

Buffalo Urban Development Corporation

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Buffalo Urban Development Corporation **Board of Directors Meeting**

Date: Tuesday, July 27, 2021

Time: 12 Noon

Place: BUDC Offices
95 Perry Street – 5th Floor Board Room
Buffalo, NY

1.0 CALL TO ORDER

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

3.0 MONTHLY FINANCIAL REPORTS *(Enclosure)*

3.1 683 Northland Master Tenant, LLC Financial Statements *(Information)*

3.2 BUDC Consolidated Financial Statements *(Action)*

4.0 NEW BUSINESS

4.1 Ralph C. Wilson, Jr. Centennial Park - Edith Wilson and Linda Bodgan Garden & Tennis Fund of the Community Foundation for Southeast Michigan Award
(Action)(Enclosure)

4.2 Ralph C. Wilson, Jr. Centennial Park – SJB Contract Amendment *(Action)(Enclosure)*

4.3 Buffalo Lakeside Commerce Park - Zephyr Investors LSA Due Diligence Extension
(Action)(Handout To Be Distributed)

4.4 Buffalo Lakeside Commerce Park - Project Update *(Information)*

4.5 Ralph C. Wilson, Jr. Centennial Park - Project Update *(Information)*

4.6 Northland Beltline Corridor Update *(Information)*

4.7 Race For Place Project Update *(Information)*

4.8 308 Crowley Project Update *(Information)*

5.0 LATE FILES

6.0 TABLED ITEMS

7.0 EXECUTIVE SESSION

8.0 ADJOURNMENT *(Action)*

**Minutes of the Annual Meeting
of the
Board of Directors
of
Buffalo Urban Development Corporation**

**95 Perry Street
Buffalo, New York
June 29, 2021
12:00 p.m.**

Directors Present:

Mayor Byron W. Brown (Chair)
Trina Burruss
James Comerford
Janique S. Curry
Dennis W. Elsenbeck
Thomas Halligan
Thomas A. Kucharski
Amanda Mays
Brendan R. Mehaffy
Kimberley A. Minkel
David J. Nasca
Dennis M. Penman (Vice Chair)
Darius G. Pridgen

Directors Absent:

Michael J. Finn
Darby Fishkin
Dottie Gallagher
Craig A. Slater
Maria R. Whyte

Officers Present:

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

Guests Present: Tuona Batchelor, Erie County Environment & Planning; Peter M. Cammarata, Cammarata Consulting, LLC; Jonathan D. Epstein, *The Buffalo News*; Alexis M. Florczak, Hurwitz & Fine, P.C.; Arthur Hall, BUDC Senior Project Manager; and Jamee Lanthier, ECIDA Compliance Officer.

- 1.0** Roll Call – The Chair called the annual meeting of the Board of Directors to order at 12:23 p.m. The Secretary called the roll and a quorum of the Board was determined to be present.
- 2.0** Approval of Minutes – Meeting of May 25, 2021 – The minutes of the May 25, 2021 meeting of the Board of Directors were presented. Mr. Penman made a motion to approve the meeting minutes. The motion was seconded by Ms. Minkel and unanimously carried (13-0-0).
- 3.0** Monthly Financial Reports – Ms. Profic presented for information purposes the financial statements for 683 Northland Master Tenant, LLC for the period ending May 31, 2021. She then presented the consolidated financial statements for BUDC and its affiliates, 683 Northland LLC and 683 WTC, LLC for the period ending May 31, 2021. Mr. Nasca made a motion to accept the BUDC consolidated financial statements. The motion was seconded by Mr. Comerford and unanimously carried (13-0-0).

4.0 New Business

4.1 Re-appointment of Three Citizen Members – Mayor Brown presented his June 29, 2021 memorandum to the Board announcing his re-appointment of Trina Burruss, Janique Curry and Thomas Halligan as citizen-members and directors of BUDC. Each appointment is for a term of three years.

4.2 2021-2022 Committee Appointments – Ms. Merriweather presented the proposed slate of Committee appointments for 2021-2022. She noted that Ms. Mays has volunteered to join the Downtown Committee. Mr. Kucharski made a motion to approve the proposed slate of Committee appointments. The motion was seconded by Mr. Pridgen and unanimously carried (13-0-0). The Committee appointments made by the Board for July 2021 - June 2022 are as follows:

Downtown Committee: Trina Burruss; James W. Comerford; Michael Finn; Darby Fishkin, Dottie Gallagher; Amanda Mays; Brendan R. Mehaffy (*Committee Chair*); Kimberley A. Minkel; and Darius G. Pridgen.

Governance Committee: Hon. Byron W. Brown; Dennis W. Elsenbeck; Thomas Halligan; Thomas A. Kucharski (*Committee Chair*); Amanda Mays; Brendan R. Mehaffy; and Dennis M. Penman.

Audit & Finance Committee: Trina Burruss; James W. Comerford; Janique S. Curry; David J. Nasca; and Dennis M. Penman (*Committee Chair*).

Real Estate Committee: Janique S. Curry; Thomas A. Kucharski; Brendan R. Mehaffy; Kimberley A. Minkel; Dennis M. Penman; Craig A. Slater (*Committee Chair*); and Maria R. Whyte.

Loan Committee: Dottie Gallagher; and Brendan R. Mehaffy (*Committee Chair*).

4.3 2021-2022 Election of Officers – Mr. Kucharski presented the following proposed slate of officers of BUDC as set forth in his June 29, 2021 memorandum to the Board of Directors:

Chair:	Hon. Byron W. Brown
Vice Chair:	Dennis M. Penman
President:	Brandye Merriweather
Vice President:	Rebecca Gandour
Treasurer:	Mollie M. Profic
Assistant Treasurer:	Atiqa Abidi
Secretary:	Kevin J. Zanner, Esq.

Upon motion made by Mr. Kucharski, seconded by Ms. Curry and unanimously carried (13-0-0), the foregoing slate of officers was approved, with each officer to serve a term of one (1) year and until his or her successor has been elected or appointed. Mr. Pridgen left the meeting following the presentation and vote on this item.

4.4 683 Northland Avenue - Extension of KeyBank Bridge Financing Facilities – Ms. Gandour presented her June 29, 2021 memorandum regarding the extension of the KeyBank bridge financing facilities. As part of the 683 Northland tax credits transaction, the BUDC Board of Directors previously authorized 683 Northland LLC to borrow \$30,000,000 from KeyBank as construction bridge financing for the project. The balance due on this loan is \$10,180,810. A

\$1,000,000 line of credit was subsequently obtained through KeyBank which was needed due to delays associated with receipt of tax credit equity installments and BCP tax refund payments. The current balance on the line of credit is \$662,099. Ms. Gandour stated that BUDC staff has been working with KeyBank to extend the term of the construction bridge loan and draw period under the line of credit through December 31, 2022. KeyBank has issued two term sheets for the extensions. Ms. Gandour reviewed the extension terms as outlined in her June 29, 2021 memorandum. She noted that KeyBank also agreed, following a request from BUDC staff, to waive the \$5000 line of credit extension fee and reduce the interest rate on the line of credit by one-half percent (½%) to LIBOR plus 2.25%.

Mr. Penman made a motion to: (i) approve an 18-month extension of the KeyBank construction bridge loan in accordance with the KeyBank term sheet and upon such additional terms and conditions as the President or Executive Vice President determine are commercially reasonable and consistent with the term sheet; (ii) approve an 18-month extension of the draw period for the KeyBank line of credit in accordance with the KeyBank term sheet and upon such additional terms and conditions as the President or Executive Vice President determine are commercially reasonable and consistent with the term sheet; and (iii) authorize the President or Executive Vice President to execute and deliver such agreements and documents and to take such actions on behalf of 683 Northland, LLC, BUDC and any related BUDC entities as may be reasonably necessary or appropriate to implement this action. The motion was seconded by Ms. Curry and carried with ten affirmative votes (10-0-2). Mr. Nasca and Ms. Minkel abstained from voting on this item.

4.5 Northland Central – Phase I Construction Additional HVAC Work Claim – Mr.

Kucharski made a motion for the Board to enter into executive session to discuss claims and litigation strategy relating to the design of the Phase 1 HVAC system at Northland Central. The motion was seconded by Ms. Minkel and unanimously carried (12-0-0). Mr. Zanner briefed the Board on potential claims and litigation strategy relating to the defective design of the Phase I HVAC system at Northland Central. At the conclusion of the discussion, Mr. Elsenbeck made a motion to authorize legal action against Watts Architecture and Engineering and Popli Design Group for the defective design of the Phase I HVAC system. The motion was seconded by Ms. Minkel and unanimously carried (12-0-0). Mr. Kucharski then made a motion to exit executive session, which was seconded by Mr. Comerford and unanimously carried (12-0-0).

4.6 Ralph C. Wilson, Jr. Centennial Park – Great Lakes Commission Funding Agreement #2 – Ms. Merriweather presented her June 29, 2021 memorandum regarding the second Great Lakes Commission (GLC) grant funding agreement. GLC has approximately \$238,000 in additional funding available to award BUDC for additional work and analysis for the inlet portion of Ralph C. Wilson, Jr. Centennial Park. It is anticipated that the grant agreement for these funds will include terms similar to those set forth in the first grant agreement entered into by BUDC and GLC, including federal grant requirements of the United States Department of Commerce, which BUDC will pass on to MVVA through an amendment to the Master Service Agreement detailing these requirements. Mr. Nasca made a motion to: (i) approve the acceptance by BUDC of an approximately \$238,000 grant from the Great Lakes Commission to pay for design costs associated with respect to the inlet restoration at Ralph C. Wilson, Jr. Centennial Park; (ii) authorize each of the President and Executive Vice President to execute a grant agreement with GLC; (iii) authorize each of the President and Executive Vice President to execute an amendment to the Master Service Agreement with MVVA in order to pass through the GLC grant obligations to MVVA; and (iv) take such other actions as are necessary or appropriate to implement this authorization. The motion was seconded by Ms. Mays and unanimously carried (12-0-0).

4.7 Buffalo Lakeside Commerce Park – Zephyr Investors LSA Due Diligence Extension

–Ms. Merriweather requested that this item be tabled for additional input from the Real Estate

Committee. Mr. Penman made a motion to table the item, which was seconded by Mr. Mehaffy and unanimously carried (12-0-0).

4.8 Waterfront/RCWJ Centennial Park – Project Update – Ms. Gandour noted that construction documents have been started for construction package one, primarily relating to core Park components. BUDC is working on an application to obtain additional funding for the playfields and shoreline elements of the Park. Ms. Merriweather added that the Park conservancy, which was formed to address long term maintenance and sustainability of the Park, recently held its first meeting.

4.9 Buffalo Lakeside Commerce Park – Project Update - Updates on Buffalo Lakeside Commerce Park were presented as follows:

Prospect at 193 Ship Canal Parkway: Mr. Cammarata reported that BUDC is working with the NYSDEC and the prospect regarding a proposal to subdivide the parcel to help reduce Brownfield Cleanup Program remediation costs. Mr. Slater is assisting the prospect with the BCP process.

Zephyr LSA: Mr. Cammarata noted that the due diligence period under the Land Sale Agreement with Zephyr runs through July 31, 2021.

Sonwil/255 Ship Canal Parkway: Mr. Zanner reported that the court adjourned the hearing on Sonwil's Article 78 claim to July 13th.

Security at BLCP: Mr. Cammarata noted that Art Hall is working with the Buffalo Police Department (BPD) on security issues relating to dirt bikes and 4-wheel vehicles at BLCP. Mayor Brown added that the BPD recently confiscated approximately 40 ATVs.

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

683 Northland Central: Bank on Buffalo, Northland Workforce Training Center and the Community Health Center of Buffalo partnered to offer free COVID-19 vaccines to the community and to discuss social determinants of health with attendees. An additional clinic is expected to be scheduled. The decorative fence at Manna has been installed and is complete. BUDC continues to work on the memorandum of understanding with NWTC and ESD.

683 Northland: Watts has completed and submitted the checklist for LEED certification. Once approved, BUDC will submit to NYSERDA to obtain remaining grant funds of approximately \$30,000.00.

Community Solar & Microgrid Project Update: Frey Electric is completing pre-development work with respect to the installation of carports. Discussions continue regarding the repair of the substation for the microgrid project.

612 Northland: Albright Knox has reopened for its new exhibit "Herve Tullet: Shape and Color," which is the largest exhibition of work ever assembled of this artist, performer and children's book author. Local artists will be in residence throughout the exhibition.

714 Northland: Albright Knox is making progress on the mural for 714 Northland. Its contractor has performed masonry work on the building in preparation for the mural.

537/541 E. Delavan: BUDC continues to explore the opportunity to restart construction at 541 E. Delavan with some additional foundation work, roofing, masonry, excavation, framing and sheathing.

Neighborhood Planning and Development: BUDC continues to await a response from the NYSDOS regarding the Northland Beltline BOA and will move to next steps—holding a public meeting and reviewing draft applications for the project—once feedback is received.

Community Outreach: Mailboxes have been installed on the Northland campus in order to capture ideas and responses from residents regarding art and placemaking in the area. Responses will be reviewed soon.

Business Network Services: BUDC staff continues to coordinate with the Network Series Team to update the series. The next Network Series is targeted for October 2021.

4.11 BBRP/Race for Place Project Update – Ms. Merriweather presented an update on BBRP and the Race for Place project. Ms. Merriweather reported on her presentation at the Massachusetts DOT National Innovation Conference on Race for Place and the Future of Mobility report and the connection to equity initiatives in Buffalo. She updated the Board regarding BUDC’s assistance with the review of the Mohawk Ramp RFP responses and the transportation demand management RFP responses. Ms. Merriweather anticipates that BUDC’s Downtown Committee will be updated on the Ellicott Node Concept Plan in July. Construction continues with respect to the Entertainment District infrastructure project. Ms. Merriweather also commented on the CFA application process.

4.12 308 Crowley Project Update – Mr. Cammarata reported that the sale of the cinderblock building is complete, and BUDC received the sale proceeds from Enterprise Folding Box Company on June 21st. Mr. Cammarata and Ms. Gandour have also been working on the insurance renewal for the property. Mr. Comerford reported that the City of Buffalo bid out the demolition work, which was awarded to Empire Dismantlement. He noted that additional funding is needed to complete additional phases of the demolition work.

5.0 Late Files – None.

6.0 Tabled Items – None.

7.0 Executive Session – Yes, item 4.5.

8.0 Adjournment – There being no further business to come before the Board, upon motion made by Ms. Curry, seconded by Mr. Halligan and unanimously carried, the June 29, 2021 Board of Directors meeting was adjourned at 1:25 p.m.

Respectfully submitted,



Kevin J. Zanner, Secretary

683 Northland Master Tenant, LLC
Financial Statements
June 30, 2021
(Unaudited)

683 NORTHLAND MASTER TENANT, LLC
Balance Sheet

ASSETS	June 2021	May 2021	December 2020
Current assets:			
Cash	\$ 73,896	\$ 52,347	\$ 56,739
Tenant receivable	120,472	112,184	30,533
Prepaid expenses	25,855	34,995	90,355
Total current assets	<u>220,223</u>	<u>199,526</u>	<u>177,627</u>
Prepaid rent - sublessee	381,469	371,710	306,965
Prepaid leasing commission	217,733	202,350	112,223
Tenant security deposits	82,050	82,050	75,750
Cash reserves	365,875	365,860	375,784
Equipment, net	7,750	8,964	8,964
Prepaid rent - Master Lease Agreement	25,528,601	25,528,601	19,996,180
Total assets	<u>\$ 26,803,701</u>	<u>\$ 26,759,061</u>	<u>\$ 21,053,493</u>
LIABILITIES & MEMBERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 60,611	\$ 53,324	\$ 119,334
Due to related parties	459,034	459,034	381,281
Total current liabilities	<u>519,645</u>	<u>512,358</u>	<u>500,615</u>
Operating deficit loan	49,931	49,931	49,931
Tenant security deposits	82,050	82,050	75,750
Deferred rent liability - Master Lease Agreement	4,612,881	4,496,793	3,916,352
Deferred rent liability - sublessee	6,427,377	6,473,467	6,703,913
Distribution payable - priority return	113	113	148,209
Total noncurrent liabilities	<u>11,172,352</u>	<u>11,102,354</u>	<u>10,894,155</u>
MEMBERS' EQUITY	<u>15,111,704</u>	<u>15,144,349</u>	<u>9,658,723</u>
Total liabilities and net position	<u>\$ 26,803,701</u>	<u>\$ 26,759,061</u>	<u>\$ 21,053,493</u>

683 NORTHLAND MASTER TENANT, LLC
Income Statement

For the Period Ended:

	<u>June 2021</u>	<u>May 2021</u>	<u>December 2020</u>
Revenues:			
Rental revenue	\$ 730,472	\$ 607,468	\$ 1,249,168
Additional rental revenue	328,291	275,110	390,730
Interest and other revenue	126	105	556
Total revenues	<u>1,058,889</u>	<u>882,683</u>	<u>1,640,454</u>
Expenses:			
Rent expense	939,871	783,226	1,879,742
Payroll	83,317	67,494	149,829
Utilities expense	40,449	29,077	126,631
Insurance expense	59,997	49,997	115,150
Professional fees	55,518	52,131	52,206
Property management fee	32,827	27,160	49,861
Real estate taxes	4,089	4,089	20,645
Repairs and maintenance	59,143	54,400	90,993
Asset management fee	10,000	10,000	10,000
Miscellaneous expense	-	-	7,232
Depreciation expense	1,214	-	2,429
Total expenses	<u>1,286,425</u>	<u>1,077,574</u>	<u>2,504,718</u>
Net loss	(227,536)	(194,891)	(864,264)
Members' equity - beginning of period	<u>9,658,723</u>	<u>9,658,723</u>	<u>7,494,530</u>
Change in members' equity	(227,536)	(194,891)	(864,264)
Members' capital contributions	5,680,517	5,680,517	3,176,666
Distributions	-	-	(148,209)
Members' equity - end of period	<u>\$ 15,111,704</u>	<u>\$ 15,144,349</u>	<u>\$ 9,658,723</u>

683 NORTHLAND MASTER TENANT, LLC
Statement of Cash Flows

For the Period Ended:

	<u>June 2021</u>	<u>May 2021</u>	<u>December 2020</u>
Cash flows from operating activities:			
Net loss	\$ (227,536)	\$ (194,891)	\$ (864,264)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	1,214	-	2,429
Decrease (increase) in assets:			
Tenant receivables	(89,939)	(81,651)	331,081
Prepaid insurance	64,500	55,360	(71,854)
Accrued rental income	(74,504)	(64,745)	(260,970)
Prepaid leasing commission	(105,510)	(90,127)	(112,223)
Prepaid rent - Master Lease Agreement	696,529	580,441	1,445,129
Increase (decrease) in liabilities:			
Security deposit liability	6,300	6,300	36,300
Accounts payable	(58,723)	(66,010)	86,906
Due to related parties	77,753	77,753	58,850
Deferred rent liability - sublessee	(276,536)	(230,446)	(580,483)
Net cash provided (used) by operating activities	<u>13,548</u>	<u>(8,016)</u>	<u>70,901</u>
Cash flows from investing activities:			
Equipment purchases	-	-	(3,912)
Net cash used by investing activities	<u>-</u>	<u>-</u>	<u>(3,912)</u>
Cash flows from financing activities:			
Members' contributions	5,680,517	5,680,517	3,176,666
Distributions	(148,096)	(148,096)	(105,026)
Payments of prepaid rent under Master Lease Agreement	(5,532,421)	(5,532,421)	(3,071,640)
Net cash provided by financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	13,548	(8,016)	66,989
Cash and restricted cash - beginning of period	<u>508,273</u>	<u>508,273</u>	<u>441,284</u>
Cash and restricted cash - end of period	<u>\$ 521,821</u>	<u>\$ 500,257</u>	<u>\$ 508,273</u>

683 NORTHLAND MASTER TENANT, LLC
Budget to Actual Comparison

	YTD June 2021	YTD Budget 2021	Variance
Revenues:			
Rental revenue	\$ 730,472	\$ 707,000	\$ 23,472
Additional rent revenue	328,291	261,500	66,791
Interest and other revenue	126	250	(124)
Total revenues	<u>1,058,889</u>	<u>968,750</u>	<u>90,139</u>
Expenses:			
Rent expense	939,871	939,871	-
Payroll	83,317	74,400	8,917
Utilities	40,449	11,500	28,949
Insurance	59,997	61,500	(1,503)
Professional fees	55,518	26,000	29,518
Property management fee	32,827	35,500	(2,673)
Real estate taxes	4,089	25,000	(20,911)
Repairs and maintenance	59,143	56,500	2,643
Asset management fee	10,000	10,000	-
Miscellaneous	-	2,500	(2,500)
Depreciation	1,214	-	1,214
Total expenses	<u>1,286,425</u>	<u>1,242,771</u>	<u>43,654</u>
Net income (loss)	\$ (227,536)	\$ (274,021)	\$ 46,485

Budget variances:

- Rental revenue represents base revenue for tenants. \$350,000 (48%) is noncash in the form of either prepaid rent or the straight line basis required by generally accepted accounting principles (GAAP). Base rent revenue is slightly ahead of budget due to the Garwood Medical Devices & Bank on Buffalo subleases, which were not contemplated in the original budget.
- Additional rent represents amounts charged to tenants for common area maintenance (CAM) charges, insurance, etc. This is ahead of budget due to the "catch up" nature of these charges. Tenants have been billed for 2020 adjustments.
- Utility costs are trending above budget. Costs incurred must be paid by the Master Tenant, then billed back to the tenants in the following month.
- Professional fees are above budget year-to-date because some of these costs are one-time costs incurred early in the year (e.g. audit fees).
- Real estate taxes are below budget due to timing of bills. Through June, just the County PILOT has been paid.

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

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

	<u>June 2021</u>	<u>May 2021</u>	<u>December 2020</u>
ASSETS			
Current assets:			
Cash	\$ 4,057,703	\$ 4,229,153	\$ 370,072
Restricted cash	4,532,154	4,597,451	3,753,356
Grants receivable	11,485,066	11,493,586	13,649,610
Other current assets	<u>7,004,635</u>	<u>6,983,633</u>	<u>7,152,726</u>
Total current assets	27,079,558	27,303,823	24,925,764
Noncurrent assets:			
Loans receivable	9,666,400	9,666,400	10,416,400
Equity investment	178,051	178,051	178,051
Capital assets, net	110,806,116	111,154,325	112,835,377
Land and improvement held for sale, net	<u>4,080,387</u>	<u>4,080,387</u>	<u>4,080,387</u>
Total noncurrent assets	124,730,954	125,079,164	127,510,215
Total assets	<u>\$ 151,810,513</u>	<u>\$ 152,382,986</u>	<u>\$ 152,435,979</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 187,777	\$ 242,855	\$ 874,573
Lines of credit	677,158	662,099	1,416,953
Loans payable, current	10,180,810	10,168,331	29,141,944
Unearned grant revenue	<u>17,633,852</u>	<u>17,797,291</u>	<u>13,822,911</u>
Total current liabilities	28,679,598	28,870,577	45,256,381
Note payable	257,381	257,381	257,381
Deferred rent liability	20,915,720	21,031,808	16,079,828
Loans payable, noncurrent	<u>14,099,750</u>	<u>14,185,370</u>	<u>14,099,750</u>
Total noncurrent liabilities	35,272,851	35,474,559	30,436,959
NET POSITION			
Net investment in capital assets	86,525,556	86,886,244	73,759,690
Restricted	3,628,896	3,681,788	4,020,554
Unrestricted	<u>(2,296,388)</u>	<u>(2,530,181)</u>	<u>(1,037,605)</u>
Total net position	87,858,064	88,037,851	76,742,639
Total liabilities and net position	<u>\$ 151,810,513</u>	<u>\$ 152,382,986</u>	<u>\$ 152,435,979</u>

Balance Sheet Notes:

- Overall cash decreased due to typical monthly expenses.
- Capital assets decrease is due to monthly depreciation expense.
- Accounts payable/accrued expenses decreased due to vendor payments made during the month.
- Lines of credit: balances at end of June are \$0 BUDC; \$677,158 683 Northland. 683 Northland advanced \$15,059 during the month and BUDC's line is paid down completely.
- Loans payable (noncurrent) decreased \$85,620 due to PPP loan forgiveness.

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

	<u>June</u> <u>2021</u>	<u>May</u> <u>2021</u>	<u>December</u> <u>2020</u>
Operating revenues:			
Grant revenue	\$ 539,859	\$ 375,420	\$ 8,816,375
Brownfield funds	20,234	20,234	171,903
Loan interest and commitment fees	63,775	55,719	152,597
Rental and other revenue	<u>13,811,139</u>	<u>13,606,274</u>	<u>2,033,807</u>
Total operating revenues	<u>14,524,457</u>	<u>14,057,647</u>	<u>11,174,682</u>
Operating expenses:			
Development costs	107,523	94,588	5,294,325
Adjustment to net realizable value	122,761	93,769	418,386
Salaries and benefits	286,127	192,843	546,021
General and administrative	1,507,337	1,327,729	2,091,258
Management fee	71,700	52,250	91,454
Depreciation	<u>2,089,255</u>	<u>1,741,046</u>	<u>4,198,380</u>
Total operating expenses	<u>4,184,702</u>	<u>3,502,224</u>	<u>12,639,824</u>
Operating income (loss)	10,339,755	10,555,423	(1,465,142)
Non-operating revenues (expenses):			
Interest expense	(228,553)	(191,243)	(933,410)
Amortization expense	(43,676)	(31,197)	(74,872)
Interest income	432	381	1,278
Other income	<u>85,620</u>	<u>-</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>(186,177)</u>	<u>(222,058)</u>	<u>(1,007,004)</u>
Change in net position	10,153,578	10,333,365	(2,472,146)
Net position - beginning of period	<u>76,742,639</u>	<u>76,742,639</u>	<u>78,603,896</u>
Add: Capital contribution	961,847	961,847	610,889
Net position - end of period	<u>\$ 87,858,064</u>	<u>\$ 88,037,851</u>	<u>\$ 76,742,639</u>

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

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
ASSETS					
Current assets:					
Cash	\$ 3,985,316	\$ 52	\$ 72,335	\$ -	\$ 4,057,703
Restricted cash	4,115,801	-	416,353	-	4,532,154
Grants receivable	11,485,066	-	-	-	11,485,066
Other current assets	7,701,505	1,515	254,030	(952,415)	7,004,635
Total current assets	27,287,688	1,567	742,718	(952,415)	27,079,558
Noncurrent assets:					
Loans receivable	61,853,679	-	-	(52,187,279)	9,666,400
Equity investment	-	59,498,971	-	(59,320,920)	178,051
Capital assets, net	8,078,844	-	102,727,272	-	110,806,116
Construction in process	-	-	-	-	-
Land and improvement held for sale, net	4,080,387	-	-	-	4,080,387
Total noncurrent assets	74,012,910	59,498,971	102,727,272	(111,508,199)	124,730,954
Total assets	\$ 101,300,598	\$ 59,500,538	\$ 103,469,990	\$ (112,460,614)	\$ 151,810,513
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expense:	\$ 179,431	\$ 957,775	\$ 2,986	(952,415)	(1)\$ 187,777
Line of credit	-	-	677,158	-	677,158
Loans payable, current	-	-	10,180,810	-	10,180,810
Unearned grant revenue	17,633,852	-	-	-	17,633,852
Total liabilities	17,813,283	957,775	10,860,955	(952,415)	28,679,598
Noncurrent liabilities:					
Note payable	257,381	-	-	-	257,381
Deferred rent liability	-	-	20,915,720	-	20,915,720
Loans payable, noncurrent	369,750	52,187,279	13,730,000	(52,187,279)	14,099,750
Total noncurrent liabilities	627,131	52,187,279	34,645,720	(52,187,279)	35,272,851
NET POSITION					
Net investment in capital assets	7,709,094	-	78,816,462	-	86,525,556
Restricted	3,628,896	-	-	-	3,628,896
Unrestricted	71,522,194	6,355,484	(20,853,146)	(59,320,920)	(2,296,388)
Total net position	82,860,184	6,355,484	57,963,316	(59,320,920)	87,858,064
Total liabilities and net position	\$ 101,300,598	\$ 59,500,538	\$ 103,469,990	\$ (112,460,614)	\$ 151,810,513

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

BUFFALO URBAN DEVELOPMENT CORPORATION
Consolidating Statement of Revenues, Expenses and Changes in Net Position
Year to Date June 30, 2021 (Unaudited)

	Buffalo Urban Development Corporation	683 WTC, LLC	683 Northland LLC	Eliminations (1)	Total
Operating revenues:					
Grant revenue	\$ 539,859	\$ -	\$ -	\$ -	\$ 539,859
Brownfield funds	20,234	-	-	-	20,234
Loan interest and commitment fees	63,775	-	-	-	63,775
Rental and other revenue	109,049	12,719,974	982,116	-	13,811,139
Proceeds from land sales, net	89,450	-	-	-	89,450
Total operating revenue	<u>822,367</u>	<u>12,719,974</u>	<u>982,116</u>	<u>-</u>	<u>14,524,457</u>
Operating expenses:					
Development costs	107,523	-	-	-	107,523
Adjustment to net realizable value	122,761	-	-	-	122,761
Salaries and benefits	286,127	-	-	-	286,127
General and administrative	1,401,708	5,360	100,269	-	1,507,337
Management fee	49,200	-	22,500	-	71,700
Depreciation	-	-	2,089,255	-	2,089,255
Total operating expenses	<u>1,967,318</u>	<u>5,360</u>	<u>2,212,024</u>	<u>-</u>	<u>4,184,702</u>
Operating income	<u>(1,144,951)</u>	<u>12,714,614</u>	<u>(1,229,908)</u>	<u>-</u>	<u>10,339,755</u>
Non-operating revenues (expenses):					
Interest expense	(10,462)	-	(218,091)	-	(228,553)
Amortization expense	-	-	(43,676)	-	(43,676)
Interest income	247	52	132	-	432
Other income	85,620	-	-	-	85,620
Total non-operating revenues (expenses)	<u>75,405</u>	<u>52</u>	<u>(261,634)</u>	<u>-</u>	<u>(186,177)</u>
Change in net position	<u>(1,069,546)</u>	<u>12,714,666</u>	<u>(1,491,542)</u>	<u>-</u>	<u>10,153,578</u>
Net position - beginning of year	83,929,730	(6,359,182)	44,635,017	(45,462,926) (1)	76,742,639
Add: capital contributions	-	-	14,819,841	(13,857,994) (1)	961,847
Net position - end of period	<u>\$ 82,860,184</u>	<u>\$ 6,355,484</u>	<u>\$ 57,963,316</u>	<u>\$ (59,320,920)</u>	<u>\$ 87,858,064</u>

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

BUFFALO URBAN DEVELOPMENT CORPORATION
Budget to Actual Comparison
Year to Date June 30, 2021 (Unaudited)

	YTD June 2021	YTD Budget 2021	Variance
Operating revenues:			
Grant revenue	\$ 539,859	\$ 4,525,834	\$ (3,985,975)
Brownfield funds	20,234	41,500	(21,266)
Loan interest and commitment fees	63,775	48,332	15,443
Rental and other revenue	13,811,139	1,004,023	12,807,116
Proceeds from land sales, net	89,450	(28,943)	118,393
Total operating revenues	<u>14,524,457</u>	<u>5,590,745</u>	<u>8,933,712</u>
Operating expenses:			
Development costs	107,523	393,885	(286,362)
Adjustment to net realizable value	122,761	-	122,761
Salaries and benefits	286,127	266,830	19,297
General and administrative	1,507,337	2,958,432	(1,451,095)
Management fee	71,700	51,500	20,200
Depreciation	2,089,255	2,300,000	(210,745)
Total operating expenses	<u>4,184,702</u>	<u>5,970,646</u>	<u>(1,785,944)</u>
Operating income (loss)	<u>10,339,755</u>	<u>(379,901)</u>	<u>10,719,656</u>
Non-operating revenues (expenses):			
Interest expense	(228,553)	(364,338)	135,785
Amortization expense	(43,676)	(43,676)	0
Interest income	432	500	(68)
Other income	85,620	-	85,620
Total non-operating revenues (expenses)	<u>(186,177)</u>	<u>500</u>	<u>85,552</u>
Change in net position	<u>\$ 10,153,578</u>	<u>\$ (379,401)</u>	<u>\$ 10,805,207</u>

Budget variances:

- Grant revenue relates to Northland Corridor and Ralph C. Wilson, Jr. Centennial Park Projects. The variance is due to lower grant revenue anticipated. Work at 541 E Delavan has been on pause and Centennial Park has completed Design Development.
- Rental and other revenue consists of recognition of prepaid rent income (straight-line basis) by 683 Northland LLC from 683 Northland Master Tenant, LLC, and rent income at properties other than 683 Northland Avenue. Also included is 2018 Brownfield tax credit refund to 683 WTC, LLC of \$12.7 million.
- Proceeds from land sales (net) is a preliminary figure, and will be adjusted when all the costs related to the land sale are accumulated.
- Development costs consist of property/project-related costs (e.g. construction, operations and maintenance, legal and utility costs) related to projects along Northland Avenue. Some costs will be capitalized upon project completion.
- General and administrative costs consist of consultants, insurance, rents, audit, marketing and other G&A costs. Rents include BUDC offices, Buffalo Manufacturing Works base rent (part of ESD grant agreement) and recognition of prepaid rent for Workforce Training Center Consultant costs for Ralph C. Wilson, Jr. Centennial Park are also captured here, with the variance due mainly to timing.
- Depreciation relates mainly to capitalized assets at 683 Northland Avenue.
- Interest expense represents costs of borrowing related to construction of 683 Northland Ave. and lines of credit of BUDC and 683 Northland.
- Other income represents an inflow of resources from the forgiveness of BUDC's PPP loan.

Buffalo Urban Development Corporation

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Item 4.1

MEMORANDUM

TO: BUDC Board of Directors

FROM: Rebecca Gandour, BUDC Executive Vice President

SUBJECT: Ralph C. Wilson, Jr. Centennial Park - Edith Wilson and Linda Bodgan Garden and Tennis Fund of the Community Foundation for Southeast Michigan Award

DATE: July 27, 2021

The BUDC Board of Directors previously authorized BUDC to accept funding for efforts related to the redevelopment of the Ralph C. Wilson, Jr. Centennial Park. BUDC recently received notification of a \$300,000 award from the Edith Wilson and Linda Bodgan Garden and Tennis Fund of the Community Foundation for Southeast Michigan. Funds are to be used to support the capital construction of Ralph C. Wilson, Jr. Centennial Park in Buffalo, including seasonal plantings, irrigation and other elements to support the development of the Edith Wilson and Linda Bodgan Garden. It is my understanding that the advisors intend to recommend similar grants in 2022 and 2023, subject to the approval of the board of the Community Foundation.

ACTION

I am requesting that the BUDC Board of Directors (i) accept the \$300,000 grant award from the Edith Wilson and Linda Bodgan Garden and Tennis Fund of the Community Foundation for Southeast Michigan to support the construction of the entry garden for Ralph C. Wilson Jr. Centennial Park and (ii) authorize the BUDC President or the BUDC Executive Vice President 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

Buffalo Urban Development Corporation

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Item 4.2

MEMORANDUM

TO: BUDC Board of Directors

FROM: Rebecca Gandour, BUDC Executive Vice President

SUBJECT: Ralph C. Wilson, Jr. Centennial Park – SJB Contract Amendment

DATE: July 27, 2021

At the May 26, 2020 meeting, the BUDC Board of Directors approved an agreement with SJB Services, Inc. for due diligence services for the Ralph C. Wilson Jr. Centennial Park project. BUDC through its project manager, Gardiner & Theobald (G&T) has identified the need for additional due diligence services including soil borings and underground tank investigation. The contract amendment would be for a not to exceed amount of \$92,500.

G&T coordinated the receipt and review of the SJB Services cost estimates and scope and determined that the work is necessary and appropriately priced. The cost of the work will be covered through a previously awarded grant from the Ralph C. Wilson, Jr. Foundation.

ACTION

I am requesting that the BUDC Board of Directors (i) approve an amendment to agreement with SJB Services, Inc. for a not to exceed amount of \$92,500 for additional due diligence services in support of the Ralph C. Wilson, Jr. Centennial Park project, and (ii) authorize the BUDC President or BUDC Executive Vice President to take such actions as are necessary to implement this authorization.

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