



Buffalo and Erie County Industrial Land Development Corporation
Meeting of the Board of Directors
October 27, 2021
@ 12:30 p.m.

Via Conference Call & Livestreaming

1.0 Call to Order

2.0 Approval of Minutes

2.1 Approval of the September 22, 2021 minutes of the Board of Directors (Action Item) (Pages 2-4)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Informational) (Pages 5-8)

3.2 Approval of 2022 Budget (Action Item) (Pages 9-12)

3.3 Loan Status Report (Informational) (Page 13)

4.0 Management Team Report:

4.1 2022 Meeting Schedule (Page 14)

5.0 Adjournment - Next Meeting November 17, 2021 @ 12:30 p.m. (New Date)

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF THE
BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT CORPORATION
(ILDC)**

- DATE:** September 22, 2021
- LIVE STREAMED:** This Board meeting is being live-streamed and made accessible on the Erie County Industrial Development Agency website at www.ecidany.com.
- PRESENT:** Denise Abbott, Hon. April Baskin, Richard Lipsitz, Jr., and Hon. Maria Whyte
- EXCUSED:** Hon. Byron W. Brown, Hon. Howard Johnson and Hon. Mark C. Poloncarz
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Vice President/Secretary; Atiqah Abidi, Assistant Treasurer; Gerald Manhard, Chief Lending Officer; Jamee Lanthier, Compliance Officer; Beth O'Keefe, Business Development Officer; Grant Lesswing, Business Development Officer; Brian Krygier, systems Analyst; Carrie Hocieniec, Operations Assistant; Robbie Ann McPherson, Director, Marketing & Communications; Pat Smith, Bookkeeper; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist and Barry Carrigan on behalf of Nixon Peabody and Alex Carducci on behalf of City of Buffalo

There being a quorum present at 1:27 p.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation was called to order by Ms. Whyte who presided over the meeting in the absence of Chair Poloncarz.

MINUTES

Mr. Lipsitz moved and Ms. Abbott seconded to approve of the July 28, 2021 minutes. Ms. Whyte called for the vote and the minutes were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the August 2021 financial report. The balance sheet shows the month ended with total assets of \$17.7M and net assets of \$8.0M. The increase in assets from July to August is due to the closing on part 1 of Phase II of land acquisition in Lackawanna, with a deposit on part 2 made (prepaid acquisition costs). Three loans under the County's Microloan program also closed during August. The August income statement shows net income of \$958,000 due to grant revenue recognized to purchase property and income for the Microloan program. The year to date income statement shows total revenues of \$297,000 and total expenses of \$65,000. Special Project grants relate to funds in for Renaissance Commerce Park and Angola Ag Park costs. Overall there is net income of \$985,000 to date. Ms. Whyte directed that the report be received and filed.

Finance & Audit Committee Update. Ms. Profic advised that the Committee met on September 14 to review and recommend draft budgets to the Boards, subject to changes of \$100,000 or more to be reapproved by the Committee.

Budget Timetable. Ms. Profic presented a visual representation of status of the 2022 budget process. The budgets have been reviewed and discussed in detail twice by the Finance & Audit Committee. After today's presentation of the draft budgets to the Board, there will be two budget Q&A sessions on October 5 and October 7. These optional sessions are for Board or Committee members and will be held virtually.

Review of Proposed 2022 Budget. The ILDC's 2022 budget was presented. Ms. Profic gave an explanation of changes to the budget for 2022. Revenue is budgeted at \$256,000. Loan interest income of \$5,800 is projected based on loans closed during 2021, this is the County's Microloan program administered by ILDC. The amount of \$250,000 is budgeted from the sale of land. Ms. Profic noted that as in the past, the ILDC does not include any bond issuances fees in the budget to be conservative. The ILDC has increased the budgeted amounts for ECIDA management fee, reflective of increases in overall salary/benefit costs. The special project revenue and expenses budgeted for 2022 includes \$3.5 million from the Buffalo Billion II grant for road engineering and construction at Renaissance Commerce Park. Carrying costs of \$100,000 each is budgeted with regard to the Renaissance Commerce Park (RCP) and Angola Ag Park land. There is also \$624,000 of grant revenue for master planning projects at RCP and Angola Ag Park. This leads to budgeted net income of \$22,000 for 2022.

Resolution to Appoint Vice President. Ms. Profic noted the request to appoint Elizabeth A. O'Keefe as Vice President due to Karen Fiala's impending retirement. Upon motion made by Mr. Lipsitz and seconded by Ms. Abbott to approve of Elizabeth A. O'Keefe as Vice President, Ms. White called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION (THE "ILDC") APPOINTING
ELIZABETH A. O'KEEFE AS VICE PRESIDENT OF THE ILDC

Banking Resolution. Ms. Profic requested the addition of Elizabeth A. O’Keefe as a signer for the bank accounts. Upon motion made by Mr. Lipsitz and seconded by Ms. Abbott to approve of Elizabeth A. O’Keefe as additional M&T signor and to have Ms. Profic execute the M&T resolution. Ms. Whyte called for the vote and the motion was then unanimously approved.

MANAGEMENT TEAM REPORT

Mr. Cappellino updated the ILDC Board on ILDC Renaissance Commerce Park activities.

There being no further business to discuss, Ms. Whyte adjourned the meeting at 1:42 p.m.

Dated: September 22, 2021

Gerald Manhard, Assistant Secretary

Industrial Land Development Corp.

Financial Statements

As of September 30, 2021

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Balance Sheet September 30, 2021

	September 2021	August 2021	December 2020
ASSETS:			
Restricted Cash *	\$ 2,046,873	\$ 2,112,206	\$ 1,944,866
Grants Receivable	7,653,095	7,653,095	514,051
Loans Receivable, net	401,868	368,450	35,966
Prepaid Expenses	4,259	5,679	-
Prepaid Acquisition Costs	682,724	681,767	24,110
Total Loan Assets	10,788,820	10,821,197	2,518,993
Capital Assets	6,890,513	6,886,515	6,877,681
Total Assets	\$ 17,679,333	\$ 17,707,712	\$ 9,396,674
 LIABILITIES & NET ASSETS:			
Accounts Payable	\$ 25	\$ 17	\$ 32,609
Due to/(from) ECIDA	378,221	373,181	283,473
Other Liabilities	9,283,426	9,307,122	2,038,091
Total Liabilities	9,661,672	9,680,321	2,354,173
Restricted Fund Balance	8,017,661	8,027,391	7,042,501
Total Liabilities & Net Assets	\$ 17,679,333	\$ 17,707,712	\$ 9,396,674

Loan Portfolio Summary:	September 2021	August 2021	December 2020
# of Loans	12	9	3

* Cash is invested in interest bearing accounts at M&T Bank.
The maximum FDIC insured amount is \$250,000 with the remainder collateralized with government obligations by the financial institution.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement

Month of September 2021

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	\$ 207	\$ 375	\$ (168)
Interest Income - Cash & Inv.	8	2	6
Grant Income - Microloan Program	-	-	-
Proceeds from Land Sales	-	20,833	(20,833)
Other Income	750	750	-
Total Revenues	965	21,960	(20,994)
EXPENSES:			
Management Fee - ECIDA	\$ 5,000	\$ 5,000	-
Professional Services	1,754	6,667	(4,913)
General Office Expenses	512	-	512
Other Expenses	90	2,281	(2,191)
Total Expenses	7,356	13,948	(6,592)
SPECIAL PROJECT GRANTS:			
Industrial Land Park - ESD	6,540	129,583	(123,043)
Industrial Land Park - ECIDA	-	16,667	(16,667)
Angola Ag Park - ECIDA Grant	-	8,333	(8,333)
Other grant revenue	17,157	245,833	(228,676)
Industrial Land Park costs	(8,682)	(16,667)	7,984
Angola Ag Park grant costs	(1,197)	(8,333)	7,136
Other grant expenses	(17,157)	(245,833)	228,676
	(3,339)	129,583	(132,923)
NET INCOME/(LOSS):	\$ (9,730)	\$ 137,566	\$ (147,296)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on budget.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement

Year to Date: September 30, 2021

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	\$ 1,006	\$ 3,375	\$ (2,369)	\$ 1,006	\$ 532	\$ 475
Interest Income - Cash & Inv.	178	15	164	178	12	166
Grant Income - Microloan Program	290,000	-	290,000	290,000	-	290,000
Proceeds from Land Sales	-	187,500	(187,500)	-	-	-
Other Income	6,750	6,750	-	6,750	386,550	(379,800)
Total Revenues	297,935	197,640	100,296	297,935	387,094	(89,159)
EXPENSES:						
Management Fee - ECIDA	\$ 45,000	\$ 45,000	-	\$ 45,000	\$ 425,550	\$ (380,550)
Professional Services	24,614	60,000	(35,386)	24,614	18,815	5,800
General Office Expenses	1,126	-	1,126	1,126	10,189	(9,063)
Other Expenses	1,164	20,531	(19,367)	1,164	4,934	(3,770)
Total Expenses	71,905	125,531	(53,627)	71,905	459,488	(387,583)
SPECIAL PROJECT GRANTS:						
Industrial Land Park - ESD	710,473	1,166,250	(455,777)	710,473	63,334	647,139
Industrial Land Park - ECIDA	187,255	150,000	37,255	187,255	165,000	22,255
Angola Ag Park - ECIDA Grant	25,696	75,000	(49,304)	25,696	860,494	(834,798)
Other grant revenue	293,815	2,212,500	(1,918,685)	293,815	24,740	269,075
Industrial Land Park costs	(187,810)	(150,000)	(37,810)	(187,810)	(169,638)	(18,172)
Angola Ag Park grant costs	(24,448)	(75,000)	50,552	(24,448)	(17,969.81)	(6,478)
Other grant expenses	(255,851)	(2,212,500)	1,956,649	(255,851)	(24,740)	(231,111)
	749,130	1,166,250	(417,120)	749,130	901,219	(152,090)
NET INCOME/(LOSS):	\$ 975,159	\$ 1,238,359	\$ (263,198)	\$ 975,159	\$ 828,825	\$ 146,335

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on budget.

**Buffalo & Erie County
Industrial Land Development Corp
Proposed 2022 Budget**

Industrial Land Development Corporation (ILDC)

2022 Budget + 3 Year Forecast

The Industrial Land Development Corporation (“ILDC”) consists of two sub-funds (Erie County’s Business Development Fund (“BDF”) and a general fund. The ILDC administers the BDF microloan fund on behalf of Erie County for HUD-eligible small businesses that would not otherwise be able to obtain such financing from commercial sources. The ILDC also issues tax-exempt bonds on behalf of various not-for-profit organizations in Erie County.

A. Overview of Changes in 2022 Budget:

A summary of the key changes between the 2022 budget and the projected 2021 results:

- The Erie County BDF microloan fund has been reprogrammed into a loan/grant program in the wake of the COVID-19 pandemic, resulting in an increase to budgeted loan interest income in 2022.
- The ECIDA Management Fee represents a fee charged by the ECIDA for services that its employees provide, since ILDC has no employees of its own. The fee is expected to increase by approximately \$4,000 due to anticipated increases in time spent on ILDC projects by ECIDA staff.
- Land owned by the ILDC has increased in 2021 with the acquisition of 31 additional acres in the City of Lackawanna, NY. Professional services consist of legal, consulting, and auditing costs, and are budgeted to increase by about \$30,000 or 82% in 2022. This is due to the legal costs associated with land owned and environmental consulting costs anticipated in 2022. Development and marketing costs are expected to increase in 2022 as well, with the intent to sell property that is owned in both Lackawanna and Evans, NY.
- The Special Projects section of the budget relates to grants. ILDC expects to recognize \$3.5 million from Empire State Development in 2022 related to road engineering and construction at Renaissance Commerce Park. A total of \$200,000 is budgeted to be used in 2022 for carrying costs related to owned properties, which will be granted by ECIDA’s UDAG fund. Other grant revenue consists of \$625,000 for master planning at the ILDC’s properties.

B. Summary of Risk Factors impacting the 2022 Budget:

The following significant risk factors may influence the 2022 budget:

1. Due to numerous uncertainties, the value of collateral, guarantees, etc., the ILDC may experience loan losses that are currently not included in the budget.
2. In the past, the ILDC has generated fee income from issuing tax-exempt debt. These monies are received directly by ILDC and then paid to ECIDA. However, due to the infrequent nature of these activities, and the uncertainty as to when such transactions will occur, ILDC has not included any bond closings in the 2022 budget. It is possible a tax-exempt bond is issued within the next year and both income and expenses will be recognized, accordingly.

BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Proposed Budget for 2022

	Proposed Budget 2022	Approved Budget 2021	Projected 2021	Actual 2020
REVENUES:				
Interest Income - Loans	\$ 5,800	\$ 4,500	\$ 1,925	\$ 725
Interest Income - Cash & Investments	100	20	238	38
Proceeds from Land Sales	250,000	250,000	134,000	-
Other Income	-	9,000	8,250	388,800
Total Revenues	255,900	263,520	434,413	389,563
EXPENSES:				
ECIDA Management Fee*	120,000	\$ 60,000	116,000	\$ 477,095
Professional Services	65,000	80,000	41,376	19,493
Development & Marketing Expenses	30,000	25,000	3,746	9,824
Other Expenses	3,675	2,375	80,104	9,961
Total Expenses	218,675	167,375	241,226	516,373
SPECIAL PROJECTS:				
Industrial Land Park - ESD	3,502,500	1,555,000	2,100,000	78,726
Industrial Land Park - ECIDA	100,000	200,000	183,091	185,000
Angola Ag Park - ECIDA	100,000	100,000	49,860	874,494
Other grant revenue	607,342	2,950,000	301,635	24,740
Industrial Land Park grant costs	(3,602,500)	(200,000)	(1,089,649)	(198,030)
Angola Ag Park grant costs	(100,000)	(100,000)	(10,768)	(29,820)
Other grant expenses	(621,342)	(2,950,000)	(263,671)	(24,740)
	(14,000)	1,555,000	1,270,498	910,369
NET INCOME/(LOSS) BEFORE DEPRECIATION:				
	\$ 23,225	\$ 1,651,145	\$ 1,463,686	\$ 783,559
Depreciation	975	350	975	975
NET INCOME/(LOSS):				
	\$ 22,250	\$ 1,650,795	\$ 1,462,711	\$ 782,584

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the ILDC.

BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Proposed Budget and Three Year Forecast 2023-2025

	Proposed Budget 2022	Forecast 2023	Forecast 2024	Forecast 2025
REVENUES:				
Interest Income - Loans	\$ 5,800	\$ 5,800	\$ 6,090	\$ 5,786
Interest Income - Cash & Investments	100	25	25	25
Proceeds from Land Sales	250,000	250,000	250,000	200,000
Other Income	-	-	-	-
Total Revenues	255,900	255,825	256,115	205,811
EXPENSES:				
ECIDA Management Fee*	120,000	\$ 55,000	\$ 55,000	\$ 55,000
Professional Services	65,000	50,000	50,000	50,000
Development & Marketing Expenses	30,000	15,000	15,000	15,000
Other Expenses	3,675	2,500	4,000	5,000
Total Expenses	218,675	122,500	124,000	125,000
SPECIAL PROJECTS:				
Industrial Land Park - ESD	3,502,500	-	-	-
Industrial Land Park - ECIDA	100,000	-	-	-
Angola Ag Park - ECIDA	100,000	100,000	-	-
Other grant revenue	607,342	-	-	-
Industrial Land Park grant costs	(3,602,500)	-	-	-
Angola Ag Park grant costs	(100,000)	(100,000)	-	-
Other grant expenses	(621,342)	-	-	-
	(14,000)	-	-	-
NET INCOME/(LOSS) BEFORE DEPRECIATION:	\$ 23,225	\$ 133,325	\$ 132,115	\$ 80,811
Depreciation	975	975	975	975
NET INCOME/(LOSS):	\$ 22,250	\$ 132,350	\$ 131,140	\$ 79,836

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the ILDC.



**Loan Status Report
October 27, 2021**

<u>ILDC Loans Approved Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
None		

<u>RDC Loans Closed Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
14 Loans	Various	\$480,000

<u>Loans in Closing Process</u>	<u>Municipality</u>	<u>Amount</u>
Bella Publishing Company	West Seneca	\$ 30,000
Destination Travel X	Orchard Park	\$ 35,000
L&B Transportation	Lackawanna	\$ 35,000
Off the Wall Sandwich Co.	Orchard Park	\$ 35,000
Total – 4		<u>\$135,000</u>

<u>Loans in the Pipeline</u>	<u>Municipality</u>	<u>Amount</u>
Total – 3	Various	\$105,000

<u>2021 - Loans Closed</u>	<u>YTD Loan Total</u>	<u>Jobs to be Created</u>	<u>Retained Jobs</u>
ILDC Loans – 14	\$480,000	12	24
MWBE Loans – 9	\$310,000	7	13

Loan Portfolio Performance

Past Due Loans:

<u>Loan</u>	<u>Outstanding Balance</u>	<u>Amount Past Due</u>	<u>Days Past Due</u>	<u>Comments</u>
NONE				

Portfolio Delinquency Rate (Past Due Outstanding Loan Balance *divided by* Portfolio Balance):

\$0 / \$466,868 0% Delinquency Rate (14 Loans)

RDC Funds Available to Lend: \$750,000



ILDC Board of Directors Monthly Meeting Schedule - 2022
Meetings are held on Wednesday's and starts at 12:30 p.m.

January 26

February 23

March 23

April 27 (Annual Meeting)

May 25

June 22

July 27

August 24

September 28

October 26

November 30

December 21