industries. The NWTC was created through an adaptive reuse of a portion of the historic industrial structure at Northland Central (the former Niagara Machine & Tool Works) and was financed through a partnership between Empire State Development (ESD), the New York Power Authority (NYPA), and the City of Buffalo (City).

With technical support by the University at Buffalo's Regional Institute, ESD developed a business plan for the NWTC which was targeted to best provide workforce training opportunities to the traditionally most under-represented groups in the City's workforce. The instructional staff/curricula components of the NWTC are provided by two SUNY institutions (SUNY Erie and Alfred State College). ESD also selected Economic Development Group (EDG), (a not-for-profit consortium of Catholic Charities, Goodwill Industries, Buffalo Niagara Manufacturing Alliance, and the Buffalo Urban League) to operate the NWTC and to provide access for wrap-around services for the students.

The NWTC was the initial anchor for Northland Central and the Northland Beltline Corridor. As mentioned, the second major anchor at Northland Central is Buffalo Manufacturing Works (BMW), which relocated in 2019 from their previous location on Main Street to a state-of-the-art 55,000 square foot space within the building, adjacent to the NWTC. Buffalo Manufacturing Works provides technical assistance and access to specialty equipment to assist local manufacturers in their efforts to innovate. BMW was fully-operational in Northland Central by September of 2019.

BMW's move to Northland Central also involved a co-location with Insyte Consulting, which creates a holistic suite of service providers for the benefit of local manufacturers. BMW's already-established STEM education Additive Manufacturing Learning Lab was also relocated and expanded in its new home at Northland Central, with an on-going goal of training 200-300 students and teachers per year. These efforts will continue to complement efforts at the NWTC and other aligned efforts (e.g., Burgard High School's Advanced Manufacturing Program) on Buffalo's East Side to help create a pool of skilled talent to help drive the local manufacturing economy.

In addition to the NWTC and BMW, by 2019 there was approximately 80,000 additional square feet of space available to advanced manufacturing and other companies wishing to locate to Northland Central. The majority of that available space featured high-bay (40') light-industrial space and below-market electrical rates. BUDC is pleased to report that as of December 2020, the majority of that space has been leased to two manufacturing companies, SparkCharge and Retech Systems. In addition, Rodriguez Construction Company has relocated their office headquarters to the complex. The proximity to the NWTC and BMW provides other companies leasing space in the complex with access to specialist manufacturing equipment, technical assistance and a trained workforce.

Northland Central is the anchor to the overall Northland Beltline Corridor redevelopment plan, which when fully built-out will include the re-use of an additional 300,000 square feet of industrial space, construction of street and right-of-way improvements along Northland Avenue, public open space and public art. These investments in existing assets/infrastructure will increase development density in the City's core, encourage walkability and multi-modal transportation, connect disadvantaged communities with employment clusters, and attract private investment to further foster a vibrant, sustainable community in line with the Region's established smart growth principles. The Northland Beltline Corridor is continuing 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. In addition to the grant funding from ESD, NYPA and the City of Buffalo, additional financing has been provided by Citibank and Key Bank, through the use of Historic Preservation Tax Credits and New Market Tax Credits allocated through the National Trust Community Investment Corporation and Building America Community Development Entity. Key Bank has provided construction bridge financing.

In addition to the further development at Northland Central in 2020, BUDC had one other construction project that proceeded in the corridor during the first quarter of the year. In two different cycles, BUDC was awarded Restore NY funding from ESD to enhance development in the Northland Beltline Corridor. These funds are being used to renovate 15,000 and 40,000 square foot buildings on the former Houde Manufacturing site. The 15,000 square foot building was completed in 2019, and is now the temporary home for Albright Knox Art Gallery, as they undertake a three year renovation of their main Gallery on Elmwood. The 40,000 square foot building is in the first phase of "core and shell" improvements to bring this long-abandoned structure back to life. Construction of this project was paused in April of 2020, due to the COVID 19 pandemic. It is anticipated that construction will be able to resume in 2021.

As mentioned earlier, as an extension of BUDC's role supporting downtown infrastructure and development activity, 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. In 2019, the Foundation 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 C. Wilson, Jr. Centennial Park.

In May of 2019, the Foundation awarded BUDC with an additional \$3.9 million to cover costs associated with the schematic design, design development, site development, and due diligence work related to the Centennial Park project. The Board approved a contract with Michael Van Valkenburgh Associates (MVVA) to provide landscape design services for the park transformation. The Board approved a contract with Wendel Companies to provide due diligence services for the park project.

In 2020, BUDC executed contracts for schematic design and design development, and managed those contracts through the “value engineering” process. In addition, a contract was executed with Gardiner & Theobald for project management and cost estimating services. An additional \$1 million was secured for the project in 2020 from the Great Lakes Commission for shoreline design development.

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 2020 and forwarded the results to the Authority 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.

Peter M. Cammarata
President

Date

Mollie Profic
CFO

Date

Buffalo Urban Development Corporation (BUDC)

2020 Mission Statement and Performance Measurements (w/ Results)

Date Approved: 3/31/2020 (3/30/2021)

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) 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 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 for future development.

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

Result: **Completed land swap with the City of Buffalo. Obtained developable commercial properties at Fillmore/Northland intersection.**

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

Result: **Obtained approval for land swap and 537 E. Delavan subdivision.**

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 new structures introduced to SHPO for approval because of COVID pandemic.**

Measurement: Complete all remaining components of Phase 2 renovation at 683 Northland (“Northland Central”), including the “Red Shed” and Retch Systems related spaces.

Result: **Both spaces completed by mid-year 2020.**

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: Financing compliance and milestones delayed, but managed through pandemic conditions.

Measurement: Negotiate and execute any lease agreement amendments with the Economic Development Group Inc. (NWTC), EWI (BMW), SparkCharge, Retech Systems, and Manna Culinary Group for Northland Central.

Result: Negotiated and executed a lease agreement amendment with Manna Culinary Group.

New Measurement: Negotiate and execute a lease with Rodriguez Construction Group and two (2) other potential tenants at Northland Central.

Result: Negotiated and executed leases with Rodriguez Construction and Garwood Medical.

Measurement: Secure SHPO and National Park Service Part 3 approval for Phase 1 and 2 work at Northland Central.

Result: Secured Part 3 approval for Phase 1 & 2 Construction at Northland Central from SHPO and the National Park Service.

Measurement: Complete any further remedial investigation and implement the Soil Management Plan (SMP) for Northland Central, under the NYS Brownfield Cleanup Program.

Result: Remedial investigations completed at Northland Central and Site (soil) Management Plan (SMP) implemented.

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

Result: M/WBE Utilization and Workforce Participation programs continued to be effective.

Measurement: Continue to implement the Restore NY IV & V Grant initiatives, including the final completion of renovations at 612 Northland and Phase 1 renovations at 541 East Delavan.

Result: 612 Northland renovations completed, but 541 E. Delavan construction paused by COVID pandemic.

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: MOA measures implemented for all development activities.

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

Result: New treatment protocol approved and implemented by NYSDEC and consultant.

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

Result: Because of the COVID pandemic and the related financial condition of New York State, additional funding did not become available for new rehabilitation or demolition projects.

Measurement: Continue the Community Outreach Program, with at least one additional Public Meeting and two additional Stakeholder Advisory Committee meetings, and additional community outreach, as appropriate such as newsletters, social media and individual outreach.

Result: During the pandemic, the Community Outreach Program was centered on the Northland Business Network Series. Two very successful presentations were organized and held via a Zoom platform with break-out sessions.

Measurement: Continue to implement the green infrastructure plan for 537 E. Delavan.

Result: Based on the paused development activity at 537 E. Delavan, no further green infrastructure work was advanced.

New Measurement: Finalize the procurement process and execute a contract with the consultant team for the Community Solar and Microgrid project. Initiate the pre-development planning, analysis, and financing phases of the project.

Result: The procurement process was finalized and a contract was executed with Frey Electric. Only a \$200,000 portion of the \$2M grant was initially approved, so only the pre-development planning and analysis phases are advancing in early 2021.

Measurement: Continue to work with energy stakeholders to solicit funding from Eaton Corporation to create an Energy Experience Center at Northland Central, and get construction of same underway.

Result: Due to the COVID pandemic, the energy stakeholders have put this initiative on hold, but have remained in communication with Eaton Corporation.

New Measurement: Finalize the procurement process and 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: The procurement process was completed and resulted in the selection of Cannon, Heyman, and Weiss (and team) as the consultant team. The development of a contract was put on hold because of the COVID pandemic.

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

New Measurement: Develop and execute a \$2M Grant Distribution Agreement (GDA) with Empire State Development (ESD) for the Northland Community Solar project.

Result: The consideration of the \$2M grant was delayed by the ESD Board because of the COVID pandemic. In late 2020, the ESD Board did approve and initial grant of \$200,000 to begin the project.

Measurement: Close-out all documentation related to the \$6.7M GDA with ESD for Northland Central.

Result: Closed.

Measurement: Close-out all documentation related to the \$10.3M GDA with ESD for Northland Central.

Result: Closed.

Measurement: Draw-down all remaining funds related to the \$6M GDA with ESD for the WNY Workforce Training Center.

Result: One final reimbursement request still needs to be processed for the remaining \$49,300 in funds. Buffalo Niagara Manufacturing Alliance needs to provide us with the information needed for this request.

Measurement: Draw-down all remaining funds related to the \$25M GDA with ESD for Phase 2 of Northland Central.

Result: Closed

Measurement: Continue a grant agreement relationship with Local Initiatives Support Corporation (LISC) for additional funding related to Northland Corridor redevelopment.

Result: The grant Agreement conditions were satisfied in August of 2020 and BUDC received final payment.

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

Result: The COVID pandemic made it difficult to identify and pursue other funding sources. Our energies were concentrated on getting reimbursements for monies we were already owed.

New Objective C: Continue to transition Northland Corridor management responsibilities to the Northland Project Manager.

New Measurement: Complete the Northland Brownfield Opportunity Area Application for designation and submit to NYSDOS.

Result: The completion of the BOA application was delayed by the need to produce additional mapping. The City of Buffalo Sewer Authority has stepped in to assist in that process during the first quarter of 2021.

New Measurement: Further Development of the Northland Small Business Networking Series. At least three (3) additional events in 2020.

Result: The spring 2020 event was cancelled because of the COVID pandemic, but two (2) very successful virtual events were held in August and November of 2020.

New Measurement: Reach a decision on the future hosting of an Urban Manufacturing Alliance National Gathering in 2020 or 2021, and solicit sponsors if the event moves forward.

Result: Due to the COVID pandemic, staff has decided not to pursue any further relationship with the Urban Manufacturing Alliance regarding future events.

New Measurement: Work with LISC to implement the Northland Corridor Delavan Grider Community Enhancement Project.

Result: Various implementation items were completed to the satisfaction of LISC and the related grant was closed in August 2020.

New Measurement: Complete required annual and bi-annual compliance reports for ECIDA and NTCIC tax credit investors.

Result: All reports produced on a timely basis.

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

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

Result: The land swap with the City of Buffalo was completed late in 2020 and will add to the inventory for future brownfield projects. The project at 541 E. Delavan and potential projects at 631 & 777 Northland were shut down by the COVID pandemic.

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

Result: The project at 541 E. Delavan and potential projects at 631 & 777 Northland were shut down by the COVID pandemic. The recently acquired property at 1669 Fillmore will be remediated in 2021 and will become shovel-ready.

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

Result: An additional seventy (70) thousand square feet of space at Northland Central (683 Northland) was rehabilitated to leasable condition...and leases were executed for all of it (Retech Systems, Rodriguez Construction, and Garwood Medical).

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

Result: Continued to work with three (3) land purchasers and prospects at BLCP, In addition, new interest is developing for the purchase of land in the Northland Corridor.

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

Result: Website hits for the Northland Corridor remained high as the Corridor continued to become more of a “household name”. Media appearances revolved around new leases being signed at Northland Central and events at Albright-Knox Northland.

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

Result: All infrastructure amenities were maintained properly at both BLCP and the Northland Corridor.

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: Assist in identifying parcels of land in or added to marketable inventory.

Result: Assisted in investigating a significant potential development site in the Clinton/Bailey area. Continued to identify additional vacant land inventory opportunities in the Northland Corridor.

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

Result: Three businesses were contacted based on our on-going communication with the team of development directors assembled 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.

Result: All out-going communications reflected the City of Buffalo goals.

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: Approximately sixty (60) businesses contacted.

Objective B: Coordinate financial assistance for adaptive re-use projects.

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

Result: Worked with several property owners to coordinate financial assistance for projects.

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 were approved, some projects that were anticipated to advance in 2020 were delayed due to the pandemic, but are expected to move forward in 2021.

New Measurement: Implement approved loan modifications for the Downtown Loan Program.

Result: BUDC is still working to implement modifications to the Downtown Loan program.

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

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

Result: Construction of 2020 improvements experienced delays due to the pandemic and will resume in Spring 2021.

New Measurement: Identify funding and develop waterfront public realm strategy and continue waterfront stakeholder coordination efforts.

Result: BUDC has continued waterfront stakeholder coordination efforts and is still exploring opportunities for funding related to the development of a waterfront public realm strategy.

Measurement: Develop a draft Flower District / Ellicott Corridor Concept Plan.

Result: BUDC is working with Wendel Companies to finalize the Ellicott Corridor Concept Plan for release in early 2021.

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

Result: BUDC continues work on strategies to improve downtown infrastructure maintenance through efforts such as the Buffalo Place Business Improvement District Expansion Committee and collaboration with other public and private property owners.

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

Result: BUDC has worked in collaboration with the City of Buffalo and other private sector partners on public-private funding partnerships such as the Accelerator Fund that will leverage \$40 Million for public realm improvements.

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

Measurement: A minimum of six (6) temporary retailers and two (2) permanent retailers added to the downtown market area.

Result: Queen City Pop Up phases in 2020 were cancelled due to the pandemic. BUDC focused on Business Recovery efforts such as City Of Buffalo Small Business Social Distancing Initiative; Erie County Small Business Taskforce; Downtown Dollars Holiday Sweepstakes; and the City of Buffalo's Buy Black Buffalo campaign – all of which were geared to helping small businesses impacted by the pandemic.

Measurement: Coordinate at least two (2) technical assistance training sessions for QCPU retailers.

Result: Worked to with partners to coordinate 2-3 business assistance sessions for QCPU graduates and other area businesses.

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

Result: 2020 cycles of QCPU were cancelled due to the pandemic. BUDC will work on website development in 2021.

New Objective F: Coordinate the publication, marketing, and online distribution of the new Race for Place Plan.

Measurement: A minimum of five hundred (500) copies distributed and two (2) “earned” media appearances.

Result: BUDC coordinated development of marketing pieces for the Race For Place initiative, which also include the Race For Place landing page.

(www.raceforplacebuffalo.com). In addition, Race for Place was highlighted in approximately five (5) publications. Race for Place was also a featured initiative in the following virtual programs: International Downtown Association Advancing Places webinar; Buffalo Business First's State of The Region; Urban Land Institute's - Lunch and Learn Series and the UB/NYS Wireless Association's Annual Conference.

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

Measurement: At least two (2) presentations to business associations and professional/community groups on BBRP.

Result: Four (4) presentations were done on BBRP/Race for Place.

New Measurement: Finalize a list of recommendations from Race for Place outreach and focus groups.

Result: Recommendations for Race For Place outreach and focus groups are being modified due to COVID 19 impacts on gatherings and will now contain a combination of virtual and socially distanced sessions.

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

Measurement: The announcement of two hundred fifty (250) units to be constructed.

Result: Over five hundred fifty (550) units announced.

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

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

Result: Coordinated with property owners on redevelopment of three (3) problem properties.

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

Measurement: Organize four (4) sessions with the community.

Result: Four (4) focus group sessions on Race for Place were conducted, BUDC is in the process of planning to conduct additional sessions in 2021, due to Covid-19 delays/gathering restrictions.

New 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.

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

New Measurement: Negotiate and execute contracts with Michael Van Valkenburgh Associates for Schematic Design, Design Development, and Construction Documents.

Result: Executed contracts for Schematic Design and Design Development. Cost estimates have been received for Construction Documents with negotiations are ongoing.

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

Result: Management of design team and design process is ongoing with 100% Design Development Complete. Value engineering continues to ensure the project remains within budget. Construction is anticipated to being on time in 2021-2022.

New Measurement: Negotiate and execute contracts for required due diligence investigations, SEQRA, NEPA and other regulatory approvals.

Result: Contracts for due diligence were executed with Wendell Companies and SJB. SEQRA is complete.

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

New Measurement: Solicit, negotiate and execute contracts for a third-party project management company to assist BUDC, the City of Buffalo and other partners with the implementation and overall management of the project, including design, regulatory approvals, and construction.

Result: A contract with Gardiner & Theobald, Inc. (G&T) was executed for project management and cost estimating services.

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

Result: Actively manage G&T's contract including invoice review and deliverables.

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

New 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: Three grants have been secured from the Ralph C. Wilson Jr. Foundation for the design of the project. Two required grant reports have also been submitted ensuring grant compliance. The application for construction dollars is anticipated to be submitted at the end of 2021.

New 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: Buffalo Niagara Waterkeeper applied for and is negotiating a grant agreement for \$2.5 million from the Environmental Facilities Corporation (EFC).

New Measurement: Preparer, submit, execute and manage grant applications and agreements that are secured for the project.

Result: \$1 million was secured from the Great Lakes Commission for shoreline design development.

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

New Measurement: 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.

Result: Ongoing maintenance and operations continues to be prioritized by the design and project management team.

New Measurement: Assist the Ralph C. Wilson Foundation, the City of Buffalo and other project partners to identify and secure funding and a governance structure to ensure sustainable long-term maintenance and operations of the park.

Results: HR&A presented a report on a potential governance structure in early 2020, with negotiations for the development of a “conservancy” structure between the City of Buffalo and Ralph C. Wilson Jr. Foundation continuing throughout 2021.

Goal: To effectively manage BUDC’s 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 maintained within budget. Two new vendors were procured for landscaping/snow removal at BLCF and the Northland Corridor for a three year period, at level cost over the term.

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: All new projects were referred to National Grid and National Fuel for grant program consideration, including new Northland Central tenants.

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 31, 2020 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?**

Yes, these questions and responses were discussed and approved by the Board at the March 31, 2020 Board meeting.



Annual Report for Buffalo Urban Development Corporation
Fiscal Year Ending: 12/31/2020

Run Date: 03/03/2021
Status: UNSUBMITTED
Certified Date: N/A

Current Debt

Question		Response
1.	Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period?	Yes
2.	If yes, has the Authority issued any debt during the reporting period?	No

New Debt Issuances

Annual Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/03/2021
Status: UNSUBMITTED
Certified Date: N/A

Schedule of Authority Debt

Type of Debt			Statutory Authorization(\$)	Outstanding Start of Fiscal Year (\$)	New Debt Issuances(\$)	Debt Retired (\$)
State Obligation	State Guaranteed					
State Obligation	State Supported					
State Obligation	State Contingent Obligation					
State Obligation	State Moral Obligation					
Other State-Funded	Other State-Funded					
Authority Debt - General Obligation	Authority Debt - General Obligation					
Authority Debt - Revenue	Authority Debt - Revenue					
Authority Debt - Other	Authority Debt - Other		0.00	44,358,773.00	0.00	
Conduit		Conduit Debt				
		Conduit Debt - Pilot				
		Increment Financing				
TOTALS			0.00	44,358,773.00	0.00	

Buffalo Urban Development Corporation
 Compensation Schedule
 Year Ended: December 31, 2020

The following employees had a base salary greater than \$100,000 in 2020:

Name	Title	Salary	Performance Compensation	Payroll Taxes*	Benefits	Total
Peter Cammarata	President	\$ 151,905	-	10,533	25,545	\$ 187,983
David Stebbins	Executive Vice President (retired June 2020)	\$ 77,438	-	5,958	13,313	\$ 96,709

* Represents Employer's Share of FICA taxes (Social Security & Medicare) & NYS Unemployment Insurance taxes

Annual Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/03/2021
Status: UNSUBMITTED
Certified Date: N/A

Name	Title	Severance Package	Payment for Unused Leave	Club Member-ships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment
David	Directors											
Penman, Dennis	Board of Directors											
Pridgen, Darius	Board of Directors											
Slater, Craig	Board of Directors											
Whyte, Maria	Board of Directors											

Staff

Name	Title	Severance Package	Payment for Unused Leave	Club Member-ships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment
Cammarata, Peter	President											
Stebbins, David	Executive Vice President		X									

Buffalo Urban Development Corporation
Property Report
Year Ended: December 31, 2020

Table 1. This is a listing of all real property owned by BUDC, or through its affiliates or subsidiaries, at December 31, 2020

Address or SBL of Property	Full Description of Property	Estimated FMV of Property	Note: The FMV is estimated using an average per acre value based on a sampling of non-current appraisals. Negotiated "trial sale" value may vary.
BUDC Facility			
Buffalo Lakeside	80 Ship Canal Parkway	\$ 70,350	
Cominera Park	134 Ship Canal Parkway	\$ 75,250	
115.35 Acres	158 Ship Canal Parkway	\$ 335,650	
Buffalo, New York	193 Ship Canal Parkway	\$ 205,100	
Some Under Contract	200 Ship Canal Parkway	\$ 509,000	
Others Being Marketed	255 Ship Canal Parkway	\$ 14,700	
	280 Ship Canal Parkway	\$ 241,630	
	310 Ship Canal Parkway	\$ 172,200	
	15 Laborer's Way	\$ 189,000	
	24 Laborer's Way	\$ 186,200	
	51 Laborer's Way	\$ 435,350	
	70 Laborer's Way	\$ 163,450	
	87 Laborer's Way	\$ 191,450	
	125 Laborer's Way	\$ 330,800	
	126 Laborer's Way		
	18,08 acres of vacant land (6.00 Useable)		
Northland Corridor			
37.03 Acres	1537 East Delaware Avenue	\$ 900,000	
Buffalo, New York	577 Northland Avenue	\$ 28,000	
Some Being Marketed	631 Northland Avenue	\$ 400,000	
	644 Northland Avenue	\$ 32,000	
	655 Northland Avenue	\$ -	
	664 Northland Avenue	\$ 50,000	
	683 Northland Avenue	\$ 14,000,000	
	688 Northland Avenue	\$ 50,000	
	714 Northland Avenue	\$ 435,000	
	741 Northland Avenue	\$ 600,000	
	767 Northland Avenue	\$ 8,000	
	777 Northland Avenue	\$ 50,000	
	128 Durton Avenue	\$ 15,000	
	126 Durton Avenue	\$ 12,000	
	162 Winchester Street	\$ 4,000	
	164 Winchester Street	\$ 4,000	
	168 Winchester Street	\$ 4,000	
	572 Northland Avenue	\$ 5,000	
	574 Northland Avenue	\$ 7,000	
	1669 Fillmore Avenue	\$ 6,000	
	1675 Fillmore Avenue	\$ 8,000	
	1679 Fillmore Avenue	\$ 2,800	
	1681 Fillmore Avenue	\$ 29,000	
Other			
Not Marketed	1322 South Park Avenue	\$ 9,000	
Buffalo	308 Crowley Avenue	\$ 118,000	

Table 2. The following is a listing of personal property (with a fair market value ("FMV") in excess of \$5,000) and all real property that was disposed of during 2020.

Address and Location of Property	Full Description of Property	Estimated FMV of Property	Name & Address of Purchaser	Date of Sale	\$ Paid by BUDC Related Entity (Nedhill II, LLC & King Crow, LLC)
690 Northland Avenue, Buffalo, NY	7,564 s.f. of vacant land	\$ 8,000	The City of Buffalo, 65 Niagara Square, Buffalo, NY 14202	11/24/20	\$ -
698 Northland Avenue, Buffalo, NY	2,976 s.f. of vacant land	\$ 3,000	"	"	"
A portion of 684 Northland Avenue, Buffalo, NY	8,009 s.f. of vacant land	\$ 8,000	"	"	"
A portion of 688 Northland Avenue, Buffalo, NY	50,000 s.f. of vacant land	\$ 50,000	"	"	"
A portion of 308 Crowley Avenue, Buffalo, NY	1 acre of vacant land	\$ 31,430	71 Isabelle, LLC, 71 Isabelle Street, Buffalo, NY	02/27/20	\$ 31,430

Table 3. The following is a listing of all real property that was acquired during 2020.

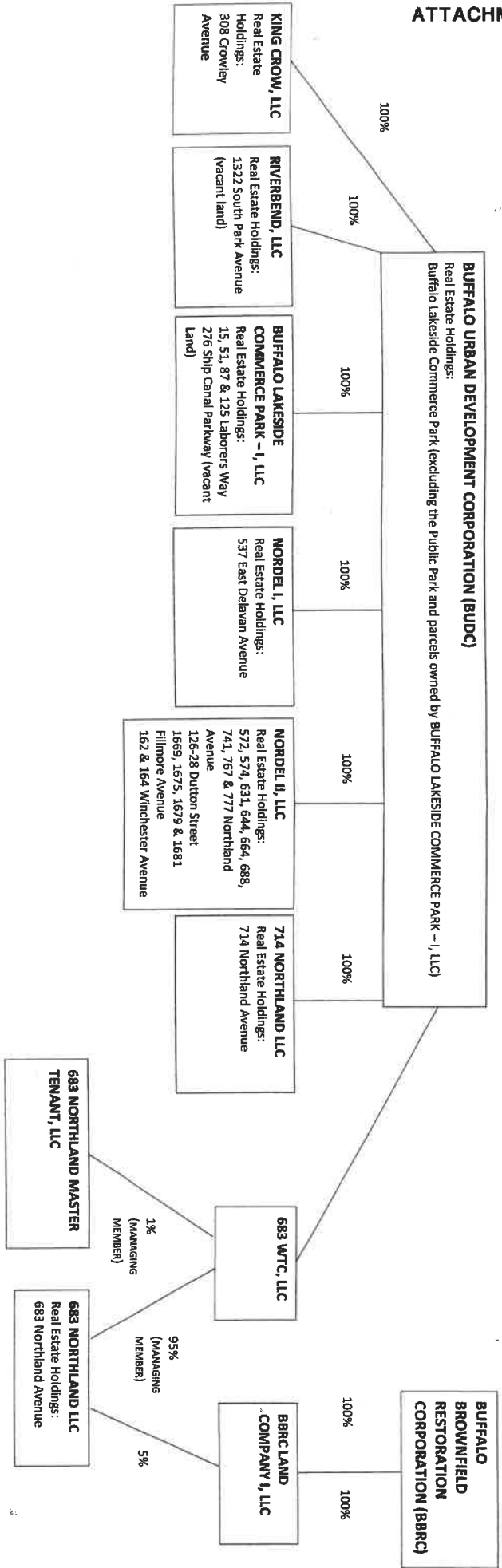
Address and Location of Property	Full Description of Property	Estimated FMV of Property	Name & Address of Seller	Date of Purchase	\$ Paid by BUDC Related Entity (Nedhill II, LLC)
162 Winchester Street, Buffalo, NY	3,940 s.f. of vacant land	\$ 4,000	The City of Buffalo, 65 Niagara Square, Buffalo, NY 14202	11/24/20	\$ -
164 Winchester Street, Buffalo, NY	3,940 s.f. of vacant land	\$ 4,000	"	"	"
168 Winchester Street, Buffalo, NY	3,940 s.f. of vacant land	\$ 4,000	"	"	"
572 Northland Avenue, Buffalo, NY	4,560 s.f. of vacant land	\$ 5,000	"	"	"
574 Northland Avenue, Buffalo, NY	7,260 s.f. of vacant land	\$ 7,000	"	"	"
1669 Fillmore Avenue, Buffalo, NY	6,144 s.f. of vacant land	\$ 6,000	"	"	"
1675 Fillmore Avenue, Buffalo, NY	7,680 s.f. of vacant land	\$ 8,000	"	"	"
1679 Fillmore Avenue, Buffalo, NY	9,457 s.f. of vacant land	\$ 2,800	"	"	"
1681 Fillmore Avenue, Buffalo, NY	28,564 s.f. of vacant land	\$ 29,000	"	"	"

2020 BUDC Board Meeting Attendance List

X = Attended

Member	Jan 1/28/20	Feb 2/25/20	Mar 3/31/20	Apr 4/28/20	May 5/26/20	Jun 6/30/20	Jul 7/28/20	Aug 8/25/20	Sep 9/29/20	Oct 10/27/20	Nov 11/24/20	Dec 12/22/20	Notes
Hon. Byron Brown	X	X	X	X	X					X	X	X	
Trina Burruss		X		X	X			X	X	X	X		
James Comerford	X	X	X	X	X	X	X	X	X	X	X	X	
Janique Curry	X	X	X	X	X	X	X	X	X	X	X	X	
Dennis Eisenbeck	X		X	X	X		X	X	X	X	X		
Michael Finn	X									X			
Darby Fishkin	X	X	X	X	X	X	X	X	X	X	X	X	
Dottie Gallagher	X	X	X			X	X	X				X	
Thomas Halligan	X	X	X	X	X	X	X	X		X			
Thomas Hersey, Jr.				X	X		X	X	X	X		X	
Thomas Kucharski		X	X	X	X	X	X	X	X	X	X	X	
Amanda Mays	X	X	X	X	X	X		X	X	X	X	X	
Brendan Mehaffy	X		X	X		X	X		X	X	X		
Kimberley Minkel		X	X	X	X	X	X	X	X	X	X	X	
David Nasca			X	X	X	X	X	X	X	X	X	X	
Jennis Penman	X	X	X	X	X	X	X	X	X	X	X	X	
Rev. Darius Pridgen		X		X	X		X	X	X	X		X	
Craig Slater	X	X		X	X			X		X	X	X	
Maria Whyte			X										

BUFFALO URBAN DEVELOPMENT CORPORATION
Corporate Structure Chart
As of December 31, 2020



- NOTES:**
- 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.
 - BUDC and BBRC are 501(c)(3) tax-exempt organizations.
 - BUFFALO LAKESIDE COMMERCE PARK (BLCP) PROPERTY OWNERS ASSOCIATION, INC. (the "Association") is an indirect affiliate of BUDC because BUDC's ownership of BLCP property entitles its designees to serve as Directors of the Association. The Association is a 501(c)(4) tax-exempt organization.

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/25/2021
Status: UNSUBMITTED
Certified Date : N/A

Procurement Information:

Question	Response	URL (If Applicable)
1. Does the Authority have procurement guidelines?	Yes	https://www.buffalourbandevelopment.com/budc-corporate-policies
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?	No	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-(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-(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-(9) of the State Finance Law?	Yes	

Procurement Report for Buffalo Urban Development Corporation
Fiscal Year Ending: 12/31/2020

Run Date: 03/25/2021
Status: UNSUBMITTED
Certified Date : N/A

Procurement Transactions Listing:

1.	Vendor Name	34 Group, Inc.	Address Line1	541 East Delavan Avenue
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	5/1/2019	State	NY
	End Date	12/31/2021	Postal Code	14211
	Fair Market Value		Plus 4	
	Amount	\$492,728.98	Province/Region	
	Amount Expended For Fiscal Year	\$178,025.12	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Construction management for 541 East Delavan project.

2.	Vendor Name	Acadia Insurance	Address Line1	P.O. Box 9010
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	WESTBROOK
	Award Date	9/20/2020	State	ME
	End Date	9/20/2021	Postal Code	04098
	Fair Market Value		Plus 4	
	Amount	\$5,484.14	Province/Region	
	Amount Expended For Fiscal Year	\$5,484.14	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Non-Del 1 Property/Liability Insurance

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

 Run Date: 03/25/2021
 Status: UNSUBMITTED
 Certified Date : N/A

3.	Vendor Name	Amherst Alarm, Inc.	Address Line1	2361 Wehrle Drive
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	1/1/2020	State	NY
	End Date	12/31/2021	Postal Code	14221
	Fair Market Value		Plus 4	
	Amount	\$32,001.28	Province/Region	
	Amount Expended For Fiscal Year	\$32,001.28	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland Workforce Training Center equipment and supplies

4.	Vendor Name	Apollo Dismantling Services, LLC	Address Line1	4511 Hyde Park Boulevard
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	NIAGARA FALLS
	Award Date	7/29/2019	State	NY
	End Date	4/30/2020	Postal Code	14305
	Fair Market Value		Plus 4	
	Amount	\$645,816.53	Province/Region	
	Amount Expended For Fiscal Year	\$198,756.83	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Demolition services at 541 East Delavan.

Procurement Report for Buffalo Urban Development Corporation
Fiscal Year Ending: 12/31/2020

Run Date: 03/25/2021
Status: UNSUBMITTED
Certified Date: N/A

5.	Vendor Name	Apollo Steel Corp.	Address Line1	4800 Wilton Avenue
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	NIAGARA FALLS
	Award Date	10/31/2019	State	NY
	End Date	12/31/2021	Postal Code	14304
	Fair Market Value		Plus 4	
	Amount	\$1,134,288.00	Province/Region	
	Amount Expended For	\$919,390.20	Country	United States
	Fiscal Year		Procurement Description	Material and Installation at 541 E. Delevan
	Explain why the Fair Market Value is Less than the Amount			

6.	Vendor Name	Arcadis US, Inc.	Address Line1	62638 Collections Center Drive
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	CHICAGO
	Award Date	6/4/2020	State	IL
	End Date	12/31/2020	Postal Code	60693
	Fair Market Value	\$10,000.00	Plus 4	
	Amount	\$9,600.00	Province/Region	
	Amount Expended For	\$9,120.00	Country	United States
	Fiscal Year		Procurement Description	BLCP - Parcel 3 - FER
	Explain why the Fair Market Value is Less than the Amount			

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/25/2021
 Status: UNSUBMITTED
 Certified Date : N/A

7.	Vendor Name	Backwoods Solar Electric Systems	Address Line1	1589 Rapid Lighting Road
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	SANDPOINT
	Award Date	1/1/2020	State	ID
	End Date	12/31/2021	Postal Code	83864
	Fair Market Value		Plus 4	
	Amount	\$68,108.44	Province/Region	
	Amount Expended For Fiscal Year	\$68,108.44	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland Workforce Training Center equipment and supplies

8.	Vendor Name	Bisonwing Planning & Development, LLC	Address Line1	2500 Cypress Hollow Court
	Type of Procurement	Consulting Services	Address Line2	#122
	Award Process	Authority Contract - Non-Competitive Bid	City	BONITA SPRINGS
	Award Date	6/8/2020	State	FL
	End Date	12/31/2021	Postal Code	34134
	Fair Market Value		Plus 4	
	Amount	\$24,175.00	Province/Region	
	Amount Expended For Fiscal Year	\$24,175.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Consulting on various projects

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/25/2021
Status: UNSUBMITTED
Certified Date : N/A

9.	Vendor Name	Blue Cross Blue Shield	Address Line1	Payment Process Center
	Type of Procurement	Other Professional Services	Address Line2	PO Box 644366
	Award Process	Authority Contract - Competitive Bid	City	PITTSBURGH
	Award Date	2/1/2020	State	PA
	End Date	1/31/2021	Postal Code	15284
	Fair Market Value		Plus 4	
	Amount	\$11,218.28	Province/Region	United States
	Amount Expended For Fiscal Year	\$11,218.28	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Health Insurance policies for BUDC staff.

10.	Vendor Name	Citizens Alliance, Inc.	Address Line1	836 East Delavan Avenue
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14215
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$8,900.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Various site work (577 Northland and 308 Crowley)

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/25/2021
 Status: UNSUBMITTED
 Certified Date : N/A

11.	Vendor Name	Deltek Electric, Inc.	Address Line1	220 Elk Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	6/1/2018	State	NY
	End Date	1/30/2020	Postal Code	14210
	Fair Market Value		Plus 4	
	Amount	\$183,907.00	Province/Region	
	Amount Expended For	\$64,572.09	Country	United States
	Fiscal Year		Procurement Description	612 Northland construction
	Explain why the Fair Market Value is Less than the Amount			

12.	Vendor Name	Dmyles, Inc.	Address Line1	1901 Connecticut Avenue
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	NIAGARA FALLS
	Award Date	3/1/2020	State	NY
	End Date	12/31/2021	Postal Code	14305
	Fair Market Value		Plus 4	
	Amount	\$143,840.00	Province/Region	
	Amount Expended For	\$22,590.00	Country	United States
	Fiscal Year		Procurement Description	541 E. Delavan Foundation work
	Explain why the Fair Market Value is Less than the Amount			

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

 Run Date: 03/25/2021
 Status: UNSUBMITTED
 Certified Date: N/A

13.	Vendor Name	Erie County Industrial Development Agency	Address Line 1	95 Perry Street
	Type of Procurement	Staffing Services	Address Line 2	Suite 403
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$204,706.93	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	683 Northland admn fee, ECIDA staff reimbursement, rent

14.	Vendor Name	Experienced Brick & Stone, LLC	Address Line 1	4536 Main Street
	Type of Procurement	Commodities/Supplies	Address Line 2	Suite 102
	Award Process	Non Contract Procurement/Purchase Order	City	AMHERST
	Award Date		State	NY
	End Date		Postal Code	14226
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$27,560.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Granite blocks related to Centennial Park project

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

 Run Date: 03/25/2021
 Status: UNSUBMITTED
 Certified Date : N/A

15.	Vendor Name	Fox Fence, Inc.	Address Line1	2637 Lockport Road
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	NIAGARA FALLS
	Award Date	5/1/2020	State	NY
	End Date	6/30/2020	Postal Code	14305
	Fair Market Value		Plus 4	
	Amount	\$27,320.69	Province/Region	
	Amount Expended For	\$27,320.69	Country	United States
	Fiscal Year		Procurement Description	Security fencing at 777 Northland
	Explain why the Fair Market Value is Less than the Amount			

16.	Vendor Name	Freed Maxick CPAs, P.C.	Address Line1	P.O. Box 8000
	Type of Procurement	Financial Services	Address Line2	Dept. 644
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	10/31/2017	State	NY
	End Date	3/31/2020	Postal Code	14267
	Fair Market Value		Plus 4	
	Amount	\$47,830.56	Province/Region	
	Amount Expended For	\$47,830.56	Country	United States
	Fiscal Year		Procurement Description	Audit and consulting fees
	Explain why the Fair Market Value is Less than the Amount			

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/25/2021
Status: UNSUBMITTED
Certified Date : N/A

17.	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	\$2,831,000.00	Province/Region	
	Amount Expended For	\$434,636.13	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Services related to the Centennial Park project

18.	Vendor Name	Gilbane Building Company	Address Line1	79 Perry Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	1/13/2017	State	NY
	End Date	11/30/2020	Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$85,382,246.50	Province/Region	
	Amount Expended For	\$5,329,199.69	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Construction costs re: 683 Northland Ave

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/25/2021
Status: UNSUBMITTED
Certified Date : N/A

19.	Vendor Name	Granger	Address Line1	Dept. 887221556
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	PALATINE
	Award Date	8/1/2019	State	IL
	End Date	12/31/2021	Postal Code	60038
	Fair Market Value		Plus 4	
	Amount	\$28,762.87	Province/Region	
	Amount Expended For Fiscal Year	\$28,762.87	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland Workforce Training Center training equipment and supplies

20.	Vendor Name	Graybar Electric Company, Inc.	Address Line1	34 North Meramec Avenue
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	CLAYTON
	Award Date	1/1/2020	State	MO
	End Date	12/31/2021	Postal Code	63105
	Fair Market Value		Plus 4	
	Amount	\$44,051.10	Province/Region	
	Amount Expended For Fiscal Year	\$44,051.10	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland Workforce Training Center equipment and supplies

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/25/2021
 Status: UNSUBMITTED
 Certified Date : N/A

21.	Vendor Name	Green Business Certification, Inc.	Address Line1	P.O. Box 822964
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	PHILADELPHIA
	Award Date		State	PA
	End Date		Postal Code	19182
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$13,522.11	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Lead certification for 683 Northland

22.	Vendor Name	HLM Landscaping & Snow Removal	Address Line1	29 Shoshone Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	11/1/2019	State	NY
	End Date	3/31/2020	Postal Code	14214
	Fair Market Value		Plus 4	
	Amount	\$25,800.00	Province/Region	
	Amount Expended For Fiscal Year	\$25,800.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Snow removal at Northland

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23.	Vendor Name	Hurwitz & Fine, P.C.	Address Line1	1300 Liberty Building
	Type of Procurement	Legal Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	1/3/2005	State	NY
	End Date		Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$173,763.33	Province/Region	
	Amount Expended For	\$173,763.33	Country	United States
	Fiscal Year		Procurement Description	Legal services for BUDC and 663 Northland, LLC.
	Explain why the Fair Market Value is Less than the Amount			

24.	Vendor Name	Invest Buffalo Niagara	Address Line1	257 West Genesee
	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	\$20,000.00	Country	United States
	Fiscal Year		Procurement Description	Annual contribution resulting in In-kind marketing services.
	Explain why the Fair Market Value is Less than the Amount			

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25.	Vendor Name	Jos. A. Sanders & Sons, Inc.	Address Line1	P.O. Box 814
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	2/20/2020	State	NY
	End Date	12/31/2021	Postal Code	14240
	Fair Market Value		Plus 4	
	Amount	\$816,939.00	Province/Region	
	Amount Expended For	\$128,600.00	Country	United States
	Fiscal Year		Procurement Description	541 E. Delavan Roofing
	Explain why the Fair Market Value Is Less than the Amount			

26.	Vendor Name	Kathleen M. Kinan, Architect	Address Line1	289 Lexington Avenue
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	5/31/2017	State	NY
	End Date	4/30/2020	Postal Code	14222
	Fair Market Value	\$31,323.36	Plus 4	
	Amount	\$31,323.36	Province/Region	
	Amount Expended For	\$31,323.36	Country	United States
	Fiscal Year		Procurement Description	Project management and design services for 612 Northland.
	Explain why the Fair Market Value Is Less than the Amount			

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27.	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	1/1/2020	State	VA
	End Date	1/1/2021	Postal Code	23230
	Fair Market Value		Plus 4	
	Amount	\$26,034.68	Province/Region	
	Amount Expended For Fiscal Year	\$26,034.68	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.

28.	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	4/8/2020	State	VA
	End Date	4/8/2021	Postal Code	23230
	Fair Market Value		Plus 4	
	Amount	\$21,574.74	Province/Region	
	Amount Expended For Fiscal Year	\$21,574.74	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Nordell II Property Insurance

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29.	Vendor Name	Labella Associates, P.C.	Address Line1	300 State Street
	Type of Procurement	Other Professional Services	Address Line2	Suite 201
	Award Process	Authority Contract - Non-Competitive Bid	City	ROCHESTER
	Award Date	7/31/2020	State	NY
	End Date	6/30/2021	Postal Code	14614
	Fair Market Value	\$28,900.00	Plus 4	
	Amount	\$28,900.00	Province/Region	
	Amount Expended For	\$15,110.00	Country	United States
	Fiscal Year		Procurement Description	Environmental Consulting for 193 Ship Canal Parkway
	Explain why the Fair Market Value is Less than the Amount			

30.	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	\$80,000.00	Province/Region	
	Amount Expended For	\$56,180.00	Country	United States
	Fiscal Year		Procurement Description	Northland campus landscaping and snow removal
	Explain why the Fair Market Value is Less than the Amount			

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31.	Vendor Name	LaurchTECH, LLC	Address Line1	50 Fountain Plaza
	Type of Procurement	Commodities/Supplies	Address Line2	Suite 1400
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	4/1/2020	State	NY
	End Date	12/31/2021	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$8,469.45	Province/Region	
	Amount Expended For	\$8,469.45	Country	United States
	Fiscal Year		Procurement Description	Northland Workforce Training Center equipment and supplies
	Explain why the Fair Market Value is Less than the Amount			

32.	Vendor Name	Lincoln Life & Annuity Company of NY	Address Line1	P.O. Box 7247-0347
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	PHILADELPHIA
	Award Date	2/1/2020	State	PA
	End Date	1/31/2021	Postal Code	19170
	Fair Market Value		Plus 4	
	Amount	\$9,536.09	Province/Region	
	Amount Expended For	\$9,536.09	Country	United States
	Fiscal Year		Procurement Description	Dental, AD&D, group term life, and long-term disability insurance policies for BUDC employees.
	Explain why the Fair Market Value is Less than the Amount			

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33.	Vendor Name	Liro Engineers, Inc.	Address Line1	690 Delaware Avenue
	Type of Procurement	Consulting Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	6/17/2017	State	NY
	End Date	12/31/2021	Postal Code	14209
	Fair Market Value		Plus 4	
	Amount	\$205,352.00	Province/Region	
	Amount Expended For Fiscal Year	\$41,284.18	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Environmental Services Re: 683 Northland. Multiple contracts.

34.	Vendor Name	MSC Industrial Supply Company	Address Line1	P.O. Box 953635
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	SAINT LOUIS
	Award Date	9/1/2018	State	MO
	End Date	12/31/2021	Postal Code	63195
	Fair Market Value		Plus 4	
	Amount	\$13,638.31	Province/Region	
	Amount Expended For Fiscal Year	\$13,638.31	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland Workforce Training Center equipment and supplies

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35.	Vendor Name	Mancuso Management, Inc.	Address Line1	56 Harvester Avenue
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BATAVIA
	Award Date	8/1/2015	State	NY
	End Date	12/31/2021	Postal Code	14020
	Fair Market Value		Plus 4	
	Amount	\$64,736.26	Province/Region	
	Amount Expended For	\$39,674.01	Country	United States
	Fiscal Year		Procurement Description	Contractual property management services plus reimbursement of direct costs associated with Northland property.
	Explain why the Fair Market Value is Less than the Amount			

36.	Vendor Name	Maxum Indemnity	Address Line1	Lawley Insurance Services, Inc. c/o Maxum Indemnity
	Type of Procurement	Other Professional Services	Address Line2	361 Delaware Avenue
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	6/1/2018	State	NY
	End Date	6/1/2020	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$5,677.26	Province/Region	
	Amount Expended For	\$5,677.26	Country	United States
	Fiscal Year		Procurement Description	883 Northland General Liability
	Explain why the Fair Market Value is Less than the Amount			

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37.	Vendor Name	Michael Van Valkenburgh Associates, Inc.	Address Line1	231 Concord Avenue
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	CAMBRIDGE
	Award Date	5/28/2019	State	MA
	End Date	12/31/2020	Postal Code	02138
	Fair Market Value		Plus 4	
	Amount	\$5,086,035.00	Province/Region	
	Amount Expended For Fiscal Year	\$3,827,387.11	Country	United States
	Explain why the Fair Market Value is Less than the Amount:		Procurement Description	Services related to Centennial Park

38.	Vendor Name	Miller's Quality Shed, Gazebos and More	Address Line1	6227 Riga Road
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	CONEWANGO VALLEY
	Award Date	1/1/2020	State	NY
	End Date	12/31/2020	Postal Code	14726
	Fair Market Value		Plus 4	
	Amount	\$8,100.00	Province/Region	
	Amount Expended For Fiscal Year	\$8,100.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount:		Procurement Description	Northland Workforce Training Center equipment and supplies

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39.	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 Fiscal Year	\$11,354.16	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Natural gas service for Northland properties

40.	Vendor Name	National Fuel Resources, Inc.	Address Line1	P.O. Box 371810
	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 Fiscal Year	\$8,971.42	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	683 Northland gas wholesale costs during construction.

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41.	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 Fiscal Year	\$59,503.20	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Electrical utility service for Northland Corridor and Buffalo Lakeside Commerce Park.

42.	Vendor Name	Niagara Construction Co., Inc.	Address Line1	125 East Niagara Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	TONAWANDA
	Award Date	2/26/2018	State	NY
	End Date	1/31/2020	Postal Code	14150
	Fair Market Value		Plus 4	
	Amount	\$265,954.00	Province/Region	
	Amount Expended For Fiscal Year	\$73,127.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	General construction work at 612 Northland.

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43.	Vendor Name	Pepe Construction Services, LLC	Address Line1	4085 Seneca Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 1
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	2/19/2018	State	NY
	End Date	3/31/2020	Postal Code	14224
	Fair Market Value		Plus 4	
	Amount	\$44,000.00	Province/Region	
	Amount Expended For	\$9,653.03	Country	United States
	Fiscal Year		Procurement Description	Masonry repair and construction services for 612 Northland.
	Explain why the Fair Market Value is Less than the Amount			

44.	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	12/31/2019	State	PA
	End Date	12/31/2020	Postal Code	19176
	Fair Market Value		Plus 4	
	Amount	\$25,344.00	Province/Region	
	Amount Expended For	\$25,344.00	Country	United States
	Fiscal Year		Procurement Description	BUDC Directors & Officers Insurance 12/31/2019 - 12/31/2020
	Explain why the Fair Market Value is Less than the Amount			

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45.	Vendor Name	RT Specialty	Address Line1	Lawley Insurance Services, Inc. c/o RT Specialty
	Type of Procurement	Other Professional Services	Address Line2	361 Delaware Avenue
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	6/20/2020	State	NY
	End Date	6/20/2021	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$29,610.14	Province/Region	
	Amount Expended For	\$29,610.14	Country	United States
	Fiscal Year		Procurement Description	General liability, umbrella
	Explain why the Fair Market Value is Less than the Amount			

46.	Vendor Name	Rexel USA, Inc.	Address Line1	505 Duke Road
	Type of Procurement	Commodities/Supplies	Address Line2	Suite 400
	Award Process	Authority Contract - Competitive Bid	City	CHEEKTOWAGA
	Award Date	10/1/2019	State	NY
	End Date	12/31/2021	Postal Code	14225
	Fair Market Value		Plus 4	
	Amount	\$24,362.08	Province/Region	
	Amount Expended For	\$24,362.08	Country	United States
	Fiscal Year		Procurement Description	Northland Workforce Training Center equipment and supplies
	Explain why the Fair Market Value is Less than the Amount			

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47.	Vendor Name	Risk Placement Services, Inc.	Address Line1	Lawley Insurance Services, Inc. c/o Risk Placement Services, Inc.
	Type of Procurement	Other Professional Services	Address Line2	361 Delaware Avenue
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	2/28/2020	State	NY
	End Date	2/28/2021	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$17,139.25	Province/Region	
	Amount Expended For Fiscal Year	\$17,139.25	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Umbrella, Property and Liability for 714 Northland

48.	Vendor Name	Rodriguez Construction Group, Inc.	Address Line1	760 Seneca Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 150
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	7/23/2019	State	NY
	End Date	1/31/2020	Postal Code	14210
	Fair Market Value		Plus 4	
	Amount	\$305,202.00	Province/Region	
	Amount Expended For Fiscal Year	\$34,954.50	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	612 Northland exterior Improvements.

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49.	Vendor Name	SJB Services, Inc.	Address Line1	5167 South Park Avenue
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	HAMBURG
	Award Date	11/14/2017	State	NY
	End Date	4/30/2020	Postal Code	14075
	Fair Market Value		Plus 4	
	Amount	\$67,544.50	Province/Region	
	Amount Expended For Fiscal Year	\$67,544.50	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	683 Northland, 541 East Delavan construction testing services. Services related to Centennial Park.

50.	Vendor Name	Sandra White/Mustard Seed World Consulting Group	Address Line1	170 Florida Street
	Type of Procurement	Consulting Services	Address Line2	Apartment 214
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	3/1/2015	State	NY
	End Date		Postal Code	14208
	Fair Market Value		Plus 4	
	Amount	\$24,000.00	Province/Region	
	Amount Expended For Fiscal Year	\$11,050.00	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	Marketing services for Northland Corridor project.

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51.	Vendor Name	Sarah Forzi, LLC	Address Line1	298 Northampton
	Type of Procurement	Design and Construction/Maintenance	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	\$7,092.58	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Design and construction of decorative fence

52.	Vendor Name	Southern Tier Electric Supply, Inc.	Address Line1	123 N. Clark Street
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	OLEAN
	Award Date	1/1/2020	State	NY
	End Date	12/31/2021	Postal Code	14760
	Fair Market Value		Plus 4	
	Amount	\$12,720.00	Province/Region	
	Amount Expended For Fiscal Year	\$12,720.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Northland Workforce Training Center equipment and supplies

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53.	Vendor Name	T&R Seasonal Services, Inc.	Address Line1	6413 W. Quaker Road
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	ORCHARD PARK
	Award Date	11/2/2017	State	NY
	End Date	10/31/2020	Postal Code	14127
	Fair Market Value		Plus 4	
	Amount	\$46,923.00	Province/Region	
	Amount Expended For	\$43,902.51	Country	United States
	Fiscal Year		Procurement Description	Landscaping and snowplowing services at Buffalo Lakeside Commerce Park.
	Explain why the Fair Market Value is Less than the Amount			

54.	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	12/31/2019	State	TX
	End Date	12/31/2020	Postal Code	75266
	Fair Market Value		Plus 4	
	Amount	\$19,468.56	Province/Region	
	Amount Expended For	\$19,468.56	Country	United States
	Fiscal Year		Procurement Description	BUDC umbrella insurance, commercial package (property, auto, liability), and Workers' Compensation insurance.
	Explain why the Fair Market Value is Less than the Amount			

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55.	Vendor Name	The Martin Group, LLC	Address Line1	620 Main Street
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	1/1/2020	State	NY
	End Date	12/31/2020	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$11,500.00	Province/Region	
	Amount Expended For	\$11,500.00	Country	United States
	Fiscal Year		Procurement Description	Marketing for Race for Place Initiative
	Explain why the Fair Market Value is Less than the Amount			

56.	Vendor Name	Vogt Sprinkler Service Inc.	Address Line1	363 Delaware Road
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	8/21/2019	State	NY
	End Date	3/31/2020	Postal Code	14217
	Fair Market Value		Plus 4	
	Amount	\$64,382.00	Province/Region	
	Amount Expended For	\$12,272.00	Country	United States
	Fiscal Year		Procurement Description	Sprinkler system at 612 Northland.
	Explain why the Fair Market Value is Less than the Amount			

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57.	Vendor Name	W&W Paint & Glass	Address Line1	19 Hecla Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	8/1/2018	State	NY
	End Date	4/30/2020	Postal Code	14216
	Fair Market Value		Plus 4	
	Amount	\$519,338.89	Province/Region	
	Amount Expended For	\$51,933.89	Country	United States
	Fiscal Year		Procurement Description	612 Northland window/glazing
	Explain why the Fair Market Value is Less than the Amount			

58.	Vendor Name	Watts Architecture & Engineering	Address Line1	95 Perry Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 300
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	4/19/2016	State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$2,064,347.00	Province/Region	
	Amount Expended For	\$177,831.78	Country	United States
	Fiscal Year		Procurement Description	Architecture and Engineering services re: 683 Northland and 541 East Delevan projects
	Explain why the Fair Market Value is Less than the Amount			

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59.	Vendor Name	Wendel	Address Line1	375 Essjay Road
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 200
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	6/28/2019	State	NY
	End Date	6/30/2021	Postal Code	14221
	Fair Market Value	\$269,800.00	Plus 4	
	Amount	\$269,800.00	Province/Region	United States
	Amount Expended For Fiscal Year	\$153,179.28	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Services related to Centennial Park project.

60.	Vendor Name	Zirpoll Plumbing LLC	Address Line1	1715 South Park Avenue
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	7/1/2018	State	NY
	End Date	1/31/2020	Postal Code	14220
	Fair Market Value		Plus 4	
	Amount	\$135,800.00	Province/Region	United States
	Amount Expended For Fiscal Year	\$14,310.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Plumbing work for 612 Northland.

Procurement Report for Buffalo Urban Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/25/2021
Status: UNSUBMITTED
Certified Date : N/A

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



Item 3.2

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 30, 2021

At the Audit & Finance Committee Meeting on March 22, 2021 the Committee reviewed the following items for Board consideration or action.

Item 3.2.1 is the 2020 Audited Financial Statements for 683 Northland Master Tenant, LLC. Representatives from Freed Maxick and Mollie Profic gave a detailed presentation of the Statements to the Committee. This document is presented to the Board for your information only.

Item 3.2.2 is the 2020 Audited Consolidated Financial Statements for BUDC. Representatives from Freed Maxick and Mollie gave a detailed presentation of the Statements to the Committee. The Committee recommends that the Board approve the 2020 Audited Financial Statements.

Item 3.2.3 is the 2020 Audited Financial Statements for the Buffalo Brownfields Redevelopment Fund (BBRF) and is provided to the Board for your information only.

Item 3.2.4 is the 2020 Investment Report, which provides a summary of BUDC's investment activity in 2020. The Committee recommended that the Board approve the 2020 Investment Report.

Item 3.2.5 is the Investment and Deposit Policy. The Committee recommended the re-adoption of this document.

Item 3.2.6 is the memorandum requesting reimbursement of brownfield expenses for 2020. The Committee recommended 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 \$ 454,828.

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

- Audit & Finance Committee 2020 Self-Evaluation Process
- Audit & Finance Committee Charter Review
- Audit & Finance Committee Training Document
- 2020 Property Report
- Review of Project Funding Sources
- Review of the BBRP/BUDC Loan Program
- Management's Assessment of Internal Controls

**AUDITED
FINANCIAL STATEMENTS**

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

DECEMBER 31, 2020

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of 683 Northland Master Tenant, LLC (A Limited Liability Company) which comprise the balance sheets as of December 31, 2020 and 2019 and 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 683 Northland Master Tenant, LLC as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Freed Maxick CPAs, P.C.

Buffalo, New York
March 15, 2021

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

**BALANCE SHEETS
December 31,**

ASSETS	2020	2019
Current assets:		
Cash - operating	\$ 56,739	\$ 16,394
Tenant receivables	30,533	361,614
Prepaid insurance	90,355	18,501
Total current assets	177,627	396,509
Reserves:		
Operating reserve	335,689	335,383
Asset management fee reserve	40,095	50,057
Total reserves	375,784	385,440
Prepaid rent - sublessee	306,965	45,995
Prepaid leasing commission	112,223	-
Tenant security deposits	75,750	39,450
Equipment, net	8,964	7,481
Prepaid rent - Master Lease Agreement	19,996,180	16,924,540
Total assets	\$ 21,053,493	\$ 17,799,415
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 119,334	\$ 32,428
Due to related parties	381,281	372,362
Total current liabilities	500,615	404,790
Operating deficit loan	49,931	-
Tenant security deposits	75,750	39,450
Deferred rent liability - Master Lease Agreement	3,916,352	2,471,223
Deferred rent liability - sublessee	6,703,913	7,284,396
Distribution payable - priority return	148,209	105,026
Total liabilities	11,394,770	10,304,885
Members' equity	9,658,723	7,494,530
Total liabilities and members' equity	\$ 21,053,493	\$ 17,799,415

See accompanying notes.

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

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

	<u>2020</u>	<u>2019</u>
Revenues:		
Rental revenue	\$ 1,249,168	\$ 754,631
Additional rental revenue	390,730	167,996
Other income	556	4,565
Total revenues	<u>1,640,454</u>	<u>927,192</u>
Expenses:		
Rent expense	1,879,742	1,879,742
Payroll	149,829	129,470
Utilities expense	126,631	111,798
Insurance expense	115,150	120,670
Repairs and maintenance	90,993	18,400
Professional fees	52,206	46,936
Property management fee	49,861	41,493
Real estate taxes	20,645	22,473
Asset management fee	10,000	10,000
Miscellaneous expense	7,232	8,851
Total expenses	<u>2,502,289</u>	<u>2,389,833</u>
Loss from operations	(861,835)	(1,462,641)
Other expenses:		
Depreciation expense	<u>(2,429)</u>	<u>(1,870)</u>
Net loss	\$ <u>(864,264)</u>	\$ <u>(1,464,511)</u>

See accompanying notes.

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

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

	<u>INVESTOR MEMBER</u>	<u>MANAGING MEMBER</u>	<u>TOTAL</u>
Members' equity - January 1, 2019	\$ 4,340,567	\$ 192,695	\$ 4,533,262
Members' capital contributions	4,536,758	-	4,536,758
Distributions	(110,979)	-	(110,979)
Net loss	<u>(1,449,866)</u>	<u>(14,645)</u>	<u>(1,464,511)</u>
Members' equity - December 31, 2019	<u>7,316,480</u>	<u>178,050</u>	<u>7,494,530</u>
Members' capital contributions	3,176,666	-	3,176,666
Distributions	(148,209)	-	(148,209)
Net loss	<u>(855,621)</u>	<u>(8,643)</u>	<u>(864,264)</u>
Members' equity - December 31, 2020	<u>\$ 9,489,316</u>	<u>\$ 169,407</u>	<u>\$ 9,658,723</u>
Percentage interest	<u>99.00%</u>	<u>1.00%</u>	<u>100%</u>

See accompanying notes.

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

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

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Net loss	\$ (864,264)	\$ (1,464,511)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	2,429	1,870
Decrease (increase) in assets:		
Tenant receivables	331,081	(350,114)
Prepaid insurance	(71,854)	38,776
Accrued rental income	(260,970)	(45,995)
Prepaid leasing commission	(112,223)	-
Prepaid rent - Master Lease Agreement	1,445,129	1,844,742
Increase (decrease) in liabilities:		
Security deposit liability	36,300	34,450
Accounts payable	86,906	17,625
Due to related parties	58,850	204,891
Deferred rent liability - sublessee	(580,483)	(223,931)
Net cash provided by operating activities	<u>70,901</u>	<u>57,803</u>
Cash flows from investing activities:		
Equipment purchases	(3,912)	(9,351)
Net cash used by investing activities	<u>(3,912)</u>	<u>(9,351)</u>
Cash flows from financing activities:		
Members' contributions	3,176,666	4,536,758
Distributions	(105,026)	(30,583)
Payments of prepaid rent under the Master Lease Agreement	(3,071,640)	(4,121,175)
Net cash provided by financing activities	<u>-</u>	<u>385,000</u>
Net increase in cash and restricted cash	66,989	433,452
Cash and restricted cash - beginning of year	<u>441,284</u>	<u>7,832</u>
Cash and restricted cash - end of year	<u>\$ 508,273</u>	<u>\$ 441,284</u>
Non-cash financing transactions:		
Non-cash distribution recorded as distribution payable	<u>\$ 148,209</u>	<u>\$ 105,026</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>2020</u>	<u>2019</u>
Cash - operating	\$ 56,739	\$ 16,394
Tenant security deposits	75,750	39,450
Operating reserve	335,689	335,383
Asset management fee reserve	40,095	50,057
	<u>\$ 508,273</u>	<u>\$ 441,284</u>

See accompanying notes.

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

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 is being 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, 2020, three tenants represented 95% of rental revenue and 97% of accounts receivable. During the year ended December 31, 2019 two tenants represented 100% of rental revenue and accounts receivable.

Tenant Receivables: Tenant receivables consists of receivables from tenants for rent 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, 2020 and 2019.

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 840. Prepaid leasing commissions amounted to \$112,223 as of the year ended December 31, 2020 (\$0 – 2019).

Revenue Income: The Company recognizes revenue on the date rent becomes due in accordance with the subleases. Rental payments received in advance are deferred until earned. All leases between parties are operating leases.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Lease: The Company is obligated under a Master Lease Agreement (the Agreement) (Note 6), with a related entity, through 2037. Minimum rent is recognized over the term of the lease using the straight-line method. In addition to minimum rents, the lease requires payments for utilities, insurance, maintenance costs, real estate taxes, and all other operating expenses. Minimum rent due under the Agreement consists of base rent and prepaid rent. As of December 31, 2020, the Company paid \$19,996,180 in prepaid rent (\$16,924,540 – 2019).

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.

Recently Issued Accounting Pronouncement: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 820)*. 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 income statement. The new standard is effective for fiscal years beginning after December 15, 2020. 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 is currently evaluating the impact the adoption of this guidance will have on the financial statements.

Reclassification: Certain 2019 amounts have been reclassified to conform to 2020 presentation.

Subsequent Events: These financial statements have not been updated for subsequent events occurring after March 15, 2021, 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.

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, 2020, the reserve amounted to \$40,095 (\$50,057 – 2019). 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, 2020, the reserve amounted to \$335,689 (\$335,383 – 2019).

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, 2020 and 2019, there was no net cash flow available to fund the replacement reserve.

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

NOTES TO THE FINANCIAL STATEMENTS

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, 2020 and 2019, the managing member has made all required contributions.

The investor member is required to contribute capital of \$20,354,240 based upon the completion of requirements by the Company as defined in the amended and restated operating agreement. As of December 31, 2020, the investor member made required contributions amounting to \$12,639,458 (\$9,462,792 – 2019). Total remaining required capital contributions amounted to \$7,771,320 as of December 31, 2020 (\$10,947,986 – 2019).

NOTE 6. TRANSACTIONS WITH AFFILIATES

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 2037. For the years ended December 31, 2020 and 2019, the Company recognized \$1,879,742 in rental 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:

2021	\$	486,684
2022		484,486
2023		492,423
2024		528,046
2025		558,098
Thereafter		<u>7,455,990</u>
	\$	<u>10,005,727</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 RENTAL REVENUE

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 rent and additional rent. Rental 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 rent in the amount of \$7,678,971 was due and paid during the year ended December 31, 2018; \$511,931 of rental income related to the prepaid rent was recognized during the years ended December 31, 2020 and 2019. Starting in 2019, the Company is required to estimate additional rental income on a monthly basis and provide NWTC with a statement of actual additional rent incurred within 90 days of year end. During the year ended December 31, 2020, \$196,903 in additional rental income was recognized (\$123,179 – 2019).

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. COMMERCIAL RENTAL REVENUE (CONTINUED)

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 rent in the amount of \$288,000. The entire prepaid rent balance was paid during the year ending December 31, 2020. For the year ended December 31, 2020, the Company recognized \$58,286 in rental income based on the second sublease agreement (\$10,258 – 2019).

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 year ended December 31, 2020, the Company recognized \$475,400 in rental income based on this agreement (\$237,700 – 2019).

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 rent payments begin March 1, 2020. For the year ended December 31, 2020, the Company recognized \$21,715 in rental income based on this agreement. For the year ended December 31, 2019, there was no rental income recognized for this sublease agreement.

Sparkcharge: The Company entered into a sublease agreement with Sparkcharge, Inc. commencing on March 1, 2020, and extending through February 28, 2023. For the year ended December 31, 2020, the Company recognized \$31,000 in rental income based on this agreement. For the year ended December 31, 2019, there was no rental income recognized for this sublease agreement.

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, 2020, the Company recognized \$144,391 in rental income based on this agreement. For the year ended December 31, 2019, there was no rental income recognized for this sublease agreement.

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 year ended December 31, 2020, the Company recognized \$3,145 in rental income based on this agreement. For the year ended December 31, 2019, there was no rental income recognized for this sublease agreement.

Garwood Medical: The Company entered into a sublease agreement with Garwood Medical Device, LLC commencing on December 1, 2020, and extending through November 30, 2025. For the year ended December 31, 2020, the Company recognized \$3,300 in rental income based on this agreement. For the year ended December 31, 2019, there was no rental income recognized for this sublease agreement.

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

2021	\$ 1,453,514
2022	1,450,414
2023	1,416,314
2024	1,412,695
2025	1,388,154
Thereafter	<u>9,440,476</u>
Total	\$ <u>16,561,567</u>

NOTES TO THE FINANCIAL STATEMENTS

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;
- (v) To the repayment of any subordinated loans (and accrued interest thereon) and any operating deficient 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.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. ALLOCATION OF PROFITS AND LOSSES (CONTINUED)

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, 2020 and 2019. 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, 2020, \$148,209 was accrued as payable to the investor member for the priority return (\$105,026 – 2019). During the year ended December 31, 2020, the investor member was paid \$105,026 for the 2019 accrued priority return (\$30,583 – 2019).

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, 2020, \$49,931 was loaned to the Company from the managing member (\$0 – 2019).

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. The original agreement was extended through December 31, 2020. 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. For the year ended December 31, 2020, \$49,861 of property management fees were incurred and paid (\$41,493 – 2019).

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>2020</u>	<u>2019</u>
Financial statement net loss	\$ (864,264)	\$ (1,464,511)
Add (subtract) nondeductible items per tax return:		
Book to Tax depreciation	(1,484)	(7,481)
Section 467 income	(105,644)	413,479
Section 467 expense	193,128	91,157
Asset management fee/guaranteed payments	<u>10,000</u>	<u>10,000</u>
Taxable loss	\$ <u>(768,264)</u>	\$ <u>(957,356)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. PAYMENT IN LIEU OF TAXES (PILOT)

The Company entered into a 7 year agreement (the Agreement), through December 31, 2026, 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 was exempt from taxes until the tax fiscal year beginning in 2019. Beginning in 2019, 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 \$20,645 for the year ended December 31, 2020 (\$22,473 - 2019).

NOTE 13. SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The spread of the COVID-19 coronavirus has and will continue to result in economic and operational uncertainties including the commercial real estate industry in which the Company operates. Management continues to closely monitor and evaluate the situation. However, it is unknown how long these conditions will last and what the complete financial effect to the Company will be. The financial impact of such uncertainties have not been reflected in the financial statements presented as they are not deemed to be reasonably estimable at the current time.

Subsequent events have been evaluated through March 15, 2021, which is the date the financial statements were available to be issued.

REPORT TO THE MANAGING MEMBER

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

DECEMBER 31, 2020



March 15, 2021

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, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for 683 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.

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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
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated January 5, 2021. 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.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication dated January 5, 2021 regarding the planned scope and timing of our audit and identified significant risks.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices</p> <p>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>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Company. The Company did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. The Following is a description of significant accounting policies that are currently being evaluated for future application:</p> <ul style="list-style-type: none"><li data-bbox="682 1260 1461 1705">• 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 is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

Area	Comments
Accounting Policies and Practices (Continued)	<p>Significant or Unusual Transactions 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>Management's Judgments and 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 compute and record these accounting estimates.</p>
Basis of Accounting	The financial statements were prepared on the assumption that the Company will continue as a going concern.
Audit Adjustments	Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by 683 Northland Master Tenant, LLC are shown in the attached Summary of Recorded Audit Adjustments.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements With Management	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 financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Letter Communicating Deficiencies in Internal Control Over Financial Reporting	We have separately communicated the deficiencies in internal control over financial reporting identified during our audit of the financial statements, and this communication is attached as Exhibit A.
Significant Written Communications Between Management and Our Firm	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 B.

683 Northland Master Tenant, LLC
Year End: December 31, 2020
Summary of Recorded Audit Adjustments

Number	Date	Name	Account No	Debit	Credit
1	12/31/2020	Prepaid Expense	2602.000	231,455	
1	12/31/2020	Leasing Commission	6140.000		231,455

To properly adjust leasing commission prepaid and expense balances to actual at December 31, 2020.



Exhibit A - Letter Communicating Deficiencies in Internal Control Over Financial Reporting

To Managing Member and Management
683 Northland Master Tenant, LLC
Buffalo, NY

In planning and performing our audit of the financial statements of 683 Northland Master Tenant, LLC (the Company) as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Company'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a 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.

Certain deficiencies in internal control that have been previously communicated to you, in writing, by us or by others within your organization are not repeated herein.

Following are descriptions of other identified deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses:

Leasing Commission Expense

During our review of expenditures, we noted a substantial amount of leasing commission expense related to subleases was recorded during the year ended December 31, 2020. Expenditures incurred to obtain long term leases should be recognized over the life of the corresponding lease. As such, prepaid expenditures were understated, and leasing commission expenditures were overstated. Management should implement a process to ensure startup costs incurred related to leases are properly recorded.

This communication is intended solely for the information and use of management, the Managing Member and is not intended to be, and should not be, used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

Buffalo, New York
March 15, 2021

Exhibit B - Significant Written Communications Between Management and Our Firm

Engagement letter – previously furnished

Representation letter – see attached

683 Northland Master Tenant, LLC

March 15, 2021

Freed Maxick CPAs, P.C.
900 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, 2020 and 2019, 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 arrangement letter dated January 5, 2021, 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. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable 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.

Information Provided

10. 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 stockholders, directors and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.

11. All transactions have been recorded in the accounting records and are reflected in the financial statements.

12. 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.

13. 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 [consolidated] [combined] financial statements.

14. 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.

15. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.

16. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.

17. 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.

18. 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.

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. As of December 31, 2020 \$176,277 are due to 683 Northland, LLC, \$254,935 are due to Buffalo Urban Development Corporation.
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.

683 Northland Master Tenant, LLC

A handwritten signature in cursive script, reading "Mollie M Profic", is written over a horizontal line.

Mollie Profic
Treasurer
Buffalo Urban Development Corporation, as Agent

REPORT TO THE BOARD OF DIRECTORS

BUFFALO URBAN DEVELOPMENT CORPORATION

DECEMBER 31, 2020

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditors Communications 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
Our Responsibilities with Regard to the Financial Statement Audit	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 25, 2021. 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.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	Preferability of Accounting Policies and Practices 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. Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by BUDC. In the current year, BUDC implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 95, <i>Postponement of Effective Dates of Certain Authoritative Guidance</i> . Significant or Unusual Transactions 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.
Basis of Accounting	Management's Judgments and Accounting Estimates 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." The financial statements were prepared on assumption that the entity will continue as a going concern.

Required Communications (Continued)

Audit Adjustments

We are not aware of nor have we proposed any audit adjustments as a result of our audit.

Uncorrected Misstatement

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Disagreements with Management

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.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed with or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Significant Written Communication Between Management and Our Firm

A copy of the representation letter provided to us by management is attached as Exhibit A.

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**Buffalo Urban Development Corporation
 Summary of Significant Accounting Estimates
 Year Ended December 31, 2020**

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 BUDC's December 31, 2020 financial statements:

Estimate	Accounting Policy	Management's Estimation Process	Basis of our conclusions on Reasonableness of Estimate
Depreciation of Property, Plant & Equipment	Management depreciates property, plant and equipment over the estimated lives of the assets.	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.	The methods and lives used to estimate depreciation expense appears reasonable.

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Recently Issued Accounting Standards

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

Summary of GASB Statement No. 87, Leases

This Statement issued in June 2017 will be effective for BUDC with its fiscal year ending December 31, 2022. This Statement better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

Summary of GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period

This Statement issued in June 2018 will be effective for BUDC beginning with its fiscal year ending December 31, 2022. The primary objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of GASB Statement No. 89 are effective for financial periods beginning after December 15, 2021. Earlier application is encouraged.

XXXXXXX, 2021

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

In planning and performing our audits of the financial statements of Buffalo Urban Development Corporation (BUDC), business-type activities, as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Organizations' 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 Organizations' 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 entity'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 & Audit Committees, Boards of Directors, and others within the Organization. It is not intended to be, and should not be, used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

**EXHIBIT A – SIGNIFICANT WRITTEN COMMUNICATION
BETWEEN MANAGEMENT AND OUR FIRM**

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AUDITED
CONSOLIDATED FINANCIAL STATEMENTS

**BUFFALO URBAN DEVELOPMENT
CORPORATION**

DECEMBER 31, 2020

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**BUFFALO URBAN DEVELOPMENT CORPORATION
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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Buffalo Urban Development Corporation
Buffalo, New York

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Buffalo Urban Development Corporation (BUDC), as of and for the years ended December 31, 2020 and 2019, and the related notes to the consolidated financial statements, which collectively comprise the BUDC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of 683 Northland, LLC were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to BUDC's preparation and fair presentation of the consolidated financial statements 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 BUDC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BUDC, as of December 31, 2020 and 2019, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the consolidated financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the consolidated financial statements, and other knowledge we obtained during our audit of the consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise BUDC's basic financial statements. The supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated XXXXX, 2021 on our consideration of the BUDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the BUDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the BUDC's internal control over financial reporting and compliance.

Buffalo, New York
XXXXXX, 2021

BUFFALO URBAN DEVELOPMENT CORPORATION

Management's Discussion and Analysis

December 31, 2020
(UNAUDITED)

Buffalo Urban Development Corporation (BUDC) is a not-for-profit corporation whose mission 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 of Buffalo, New York (the City) as part of the region. The mission of BUDC also includes supporting the revitalization of the City by serving as the lead management entity for Buffalo Building Reuse Project (BBRP) initiatives, working in collaboration with the Mayor's Office of Strategic Planning, including the coordination of financial assistance for downtown adaptive re-use projects and public right-of-way improvements.

For financial reporting purposes, BUDC is classified as a governmental entity that is required to comply with accounting standards issued by the Governmental Accounting Standards Board (GASB) because a majority of its governing body are officials of local governments or appointed by officials of local governments. Under GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, BUDC is required to present management's discussion and analysis (MD&A) to assist readers in understanding BUDC's financial performance.

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of BUDC for the years ended December 31, 2020, 2019 and 2018. We encourage readers to consider the information presented here in conjunction with BUDC's audited financial statements.

In 2017, BUDC's financial reporting entity expanded as a result of a tax credit transaction to bring historic tax credits (HTC) and new markets tax credit (NMTC) funding to the development project at 683 Northland Avenue (the Project), the location of the Northland Workforce Training Center (Workforce Training Center). The financial reporting entity consists of (a) BUDC (the primary entity), (b) 683 WTC, LLC (WTC), of which BUDC is the sole member, and (c) 683 Northland LLC (683 Northland), of which WTC holds a 95% equity interest. All significant intercompany balances and transactions between the three entities are eliminated in the consolidated financial statements. WTC is also the managing member of 683 Northland Master Tenant, LLC (Master Tenant) and holds a 1% equity interest.

Basic Overview of the Financial Statements

Included in this Annual Report are the following financial statements:

- 1) **Statement of Net Position** – This statement shows the reader what BUDC owns (assets and deferred outflows) and what BUDC owes (liabilities and deferred inflows). The difference between BUDC's assets, deferred outflows, liabilities and deferred inflows (net position) can be one way to measure BUDC's financial position. Over time, increases or decreases in BUDC's net position is one indicator of whether its financial health is improving or deteriorating.
- 2) **Statement of Revenues, Expenses, and Changes in Net Position** – This statement reports BUDC's operating and nonoperating revenues by major source along with operating expenses. The difference between total revenues and expenses can be one way to measure BUDC's operating results for the year.
- 3) **Statement of Cash Flows** – This statement reports BUDC's cash flows from operating, noncapital financing, capital and related financing, and investing activities.

Financial Highlights

- BUDC's net position decreased by 2% from \$78,604,000 in 2019 to \$76,743,000 in 2020.
- BUDC experienced a decrease in net position of \$2,472,000 in 2020 compared to an increase of \$24,746,000 in 2019 due mainly to decreases in grant income and developer fee income. Development costs and depreciation expense also increased in 2020, compared to 2019.
- BUDC's total assets increased by \$193,000 primarily due to a \$2,869,000 increase in grants receivable and a \$2,378,000 increase in net capital assets, combined with a \$2,697,000 decrease in construction in process and a \$1,482,000 decrease in restricted cash.
- BUDC's total liabilities increased \$1,668,000 as a result of lines of credit obtained by BUDC and 683 Northland in 2020, with a combined outstanding balance of \$1,417,000 at the end of 2020.

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Condensed Comparative Financial Statements:

1. Statements of Net Position:

The following table (Table 1) presents condensed comparative financial information and was derived from the audited consolidated statements of net position of BUDC.

Table 1
Consolidated Statements of Net Position at December 31, 2020, 2019 and 2018
(Amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2018</u>
Assets:					
Cash	\$ 370	\$ 247	\$ 123	50%	\$ 4,312
Receivables	13,650	10,781	2,869	27%	9,563
Restricted cash	3,753	5,236	(1,482)	-28%	21,880
Other current assets	7,153	8,135	(982)	-12%	8,295
Loans receivable	10,416	10,791	(375)	-3%	10,416
Equity investment	178	198	(20)	-10%	198
Capital assets, net	112,836	110,458	2,378	2%	67,644
Construction in process	-	2,697	(2,697)	-100%	14,365
Land and improvements held for sale	4,080	4,087	(7)	0%	4,082
Total assets	\$ 152,436	\$ 152,629	\$ (193)	0%	\$ 140,755
Liabilities:					
Current liabilities	\$ 45,256	\$ 15,333	\$ 29,923	195%	\$ 31,124
Long-term liabilities	30,437	58,692	(28,255)	-48%	56,274
Total liabilities	75,693	74,025	1,668	2%	87,398
Net position:					
Net investment in capital assets	73,760	73,261	499	1%	47,176
Restricted	4,021	4,702	(681)	-14%	4,989
Unrestricted	(1,038)	641	(1,679)	-262%	1,192
Total net position	\$ 76,743	\$ 78,604	\$ (1,861)	-2%	\$ 53,357
Total liabilities and net position	\$ 152,436	\$ 152,629	\$ (193)	0%	\$ 140,755

Cash – Cash increased \$123,000 due primarily to a decrease in accounts payable of \$3,715,000, as construction-related payables were fully paid in 2020.

Receivables – Receivables include grant and other receivables owed as a result of BUDC's development projects. The \$2,869,000 increase is primarily due to \$11,900,000 of grants awarded to BUDC during 2020, compared to \$9,000,000 of grant receipts during the year.

Restricted cash – Restricted cash includes amounts held by the Erie County Industrial Development Agency (ECIDA) on behalf of BUDC related to the Buffalo Brownfields Redevelopment Fund and amounts reserved by 683 Northland LLC for interest and certain other costs. Also included in restricted cash are amounts received from ESD held in segregated imprest accounts, which may be drawn down upon approval from ESD. The decrease of \$1,482,000 is mainly due to amounts released from these imprest accounts and the usage of interest reserves during the year.

Other current assets – Other current assets include prepaid expenses, developer fees receivable (BUDC) and interest receivable. The \$982,000 decrease from 2019 to 2020 is due mainly to the collection of developer fees in 2020.

Loans receivable – Loans receivable decreased \$375,000 in 2020, as one loan was paid off under the Buffalo Building Reuse Project loan program.

Capital assets, net – Capital assets net of accumulated depreciation increased \$2,378,000 primarily due to the capitalization of the remainder of the Project at 683 Northland. A portion of 537 East Delavan Avenue, was also capitalized and placed in service in 2020.

Construction in process – Construction in process decreased \$2,697,000 in 2020 to a zero balance due to the capitalization of the remainder of the Project at 683 Northland Avenue.

Land and improvements held for sale – Land and improvements held for sale represents property held at BLCF and 308 Crowley Avenue, and has been reduced to its net realizable value; estimated by management to be the fair value of the property when sold. A portion of the 308 Crowley Avenue property was sold in 2020, accounting for the \$7,000 decrease.

Current liabilities - The \$29,923,000 increase in current liabilities was primarily due to the movement of 683 Northland's KeyBank construction loans outstanding (\$29,100,000) to the current liabilities classification at year end.

Long-term liabilities – Long-term liabilities decreased \$28,255,000 due mainly to a shift of \$29,100,000 of outstanding debt to current liabilities. BUDC's Paycheck Protection Program loan of \$86,000 is also reported as long-term debt, until the loan is forgiven.

2. Change in Net Position:

The following table (Table 2) presents condensed comparative financial information and was derived from BUDC's audited statements of revenues, expenses, and changes in net position.

Table 2
Change in Net Position for the Years ended December 31, 2020, 2019 and 2018
(Amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2018</u>
Revenue:					
Grants	\$ 8,816	\$ 20,800	\$ (11,984)	-58%	\$ 26,253
PILOT agreements	172	299	(127)	-42%	447
Loan interest and commitment fees	153	150	3	2%	138
Rental and other revenue	2,034	14,842	(12,808)	-86%	645
Total revenue	11,175	36,091	23,263	64%	27,483
Expenses:					
Development costs	\$ 5,294	\$ 2,580	\$ 2,714	105%	\$ 594
Adjustment to net realizable value	419	576	(157)	-27%	2,727
Salaries and benefits	546	509	37	7%	437
General and administrative	2,091	3,094	(1,003)	-32%	3,550
Management fee	92	134	(42)	-31%	115
Depreciation	4,198	3,224	974	30%	1,044
Total expenses	12,640	10,117	2,523	25%	8,467
Operating income (loss)	(1,465)	25,974	(27,439)	-106%	19,016
Interest income	1	19	(18)	-95%	13
Interest expense	(933)	(1,172)	239	-20%	(359)
Amortization expense	(75)	(75)	-	0%	(75)
Change in net position	\$ (2,472)	\$ 24,746	\$ (27,218)	-110%	\$ 18,595

3. Revenue and Expense Analysis:

Grants – Grant income includes income from ESD, NYPA and others for projects along the Northland Corridor, from the Ralph C. Wilson, Jr. Foundation and Great Lakes Commission for work related to Ralph C. Wilson, Jr. Centennial Park, as well as from ECIDA for the BBRP. Grant income is recognized as the related grant expenses are incurred. In 2020, \$3,800,000 of grant revenue was recognized for Northland Corridor projects, \$4,900,000 for Centennial Park and \$100,000 for BBRP. The decrease of \$11,984,000 from 2019 reflects the decrease in revenue from larger grants related to 683 Northland Avenue.

Rental and other revenue – Other revenue includes rental income from 683 Northland Master Tenant, LLC under the Master Lease Agreement, rent from other Northland tenants and other income. The decrease of \$12,808,000 from 2019 was due to \$11,900,000 of developer fee revenue recognized by BUDC in 2019 related to Phases I and II of the Project at 683 Northland Avenue, along with a decrease in other income.

Development costs – Development costs include those costs related to various BUDC projects but excludes certain BLCP and Northland development costs that are reflected in "adjustment to net realizable value" as discussed below. The increase of \$2,714,000 is the result of further development on the Northland properties and project costs related to Ralph C. Wilson, Jr. Centennial Park.

Adjustment to net realizable value – The adjustment to net realizable value represents certain Northland and BLCP capitalized development costs. These costs are added to the book value of capital assets and land and improvements held for sale; however an offsetting adjustment is recorded to reduce the net book value to equal the estimated net realizable value of each property.

Salaries and benefits – Salaries and benefits increased by \$37,000 or 7% due to the hiring of an additional employee in 2020 prior to another's retirement, along with annual salary increases.

General and administrative – General and administrative costs decreased \$1,003,000 from \$3,094,000 in 2019 to \$2,091,000 in 2020. The main reason for this decrease was a decrease in 683 Northland's general and administrative expenses from \$1,468,000 in 2019 to \$264,000 in 2020. These expenses represent costs of the 683 Northland buildout that were not capitalized.

Management fee – The management fee represents costs charged for certain ECIDA staff that spend a portion of their time performing financial, compliance, administrative and property management services on behalf of BUDC under a shared services agreement. Asset management fees charged to 683 Northland by NMTC and HTC investors were reported here in 2019, and reclassified to general and administrative costs in 2020.

Depreciation – Depreciation expense increased \$974,000 from \$3,224,000 in 2019 to \$4,198,000 in 2020. The majority of depreciation expense (\$4,120,000) was related to the building and improvements at 683 Northland Avenue.

Interest expense – Interest expense relates mainly to loans payable by 683 Northland and lines of credit of both BUDC and 683 Northland. The \$239,000 decrease in interest expense from 2019 to 2020 is reflective of the variable interest rate related to construction financing.

4. Budget Analysis:

Each year, BUDC prepares an operating budget and three-year forecast. BUDC's 2020 budget was presented and approved by the Board of Directors on October 29, 2019. The following table (Table 3) presents an analysis of BUDC's performance compared to the approved 2020 budget.

Table 3
Budget to Actual Analysis for the year ended December 31, 2020
(Amounts in thousands)

	<u>Actual</u>	<u>Original Budget</u>	<u>Actual to Budget</u>	
			<u>\$ Change</u>	<u>% Change</u>
Revenue:				
Grants	\$ 8,816	\$ 8,400	\$ 416	5%
PILOT agreements	172	115	57	50%
Loan interest and commitment fees	153	114	39	34%
Other	2,034	7,636	(5,602)	-73%
Total revenue	11,175	16,265	23,263	143%
Expenses:				
Development costs	\$ 5,294	\$ 1,044	\$ 4,250	407%
Adjustment to net realizable value	419		419	100%
Salaries and benefits	546	600	(54)	-9%
General and administrative	2,091	3,085	(994)	-32%
Management fee	92	103	(11)	-11%
Depreciation	4,198	4,500	(302)	-7%
Total expenses	12,640	9,332	3,308	35%
Operating income (loss)	(1,465)	6,933	(8,398)	-121%
Interest income	1	10	(9)	-90%
Interest expense	(933)	(529)	(404)	76%
Amortization expense	(75)	(75)	-	100%
Change in net position	\$ (2,472)	\$ 6,339	\$ (8,811)	-139%

Note: The original 2020 budget was not amended; therefore, only one budget column is presented.

Budget to Actual Analysis:

Overall, BUDC's change in net position trailed the budget by \$8,398,000. Grant revenue was \$416,000 ahead of budget due to higher than anticipated recognition of grant revenue from Ralph C. Wilson, Jr. Foundation related to the Centennial Park Project. Other revenue trailed the budgeted amount by \$5,602,000 due to recognition of developer fees for Phase II of the Project at 683 Northland Avenue in 2019, rather than in 2020 as originally budgeted. Development costs of \$5,294,000 were over budget by \$4,250,000. This is directly related to an increase in grant funding. General and administrative expenses of

\$2,091,000 were below budget by \$994,000. 683 Northland recognized \$264,000 of non-capitalized costs related to work on the Project. Interest expense of \$933,000 was \$404,000 higher than budget, due to delays in repaying long-term debt and additional interest related to BUDC and 683 Northland's lines of credit.

5. Economic Factors Impacting BUDC:

BUDC has limited sources of operating funds that can support its ongoing operating costs. As a result, BUDC is reliant upon future land sales occurring at its BLCP business park and future revenues at the Northland Corridor redevelopment site to support operations.

6. Requests for Information:

This financial report is designed to provide a general overview of BUDC's finances. Questions concerning any of the financial information provided in this report should be addressed to the Treasurer of BUDC at (716) 856-6525. General information relating to BUDC can be found at its website www.buffalourbandevelopment.com.

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

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash	\$ 370,072	\$ 246,940
Grants receivable	13,649,610	10,780,646
Restricted cash	3,753,356	5,234,585
Other current assets	7,152,726	8,135,225
Total current assets	<u>24,925,764</u>	<u>24,397,396</u>
Noncurrent assets:		
Loans receivable, net	10,416,400	10,791,400
Equity investment	178,051	198,361
Capital assets, net	112,835,377	110,457,922
Construction in process	-	2,697,320
Land and improvements held for sale, net	4,080,387	4,086,967
Total noncurrent assets	<u>127,510,215</u>	<u>128,231,970</u>
Total assets	<u>\$ 152,435,979</u>	<u>\$ 152,629,366</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 874,573	\$ 4,589,841
Unearned revenue	13,822,911	10,743,729
Lines of credit	1,416,953	-
Current portion of loans payable	29,141,944	-
Total current liabilities	<u>45,256,381</u>	<u>15,333,570</u>
Noncurrent liabilities:		
Deferred rent liability	16,079,828	14,453,317
Loans payable	14,099,750	43,981,202
Note payable	257,381	257,381
Total noncurrent liabilities	<u>30,436,959</u>	<u>58,691,900</u>
NET POSITION		
Net investment in capital assets	73,759,690	73,261,007
Restricted	4,020,554	4,702,028
Unrestricted (deficit)	(1,037,605)	640,861
Total net position	<u>76,742,639</u>	<u>78,603,896</u>
Total liabilities and net position	<u>\$ 152,435,979</u>	<u>\$ 152,629,366</u>

See accompanying notes.

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

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Grant revenue	\$ 8,816,375	\$ 20,799,635
Brownfield funds	171,903	298,920
Loan interest and commitment fees	152,597	149,707
Rental and other revenue	2,033,807	14,842,621
Total operating revenues	<u>11,174,682</u>	<u>36,090,883</u>
Operating expenses:		
Development costs	5,294,325	2,579,959
Adjustment to net realizable value	418,386	575,816
Salaries and benefits	546,021	509,655
General and administrative	2,091,258	3,093,725
Management fee	91,454	133,855
Depreciation	4,198,380	3,224,019
Total operating expenses	<u>12,639,824</u>	<u>10,117,029</u>
Operating income (loss)	(1,465,142)	25,973,854
Nonoperating revenues (expenses):		
Interest income	1,278	19,278
Amortization expense	(74,872)	(74,872)
Interest expense	(933,410)	(1,172,004)
Total nonoperating revenues (expenses)	<u>(1,007,004)</u>	<u>(1,227,598)</u>
Change in net position	(2,472,146)	24,746,256
Net position - beginning of year	78,603,896	53,357,640
Add: capital contributions	610,889	500,000
Net position - end of year	<u>\$ 76,742,639</u>	<u>\$ 78,603,896</u>

See accompanying notes.

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

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Amounts received from Brownfields funds	\$ 229,279	\$ 301,725
Grants received	9,026,593	9,998,000
Receipts from loans and commitment fees	152,597	149,707
Disbursements of loans	-	(375,000)
Repayments of loans	375,000	-
Rental and other revenue	3,951,260	16,734,453
Payments to employees, suppliers, and other	(8,994,092)	(6,020,050)
Net cash provided by operating activities	<u>4,740,637</u>	<u>20,788,835</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(6,364,450)	(45,915,225)
Proceeds from loans	677,445	5,065,740
Capital contributions	631,199	500,000
Net cash used by capital and related financing activities	<u>(5,055,806)</u>	<u>(40,349,485)</u>
Cash flows from investing activities:		
Change in restricted cash	1,481,229	16,645,759
Interest earned	1,278	19,278
Interest paid	(1,044,206)	(1,169,576)
Net cash provided by investing activities	<u>438,301</u>	<u>15,495,461</u>
Net increase (decrease) in cash	<u>123,132</u>	<u>(4,065,189)</u>
Cash - beginning of year	<u>246,940</u>	<u>4,312,129</u>
Cash - end of year	<u>\$ 370,072</u>	<u>\$ 246,940</u>
Reconciliation of operating income (loss) from operations to net cash provided by operating activities:		
Operating income (loss)	\$ (1,465,142)	\$ 25,973,854
Adjustment to reconcile income from operations to net cash provided by operating activities:		
Depreciation expense	4,198,380	3,224,019
Increase in grants receivable	(2,868,964)	(1,217,781)
Decrease in other current assets	982,499	85,869
Decrease (increase) in loans receivable	375,000	(375,000)
Increase (decrease) in accounts payable and accrued expenses	(1,186,829)	403,295
Increase (decrease) in unearned revenue	3,079,182	(9,581,854)
Increase in deferred rent liability	1,626,511	2,276,433
Net cash provided by operating activities	<u>\$ 4,740,637</u>	<u>\$ 20,788,835</u>
Non-cash transactions:		
Capital asset purchases not yet disbursed	\$ 390,059	\$ 2,882,573
Grants received but not yet earned	-	10,743,729

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 balance sheet as restricted because their use is limited.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 \$6,646,600 and \$7,280,781 for December 31, 2020 and 2019, respectively. Other current assets include interest and accounts receivables and amounted to \$506,126 and \$854,444 for December 31, 2020 and 2019, 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, the 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:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
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:

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and related debt.
- b. *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.
- c. *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

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. ACCOUNTING PRONOUNCEMENTS

On May 8, 2020, the GASB issued Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by BUDC have been updated below to reflect the impact of this Statement. There were no new GASB Statements implemented by BUDC for the year ended December 31, 2020.

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

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending December 31, 2021.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending December 31, 2021, except for paragraph 11b, which will be effective for the year ending December 31, 2022.
- 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. 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*, which will be effective for the year ending December 31, 2022.

O. 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.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, 2020 and 2019, 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.

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

BUDC has an agreement with Pursuit (formerly New York Business Development Corporation) to provide loans to facilitate the development and adaptive reuse of vacant or underutilized buildings in certain designated areas. The loan agreement provides for \$9,000,000 in total funding from five participating lending banks, with interest rates determined by the banks. The balance of the loans outstanding were \$750,000 and \$1,125,000 at December 31, 2020 and 2019, respectively. Interest payments are due monthly and principal is due at maturity.

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, 2024 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. The following is a summary of the loans receivable. BUDC's policy is to present loans receivable net of an allowance for uncollectible loans. Management has determined that no allowance for these loans was necessary in 2020 and 2019.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>2020</u>	<u>2019</u>
Downtown Loan Fund	\$ 750,000	\$ 1,125,000
NMTC Investment Fund	9,666,400	9,666,400
Total loans receivable	<u>\$ 10,416,400</u>	<u>\$ 10,791,400</u>

NOTE 4. CAPITAL ASSETS

Capital asset activity for the BUDC for the year ended December 31, 2020 was as follows:

	<u>Balance</u> <u>01/01/2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2020</u>
Non-depreciable capital assets				
Land	\$ 844,942	\$ 20,072	\$ -	\$ 874,014
Construction work in progress	2,697,320	2,276,653	4,973,973	-
Idle buildings and improvements	5,510,766	1,639,434	2,462,306	4,687,894
Total non-depreciable capital assets	<u>9,053,028</u>	<u>3,945,159</u>	<u>7,436,279</u>	<u>5,561,908</u>
Depreciable capital assets:				
Buildings and improvements	100,718,306	7,095,888	-	107,814,194
Furniture and equipment	7,666,432	305,670	47,045	7,925,057
Less: accumulated depreciation	4,282,524	4,198,380	15,122	8,465,782
Total depreciable assets, net	<u>104,102,214</u>	<u>3,203,178</u>	<u>31,923</u>	<u>107,273,469</u>
Total capital assets, net	<u>\$ 113,155,242</u>	<u>\$ 7,148,337</u>	<u>\$ 7,468,202</u>	<u>\$ 112,835,377</u>

Capital asset activity for the BUDC for the year ended December 31, 2019 was as follows:

	<u>Balance</u> <u>01/01/2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2019</u>
Non-depreciable capital assets				
Land	\$ 815,503	\$ 29,439	\$ -	\$ 844,942
Construction work in progress	14,365,384	33,981,754	45,649,818	2,697,320
Idle buildings and improvements	3,135,116	2,375,650	-	5,510,766
Total non-depreciable capital assets	<u>18,316,003</u>	<u>36,386,843</u>	<u>45,649,818</u>	<u>9,053,028</u>
Depreciable capital assets:				
Buildings and improvements	59,177,505	41,540,801	-	100,718,306
Furniture and equipment	5,578,724	2,091,750	4,042	7,666,432
Less: accumulated depreciation	1,062,547	3,224,019	4,042	4,282,524
Total depreciable assets, net	<u>63,693,682</u>	<u>40,408,532</u>	<u>-</u>	<u>104,102,214</u>
Total capital assets, net	<u>\$ 82,009,685</u>	<u>\$ 76,795,375</u>	<u>\$ 45,649,818</u>	<u>\$ 113,155,242</u>

Land, buildings, and improvements related to the Northland Corridor amounted to \$5,561,908 and \$9,053,028 at December 31, 2020 and 2019. 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 14), 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 \$418,386 and \$575,816 for the years ended December 31, 2020 and 2019, respectively.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5. LAND 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 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 will undergo select demolition. One acre of land was sold in 2020.

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

	<u>2020</u>	<u>2019</u>
BLCP	\$ 9,211,452	\$ 9,167,122
308 Crowley	83,719	90,299
Less adjustment to net realizable value (BLCP)	<u>5,214,784</u>	<u>5,170,454</u>
Total land held for development and sale	<u>\$ 4,080,387</u>	<u>\$ 4,086,967</u>

NOTE 6. GRANTS RECEIVABLE AND UNEARNED REVENUE

In 2016, BUDC was awarded a \$10,300,000 grant from 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 2018, BUDC was awarded \$31,000,000 from ESD for further construction and site improvements. In 2019, BUDC was awarded \$4,167,781 in grants from various sources for further construction and site improvements.

In 2018, BUDC was awarded a \$1,912,028 grant from ESD under the Restore NY Program for the Project. Another grant of \$3,998,549 was awarded in 2019 under the Restore NY Program to support the project.

In 2019 and 2020, BUDC was awarded four grants from the Ralph C. Wilson, Jr. Foundation totaling \$17,300,000 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.

To further support the shoreline components of the Centennial Park Project, BUDC was awarded \$1,000,000 from the Great Lakes Commission in 2020.

The following is a summary of grants receivable and unearned grant revenue:

	<u>2020</u>	<u>2019</u>
Grants receivable:		
ESD	\$ 4,382,619	\$ 6,212,914
National Grid	250,000	500,000
Ralph C Wilson Jr. Foundation	8,300,000	3,850,000
National Fuel	-	48,500
NYSERDA	23,136	119,232
Great Lakes Commission	693,855	-
Other	-	50,000
	<u>\$ 13,649,610</u>	<u>\$ 10,780,646</u>

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unearned revenue:		
ESD	\$ 1,762,728	\$ 4,359,368
National Grid	381,250	250,000
Ralph C Wilson Jr. Foundation	11,058,342	4,792,800
NYPA	-	1,200,236
NYSERDA	119,232	119,232
Great Lakes Commission	501,359	-
Other	-	22,093
	<u>\$ 13,822,911</u>	<u>\$ 10,743,729</u>

NOTE 7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following is a summary of accounts payable and accrued expenses:

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 741,247	\$ 4,425,758
Accrued payroll	36,435	57,368
Accrued interest	57,791	93,715
Other accrued expenses	39,100	13,000
	<u>\$ 874,573</u>	<u>\$ 4,589,841</u>

NOTE 8. DEFERRED RENT LIABILITY

Northland has a Master Lease Agreement (the Agreement) with the master tenant member to receive rental 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 the year ended December 31, 2037. Northland recognized \$1,879,742 in rental revenue related to the Agreement for the years ended December 31, 2020 and 2019. 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 basis over the term of the lease. Northland will reduce the deferred rent liability by \$1,879,742 over each of the next 5 years and through the remainder of the life of the lease agreement.

Future minimum rental receipts to be received under the Master Lease Agreement are contractually due as follows as of December 31, 2020:

2021	\$ 486,684
2022	484,486
2023	492,423
2024	528,046
2025	558,098
Thereafter	7,455,990
	<u>\$ 10,005,727</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, 2020 and 2019, the note payable amounted to \$257,381, which represents the remaining 19.61 acres of land at \$13,125 per acre. No payments are required until any portion of the property is sold.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10. LINES 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 (3.225% - 2020) 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. At December 31, 2020, \$923,370 in principal is outstanding.

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. BUDC, WTC, and BBRC Land Company I, LLC, related parties, are guarantors on this agreement. Borrowings are to be used to pay interest on the Bridge loans while awaiting member contributions. Borrowed amounts on the line bear interest at an adjusted LIBOR rate (3.225% - 2020) per annum and are collateralized by security interest in all assets of WTC, BUDC and BBRC Land Company I, LLC. All outstanding principal and interest amounts are due upon maturity. The agreement matures on June 30, 2023. At December 31, 2020, \$493,583 in principal is outstanding.

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. BUDC 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 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 mortgage agreements, Northland 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.

Bridge Loan

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). BUDC, WTC and BBRC Land Company I, LLC are guarantors on the loan agreement. The loan is collateralized by security interest in all assets of WTC, BBRC Land Company I, LLC and Northland, assignment of rents by Northland, and assignment of construction contracts and architect's agreements. These bridge loan agreements mature on June 30, 2021. The balance outstanding totaled \$29,100,000 and \$30,000,000 at December 31, 2020 and 2019, respectively. Interest on Loan A is calculated at the prime rate (as established by KeyBank), and interest on Loan B is calculated at the prime rate (as established by KeyBank) plus .25% per annum (1.875% and 2.6875%, respectively, at December 31, 2020). Accrued interest amounted to \$55,207 and \$93,715 at December 31, 2020 and 2019, respectively.

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.

Paycheck Protection Program (PPP) Loan

On April 17, 2020, BUDC received loan proceeds in the amount of \$85,620 under the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. BUDC intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period.

BUDC has recorded a loan payable and will record forgiveness upon being legally released from the loan obligation. No forgiveness income has been recorded for the year ended December 31, 2020.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	<u>2020</u>	<u>2019</u>
KeyBank	\$ 29,100,000	\$ 30,000,000
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
Paycheck Protection Program	85,620	-
	<u>43,285,370</u>	<u>44,099,750</u>
Less: debt issuance costs	43,676	118,548
	<u>\$ 43,241,694</u>	<u>\$ 43,981,202</u>

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

	<u>Gross</u>	<u>Deferred Financing</u>	<u>Net</u>
2021	\$ 30,602,573	\$ 43,676	\$ 30,558,897
2022	-	-	-
2023	-	-	-
2024	469,938	-	469,938
2025	404,116	-	404,116
Thereafter	11,808,743	-	11,808,743
	<u>\$ 43,285,370</u>	<u>\$ 43,676</u>	<u>\$ 43,241,694</u>

Interest expense for the year ending December 31, 2020 and 2019 was \$933,410 and \$1,172,004, respectively. Capitalized interest amounted to \$419,079 for the year ending December 31, 2019 and is properly included in the building. No interest was capitalized for the year ending December 31, 2020.

NOTE 12. EQUITY INVESTMENT

Equity investment represents WTC's 1% investment in 693 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 and \$198,360 at December 31, 2020 and 2019, respectively.

NOTE 13. RESTRICTED NET POSITION

BUDC's restricted net position consists of amounts related to the Buffalo Brownfields Redevelopment Fund in the amount of \$720,294 and \$1,457,700 at December 31, 2020 and 2019, respectively, and a loan fund in the amount of \$3,300,260 and \$3,244,328 at December 31, 2020 and 2019, 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. The total outstanding balance on these notes was \$51,049,259 and \$45,538,272 at December 31, 2020 and 2019, respectively. Accrued interest on the loan amounted to \$952,415 and \$481,009 at December 31, 2020 and 2019, respectively.

BUFFALO URBAN DEVELOPMENT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15. POLLUTION REMEDIATION

Various pollution remediation activities will be necessary at Northland during development. Based on preliminary environmental studies and design plans, management believes clean-up activities will amount to \$4,575,000. The current estimate includes 87% of the total Northland acreage acquired and the remaining sections are expected to be demolished or consist of parking lots that will require limited clean-up. Management expects the entire cost of the remediation to be reimbursed by State grants; therefore no pollution remediation liability has been accrued in these financial statements.

NOTE 16. CONTINGENCIES

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. This event is not expected to have a structural impact on BUDC. This may result in a reduction of business development projects in the short term. BUDC will be further assessing small business relief programs from the government to determine BUDC's role in helping local businesses when additional information is available.

NOTE 17. SUBSEQUENT EVENTS

On February 21, 2021, Northland made a \$5,532,421 payment on Key Bank Loan A, with prepaid rent from 683 Northland Master Tenant, LLC under the Master Lease Agreement. Northland made subsequent payments of \$10,000,000 (Loan B) and \$3,386,769 (Loan A) on March 22, 2021 with equity investments from its members.

Management has evaluated subsequent events through XXXXXX, 2021, 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, other than those noted above.

SUPPLEMENTARY INFORMATION

DRAFT

**BUFFALO URBAN DEVELOPMENT CORPORATION
CONSOLIDATING STATEMENTS OF NET POSITION
DECEMBER 31, 2020**

	<u>Buffalo Urban Development Corporation</u>	<u>683 WTC LLC</u>	<u>683 Northland LLC</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 321,288	\$ -	\$ 48,784	\$ -	\$ 370,072
Grants receivable	13,649,610	-	-	-	13,649,610
Restricted cash	3,253,108	-	500,248	-	3,753,356
Other current assets	9,360,710	1,515	176,276	(1) (2,385,775)	7,152,726
Total current assets	<u>26,584,716</u>	<u>1,515</u>	<u>725,308</u>	<u>(2,385,775)</u>	<u>24,925,764</u>
Noncurrent assets:					
Loans receivable	61,465,659	-	-	(1) (51,049,259)	10,416,400
Equity investment	-	45,640,977	-	(1) (45,462,926)	178,051
Capital assets, net	8,055,394	-	104,779,983	-	112,835,377
Land and improvements held for sale, net	4,080,387	-	-	-	4,080,387
Total noncurrent assets	<u>73,601,440</u>	<u>45,640,977</u>	<u>104,779,983</u>	<u>(96,512,185)</u>	<u>127,510,215</u>
Total assets	<u>\$ 100,186,156</u>	<u>\$ 45,642,492</u>	<u>\$ 105,505,291</u>	<u>\$ (98,897,960)</u>	<u>\$ 152,435,979</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	\$ 797,394	\$ 952,415	\$ 1,510,539	(1) \$ (2,385,775)	\$ 874,573
Unearned grant revenue	13,822,911	-	-	-	13,822,911
Lines of credit	923,370	-	493,583	-	1,416,953
Current portion of loans payable	85,620	-	29,056,324	-	29,141,944
Total liabilities	<u>15,629,295</u>	<u>952,415</u>	<u>31,060,446</u>	<u>(2,385,775)</u>	<u>45,256,381</u>
Noncurrent liabilities:					
Deferred rent liability	-	-	16,079,828	-	16,079,828
Loans payable	359,750	51,049,259	13,730,000	(1) (51,049,259)	14,099,750
Note payable	257,381	-	-	-	257,381
Total noncurrent liabilities	<u>627,131</u>	<u>51,049,259</u>	<u>29,809,828</u>	<u>(51,049,259)</u>	<u>30,436,959</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	11,766,031	-	61,993,659	-	73,759,690
Restricted	4,020,554	-	-	-	4,020,554
Unrestricted (deficit)	68,143,145	(6,359,182)	(17,358,642)	(1) (45,462,926)	(1,037,605)
Total net position (deficit)	<u>83,929,730</u>	<u>(6,359,182)</u>	<u>44,635,017</u>	<u>(45,462,926)</u>	<u>76,742,639</u>
Total liabilities and net position	<u>\$ 100,186,156</u>	<u>\$ 45,642,492</u>	<u>\$ 105,505,291</u>	<u>\$ (98,897,960)</u>	<u>\$ 152,435,979</u>

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

BUFFALO URBAN DEVELOPMENT CORPORATION
CONSOLIDATING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

	Buffalo Urban Development Corporation	683 WTC LLC	683 Northland LLC		Eliminations	Total
Operating revenues:						
Grant revenue	\$ 8,816,375	\$ -	\$ -		\$ -	\$ 8,816,375
Brownfield funds	171,903	-	-		-	171,903
Loan interest and commitment fees	624,003	-	-	(1)	(471,406)	152,597
Rental and other revenue	155,688	-	1,878,119		-	2,033,807
Total operating revenue	<u>9,767,969</u>	<u>-</u>	<u>1,878,119</u>		<u>(471,406)</u>	<u>11,174,682</u>
Operating expenses:						
Development costs	5,055,984	-	238,341		-	5,294,325
Adjustment to net realizable value	418,386	-	-		-	418,386
Salaries and benefits	546,021	-	-		-	546,021
General and administrative	1,825,613	1,515	264,130		-	2,091,258
Management fee	91,454	-	-		-	91,454
Depreciation	77,916	-	4,120,464		-	4,198,380
Total operating expenses	<u>8,015,374</u>	<u>1,515</u>	<u>4,622,935</u>		<u>-</u>	<u>12,639,824</u>
Operating income (loss)	1,752,595	(1,515)	(2,744,816)	(1)	(471,406)	(1,465,142)
Nonoperating revenues (expenses):						
Interest income	1,081	-	197		-	1,278
Amortization expense	-	-	(74,872)		-	(74,872)
Interest expense	(28,116)	(471,406)	(905,294)	(1)	471,406	(933,410)
Total nonoperating revenues (expenses)	<u>(27,035)</u>	<u>(471,406)</u>	<u>(979,969)</u>		<u>471,406</u>	<u>(1,007,004)</u>
Change in net position	1,725,560	(472,921)	(3,724,785)		-	(2,472,146)
Net position (deficit) - beginning of year	82,204,170	(485,509)	42,219,146	(1)	(45,333,911)	78,603,896
Add: capital contributions	-	(5,400,752)	6,140,656	(1)	(129,015)	610,889
Net position (deficit) - end of year	<u>\$ 83,929,730</u>	<u>\$ (6,359,182)</u>	<u>\$ 44,635,017</u>		<u>\$ (45,462,926)</u>	<u>\$ 76,742,639</u>

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

INTERNAL CONTROL AND COMPLIANCE

DRAFT



**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, 2020, and the related notes to the consolidated financial statements, which collectively comprise BUDC's consolidated financial statements, and have issued our report thereon dated XXXXX, 2021. 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.

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.

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
XXXXXXX, 2021

DRAFT

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

**BUFFALO BROWNFIELDS REDEVELOPMENT
FUND**

DECEMBER 31, 2020

DRAFT

**BUFFALO BROWNFIELDS REDEVELOPMENT FUND
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Schedule of Revenues, Expenses and Changes in Net Position.....	3
Notes to the Schedule	4

DRAFT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Erie County Industrial Development Agency
Buffalo Urban Development Corporation
Buffalo, New York

Report on the Financial Statements

We have audited the accompanying schedule of revenues, expenses and changes in net position of Buffalo Urban Development Corporation's (BUDC), Buffalo Brownfields Redevelopment Fund for the year ended December 31, 2020 and the related notes to the schedule.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule of revenues, expenses and changes in net position referred to above present fairly, in all material respects, the revenues and expenses of BUDC's Buffalo Brownfields Redevelopment Fund for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

Report on the Financial Statements

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of BUDC as of and for the year ended December 31, 2020, and our report thereon, dated XXXXX, 2021, expressed an unmodified opinion on those consolidated financial statements.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management of the Erie County Industrial Development Agency, the Buffalo Urban Development Corporation, the County of Erie, and the City of Buffalo and is not intended to be and should not be used by anyone other than these specified parties.

Buffalo, New York
XXXXXXX, 2021

DRAFT

**BUFFALO BROWNFIELDS REDEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2020**

Operating revenue:	
City of Buffalo PILOTs by end user:	
Cobey	\$ 100,524
Total City of Buffalo PILOTs	<u>100,524</u>
County of Erie PILOTs by end user:	
Sonwil	60,794
Certainteed	75,993
Cobey	34,957
Total County of Erie PILOTs	<u>171,744</u>
Total operating revenues	272,268
Operating expenses:	
City of Buffalo share of PILOTs	50,262
County of Erie share of PILOTs	75,233
Eligible project costs	885,516
Total operating expenses	<u>1,011,011</u>
Operating loss	(738,743)
Nonoperating revenues:	
Interest income	<u>1,337</u>
Change in net position	(737,406)
Net position - beginning	<u>1,457,700</u>
Net position - ending	<u>\$ 720,294</u>

See accompanying notes.

**BUFFALO BROWNFIELDS REDEVELOPMENT FUND
NOTES TO THE SCHEDULE**

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.

Buffalo Urban Development Corporation
Investment Report
For the year ended December 31, 2020

Buffalo Urban Development Corporation

2020 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, 2020 and was approved by the BUDC Board of Directors at their March 30, 2021 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 30, 2021 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 31, 2020.

Investment Audit:

BUDC's auditors have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March XX, 2021 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, 2020

Account Type	Financial Institution	G/L Balance 1/1/2020	G/L Balance 12/31/2020	Interest Rate ^a Dec 2020	2020		Restricted	Purpose
					Investment Income	Fees		
BUDC Accounts:								
1 Interest Checking	KeyBank	145,459	315,188	0.01%	384	-	✓	General BUDC Checking account.
2 Interest Checking	KeyBank	2,000	6,100	-	-	-	✓	Northland Corridor account
3 Interest Checking	KeyBank	4,385	4,383	0.01%	2	-	✓	Imprest account for grant Z415
4 Interest Checking	KeyBank	2,119,328	2,550,261	-	-	-	✓	Downtown Loan Fund
5 Interest Checking	KeyBank	979,274	217,484	0.10%	1,341	-	✓	Restricted account for City of Buffalo real estate development ^b
6 Interest Checking	KeyBank	1,209,205	425,333	0.01%	431	-	✓	Imprest account for grant AC426
7 Interest Checking	KeyBank	21,534	55,647	0.05%	27	-	✓	Account for 714 Northland property
8 Interest Checking	KeyBank	17,531	-	0.10%	35	-	✓	Restricted account for eligible Erie County Development Projects ^c
		\$ 4,498,716	\$ 3,574,397		\$ 2,218	\$ -		
683 Northland LLC Accounts:								
9 Interest Checking	KeyBank	99,481	48,784	0.05%	91	-	✓	General 683 Northland Checking account
10 Interest Checking	KeyBank	361,690	55,490	0.05%	106	-	✓	Interest Reserve account
11 Checking	Citibank	-	-	-	-	-	✓	General 683 Northland Checking account
12 Checking	Citibank	170,000	160,250	-	-	-	✓	NTCIC Reserve Checking account
13 Checking	Citibank	351,638	284,508	-	-	642	✓	BACDE Reserve Checking account
		\$ 982,809	\$ 549,032		\$ 197	\$ 642		
683 WTC, LLC Accounts:								
14 Interest Checking	KeyBank	-	0	-	0	-	✓	General 683 WTC Checking account
		\$ -	\$ 0		\$ 0	\$ -		
		\$ 5,481,525	\$ 4,131,261		\$ 2,424	\$ 642		

Notes:

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

^a The Interest Rate is the annualized rate for the month of December 2020 and is prior to the deduction of fees (if any).

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

^c This account is known as the Regionally Significant Projects (RSP) Fund and is held by the ECIDA on behalf of BUDC.

Account closed December 2020 after funds were fully disbursed.

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

Buffalo Urban Development Corporation

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Buffalo, New York 14203

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Item 3.2.6

MEMORANDUM

TO: BUDC Board of Directors

FROM: Mollie Profic, Treasurer

SUBJECT: Reimbursement of Brownfield Expenses from Brownfield Fund

DATE: March 30, 2021

The Buffalo Brownfields Redevelopment Fund (“BBRF” or the “Fund”) 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”.

On September 26, 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.

Since 2011, reimbursements have been approved for costs incurred related to BLCP, Riverbend and Northland. Grant application fees related to Northland totaling \$311,848 were approved for reimbursement by the Board on May 10, 2018. Additional reimbursement of BLCP, Riverbend, Northland and 308 Crowley costs from January 1, 2018 – December 31, 2018 in the amount of \$419,785 were approved by the Board on March 26, 2019, for a total of \$731,633 in 2018. 2019 project costs (including Restore NY 4 grant local match) of \$787,080 were approved by the Board on March 31, 2020. Additional costs related to unrelated business income tax (UBIT) of \$98,436 was approved, bringing total 2020 approved project costs to \$886,366.

We are now requesting reimbursement of BLCP, Riverbend, Northland & 308 Crowley Street costs incurred in 2020. Attachment 1 to this memorandum details the \$454,828 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 is anticipated to have a balance of approximately \$583,000.

This item was reviewed with the Audit & Finance Committee at their meeting on March 22, 2021 and recommended for approval.

Action:

I am requesting that the Board approve the reimbursement to BUDC of \$454,828 in third party BLCP, Riverbend, 308 Crowley, and Northland costs from the BBRF as outlined in Attachment 1 to this memorandum.

Buffalo Urban Development Corporation
Summary of Costs Paid by BUDC & Reimbursable from BBRF
For the Year Ended December 31, 2020

Buffalo Lakeside Commerce Park	<u>2020</u>
<i>Landscaping</i>	\$ 41,215
<i>Legal Costs</i>	8,510
<i>Property Insurance</i>	17,513
<i>Snowplowing</i>	5,583
<i>Operations & Maintenance</i>	4,082
<i>Consultants</i>	35,820
<i>Utilities</i>	1,113
	<u>113,836</u>
Riverbend	
<i>Taxes, Operations & Maintenance</i>	132
308 Crowley	
<i>Landscaping</i>	2,000
<i>Legal Costs</i>	4,620
<i>Operations & Maintenance</i>	280
<i>Property Insurance</i>	22,295
	<u>29,195</u>
Northland*	
<i>Insurance</i>	69,875
<i>General Development</i>	14,337
<i>Operations & Maintenance</i>	20,106
<i>Legal Costs</i>	49,918
<i>Snowplowing</i>	55,056
<i>Landscaping</i>	18,780
<i>714 Northland costs</i>	47,594
<i>Consultants</i>	25,350
<i>Utilities</i>	2,285
<i>Marketing</i>	2,688
	<u>305,989</u>
683 Northland LLC*	
<i>Insurance</i>	5,677
<i>Operations & Maintenance</i>	-
	<u>5,677</u>
Total	<u><u>\$ 454,828</u></u>

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

Buffalo Urban Development Corporation

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Item 3.4

MEMORANDUM

TO: BUDC Board of Directors

FROM: Rebecca Gandour, BUDC Vice President – Finance & Development

SUBJECT: Ralph C. Wilson, Jr. Centennial Park - Ralph C. Wilson, Jr. Foundation Grant Agreement #6

DATE: March 30, 2021

The BUDC Board of Directors previously authorized BUDC to accept grant funding for efforts related to the redevelopment of the Ralph C. Wilson, Jr. Centennial Park. BUDC recently submitted an application for funding to the Ralph C. Wilson, Jr. Foundation for the continuation of capacity support to engage in long-range planning, project and funding management as well as construction coordination for the improvements to Ralph C. Wilson Jr. Centennial Park.

The 3-year grant award #6 (2022-2024) will be used for:

- Staff capacity at BUDC to remain focused on downtown waterfront planning and coordination (\$300,000 over 3 years);
- BUDC Grant Administration (\$75,000 over 3 years);
- 3rd Party Project Management services to assist in the coordination of Construction Documents and cost estimating services (\$1,435,000 over 3 years);
- 3rd Party Construction oversight (\$450,000 over 3 years);
- Staff capacity at the City of Buffalo Department of Parks and Recreation (\$350,000 over 3 years);
- 3rd Party Special inspections, skills and testing (\$450,000 over 3 years).

This grant funding award was presented to the Downtown Committee for review and comment on March 17, 2021. The Downtown Committee is recommending approval.

ACTION

I am requesting that the BUDC Board of Directors move to accept the \$3,060,000 grant from the Ralph C. Wilson, Jr. Foundation to enhance capacity to engage in long-range planning, project and funding management, as well as construction coordination for the improvements for Ralph C. Wilson Jr. Centennial Park and authorize the BUDC President or the BUDC Vice President – Finance & Development to take such actions as are necessary to implement this authorization.

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