



**Buffalo and Erie County Industrial Land Development Corporation
Meeting of the Membership
October 25, 2023
At 12:30 p.m.**

**701 Ellicott Street, Center of Excellence in Bioinformatics and Life Sciences (CBLS)
The Event Space/Conference Room B2-205, located on the 2nd floor, Buffalo, New York 14203**

- 1.0 Call to Order**
- 2.0 Approval of Minutes**
 - 2.1 Approval of the September 27, 2023 2023 Meeting of the Membership Minutes (Action Item) (Pages 2-3)
- 3.0 Reports / Action Items / Information Items:**
 - 3.1 Financial Report (Informational) (Pages 4-7)
 - 3.2 Finance & Audit Committee Update
 - a) 2024 Budget Timetable (Informational) (Page 8)
 - b) Approval of 2024 Proposed Budget (Action Item) (Pages 9-12)
 - 3.3 Loan Status Report (Informational) (Page 13)
 - 3.4 3445 River Road Property Discussion
- 4.0 Management Team Reports:**
 - 4.1
- 5.0 Adjournment- Next Meeting November 29, 2023**

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

DATE AND PLACE: September 27, 2023, at the Center of Excellence in Bioinformatics and Life Sciences (CBLIS), 701 Ellicott Street, The Event Space/Conference Room B2-205, located on the 2nd floor, Buffalo, New York 14203.

PRESENT: Denise Abbott, Daniel Castle, Richard Lipsitz, Jr. and Hon. Mark C. Poloncarz

EXCUSED: Hon. April Baskin, Hon. Byron W. Brown and Hon. Howard Johnson

OTHERS PRESENT: John Cappellino, President & CEO; Beth O’Keefe, Vice President of Operations/Secretary; Atiqa Abidi, Assistant Treasurer; Gerald Manhard, Chief Lending Officer; Grant Lesswing, Director of Business Development; Andrew Federick, Business Development Officer; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Laurie Hendrix, Administrative Coordinator; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

GUESTS: Alex Carducci on behalf of the City of Buffalo; Zachary Evans on behalf of Erie County; Josh Veronica on behalf of Buffalo Niagara Partnership; Dale Shoemaker on behalf of Investigative Post; Jonathan Epstein on behalf of Buffalo News, Jacob Tierney on behalf of Business First, Quinn Bushen on behalf of Empire State Development; Marco Riccioni on behalf of IMA Life; Byron DeLuke on behalf of TM Montante and Mark Sadkowski on behalf of Life Technologies

There being a quorum present at 12:55 p.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation was called to order its Chair, Mr. Poloncarz.

MINUTES

Ms. Abbott moved, and Mr. Castle seconded to approve of the May 31, 2023 minutes. Mr. Poloncarz called for the vote and the minutes were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Abidi presented the August financial reports. The balance sheet shows ILDC ended the month with total assets of \$19.0M with most assets remaining stable during the month compared to July. Liabilities are mainly deferred grant revenue of \$8.3M. Net assets total \$7.7M. The August income statement shows \$3,000 of revenue, mainly loan interest income. There were also \$1,300 of expenses and \$94,000 of special project revenue, resulting in net income of \$96,000 in August. The largest portion of the special project revenue was grant funds received from the ECIDA for carrying costs related to Renaissance Commerce Park. The year-to-date income statement shows revenues of \$157,000 and expenses of \$55,000. Net special project revenue of \$263,000 leads to net income of \$365,000 so far in 2023. Mr. Poloncarz directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Abidi reviewed the various processes of the RDC budget development and confirmed formal budget approval will be presented at the October Board meeting. Ms. McDuffie directed that the report be received and filed.

Review of 2024 Proposed Budget. Ms. Abidi reviewed the proposed/draft 2024 budget. Ms. McDuffie directed that the report be received and filed.

Governance Committee Update. Ms. McDuffie confirmed the Governance Committee met earlier this month and approved the staff recommendation to authorize one-year extensions for all legal service providers, consistent with the ILDC's professional services policy.

Loan Status Report. Mr. Manhard provided this report to Committee members. Mr. Poloncarz directed that the report be received and filed.

MANAGEMENT TEAM REPORTS

Mr. Cappellino reviewed the status of various projects and development issues at the RCP including a status report on the Odell Street sewer and water projects at Odell and Ridge Roads, construction of the extension of Steelworkers Way, an update on the Uniland 2 Steelworkers Way project, and an update on the railroad rail relocation project proposed to be undertake as related to the Phase 2 purchase.

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 1:07 p.m.

Dated: September 27, 2023

Elizabeth A. O'Keefe, Secretary

Industrial Land Development Corp.

Financial Statements

As of September 30, 2023

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Balance Sheet September 30, 2023

	September 2023	August 2023	December 2022
ASSETS:			
Restricted Cash *	\$ 961,969	\$ 1,747,331	\$ 1,255,405
Grants Receivable	9,191,178	9,642,702	10,212,072
Loans Receivable, net	606,347	580,168	559,404
Prepaid Expenses	5,471	7,295	31,500
Prepaid Acquisition Costs	694,841	694,841	692,934
Total Loan Assets	11,459,805	12,672,336	12,751,316
Capital Assets	6,358,093	6,358,027	6,174,218
Total Assets	\$ 17,817,899	\$ 19,030,363	\$ 18,925,534
LIABILITIES & NET ASSETS:			
Accounts Payable	\$ 728	\$ 674	\$ 824,129
Due to/(from) ECIDA	2,851,478	2,980,565	179,722
Other Liabilities	7,254,299	8,334,957	10,572,025
Total Liabilities	10,106,505	11,316,195	11,575,876
Restricted Fund Balance	7,711,393	7,714,169	7,349,658
Total Liabilities & Net Assets	\$ 17,817,899	\$ 19,030,363	\$ 18,925,534

Loan Portfolio Summary:	September 2023	August 2023	December 2022
# of Loans	37	36	36

* 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 2023

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	\$ 1,439	\$ 1,083	\$ 356
Grant Income - Microloan Program	-	11,667	(11,667)
Proceeds from (Cost of) Land Sales	-	25,000	(25,000)
Other Income	-	-	-
Interest Income - Cash & Inv.	295	17	279
Total Revenues	1,735	37,767	(36,032)
EXPENSES:			
Management Fee - ECIDA	\$ 2,000	\$ 15,833	\$ (13,833)
Professional Services	0	5,417	(5,417)
General Office Expenses	(0)	17	(17)
Other Expenses	(100)	3,581	(3,681)
Total Expenses	1,900	24,848	(22,948)
SPECIAL PROJECT GRANTS:			
Industrial Land Park - ESD	546,608	217,696	328,912
Industrial Land Park - EDA	526,413	-	526,413
Industrial Land Park - ECIDA	-	5,833	(5,833)
Angola Ag Park - ECIDA Grant	-	8,333	(8,333)
Other grant revenue	7,704	23,609	(15,904)
Industrial Land Park grant reimbursement	-	(12,500)	12,500
Industrial Land Park costs	(1,074,462)	(223,529)	(850,933)
Angola Ag Park costs	(1,169)	(8,333)	7,164
Other grant expenses	(7,704)	(24,775)	17,071
	(2,610)	(13,667)	11,057
NET INCOME/(LOSS):	\$ (2,775)	\$ (748)	\$ (2,027)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on 2023 budget.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement
Year to Date: September 30, 2023

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	\$ 15,334	\$ 9,750	\$ 5,584	\$ 15,334	\$ 7,673	\$ 7,661
Grant Income - Microloan Program	129,000	105,000	24,000	129,000	388,352	(259,352)
Proceeds from (Cost of) Land Sales	-	225,000	(225,000)	-	(181,324)	181,324
Other Income	11,200	-	11,200	11,200	178,900	(167,700)
Interest Income - Cash & Inv.	2,985	150	2,836	2,985	132	2,853
Total Revenues	158,519	339,900	(181,380)	158,519	393,733	(235,214)
EXPENSES:						
Management Fee - ECIDA	\$ 53,600	\$ 142,500	(88,900)	\$ 53,600	\$ 190,000	\$ (136,400)
Provision for Loan Losses	-	11,250	(11,250)	-	-	-
Professional Services	4,893	48,750	(43,857)	4,893	29,577	(24,684)
General Office Expenses	(0)	150	(150)	(0)	686	(686)
Other Expenses	(840)	32,231	(33,071)	(840)	1,120	(1,960)
Total Expenses	57,653	234,881	(177,229)	57,653	221,383	(163,730)
SPECIAL PROJECT GRANTS:						
Industrial Land Park - ESD	1,843,338	1,959,263	(115,925)	1,843,338	55,682	1,787,656
Industrial Land Park - EDA	1,311,448	-	1,311,448	1,311,448	-	1,311,448
Industrial Land Park - ECIDA	180,651	52,500	128,151	180,651	19,775	160,876
Angola Ag Park - ECIDA Grant	29,680	75,000	(45,320)	29,680	37,462	(7,782)
Other grant revenue	163,212	212,478	(49,266)	163,212	41,951	121,261
Industrial Land Park grant reimbursement	-	(112,500)	112,500	-	(103,625)	103,625
Industrial Land Park costs	(3,240,334)	(2,011,763)	(1,228,572)	(3,240,334)	(151,337)	(3,088,997)
Angola Ag Park costs	(13,774)	(75,000)	61,226	(13,774)	(12,087)	(1,687)
Other grant expenses	(13,352)	(222,978)	209,626	(13,352)	(41,951)	28,599
	260,869	(123,000)	383,869	260,869	(154,129)	414,997
NET INCOME/(LOSS):	\$ 361,735	\$ (17,981)	\$ 379,717	\$ 361,735	\$ 18,221	\$ 343,514

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on 2023 budget.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)
 BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)
 BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)**

2024 Budget Review Process

Date	Description	
July-August	Review of draft 2024 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
August 17	Finance & Audit Committee meeting – initial review and discussion of proposed budgets.	✓
September 21	Finance & Audit Committee meeting to discuss any updates/recommend proposed budgets to Boards.	✓
September 27	Review of 2024 proposed budgets at Board meetings.	✓
October 4 10:00 am	Board Q&A budget session #1 <u>in person</u> (voluntary).	✓
October 10 9:00 am	Board Q&A budget session #2 <u>via Zoom</u> (voluntary).	✓
October 25	Board meetings – action to approve final 2024 budgets.	
November 1	Deadline for final approved budgets to be submitted to the ABO.	

**Buffalo & Erie County
Industrial Land Development Corp
Proposed 2024 Budget**

Industrial Land Development Corporation (ILDC)

2024 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 2024 Budget:

A summary of the key changes between the 2024 budget and the projected 2023 results:

- The Erie County BDF microloan fund is a loan/grant program. New loans are funded with grant income from Erie County passed through the ECIDA. The forgivable portion of the loan/grant is added to the provision for loan losses in the year of closing.
- The ECIDA Management Fee represents a fee charged by the ECIDA for services that its employees provide related to the Erie County BDF microloan fund. ECIDA staff time related to ILDC projects is not charged to the ILDC.
- Land owned by the ILDC at Renaissance Commerce Park is driving budgeted increases in proceeds from land sales. Professional services consist of legal, consulting, and auditing costs, and are budgeted to increase by about \$40,000 in 2024. This is due to the legal costs associated with land owned and environmental consulting costs anticipated in 2024.
- The Special Projects section of the budget relates to grants. ILDC expects to recognize \$2.9 million of grant revenue from Empire State Development and \$1.6 million of grant revenue from the Economic Development Administration in 2024 related to infrastructure and sewer work at Renaissance Commerce Park. A total of \$150,000 is budgeted to be used in 2024 for carrying costs related to owned properties, which will be granted by ECIDA’s UDAG fund. Other grant revenue consists of \$271,000 for master planning and infrastructure at the ILDC’s Evans property.

B. Summary of Risk Factors impacting the 2024 Budget:

The following significant risk factors may influence the 2024 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 2024 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 2024

	Proposed Budget 2024	Approved Budget 2023	Projected 2023	Actual 2022
REVENUES:				
Interest Income - Loans	\$ 17,000	\$ 13,000	\$ 20,842	\$ 11,630
Grant Income	164,000	140,000	129,000	463,352
Proceeds from Land Sales	600,000	300,000	552,500	207,250
Less: Cost of Land Sales	(849,574)	-	(510,600)	(388,574)
Other Income	-	-	11,200	190,700
Interest Income - Cash & Investments	2,000	200	4,034	629
Total Revenues	(66,574)	453,200	206,976	484,987
EXPENSES:				
ECIDA Management Fee*	24,000	\$ 190,000	24,000	\$ 282,224
Provision for Loan Losses	105,000	15,000	140,000	482,505
Professional Services	67,200	65,000	26,871	49,677
Development & Marketing Expenses	5,000	35,000	-	1,053
Other Expenses	10,075	8,175	2,424	23,651
Total Expenses	211,275	313,175	193,295	839,109
SPECIAL PROJECTS:				
Industrial Land Park - ESD Grant	2,898,646	2,612,350	1,500,000	1,358,875
Industrial Land Park - EDA Grant	1,590,483	-	1,000,000	89,517
Industrial Land Park - ECIDA Grant	100,000	70,000	200,651	19,775
Angola Ag Park - ECIDA Grant	50,000	100,000	29,680	37,462
Other grant revenue	270,763	283,304	163,285	68,963
Industrial Land Park grant reimbursement	(300,000)	(150,000)	(276,250)	(103,625)
Industrial Land Park grant costs	(4,589,130)	(2,682,350)	(2,585,392)	(1,548,031)
Angola Ag Park grant costs	(50,000)	(100,000)	(9,929)	(16,387)
Other grant expenses	(270,763)	(297,304)	(13,425)	(65,056)
	(300,000)	(164,000)	8,620	(158,505)
NET INCOME/(LOSS) BEFORE DEPRECIATION:	\$ (577,849)	\$ (23,975)	\$ 22,301	\$ (512,626)
Depreciation	4,500	650	2,300	650
NET INCOME/(LOSS):	\$ (582,349)	\$ (24,625)	\$ 20,001	\$ (513,277)

* 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 2025-2027

	Proposed Budget 2024	Forecast 2025	Forecast 2026	Forecast 2027
REVENUES:				
Interest Income - Loans	\$ 17,000	\$ 17,000	\$ 17,850	\$ 16,958
Grant Income	164,000	-	-	-
Proceeds from Land Sales	600,000	300,000	300,000	300,000
Less: Cost of Land Sales	(849,574)	(200,000)	(200,000)	(200,000)
Other Income	-	-	-	-
Interest Income - Cash & Investments	2,000	100	100	100
Total Revenues	(66,574)	117,100	117,950	117,058
EXPENSES:				
ECIDA Management Fee*	24,000	\$ 25,000	\$ 25,000	\$ 25,000
Provision for Loan Losses	105,000	70,000	70,000	70,000
Professional Services	67,200	50,000	50,000	50,000
Development & Marketing Expenses	5,000	5,000	5,000	5,000
Other Expenses	10,075	2,500	4,000	5,000
Total Expenses	211,275	152,500	154,000	155,000
SPECIAL PROJECTS:				
Industrial Land Park - ESD Grant	2,898,646	-	-	-
Industrial Land Park - EDA Grant	1,590,483	-	-	-
Industrial Land Park - ECIDA Grant	100,000	-	-	-
Angola Ag Park - ECIDA Grant	50,000	-	-	-
Other grant revenue	270,763	-	-	-
Industrial Land Park grant reimbursement	(300,000)	(150,000)	(150,000)	(150,000)
Industrial Land Park grant costs	(4,589,130)	-	-	-
Angola Ag Park grant costs	(50,000)	-	-	-
Other grant expenses	(270,763)	-	-	-
	(300,000)	(150,000)	(150,000)	(150,000)
NET INCOME/(LOSS) BEFORE DEPRECIATION:	\$ (577,849)	\$(185,400)	\$(186,050)	\$(187,943)
Depreciation	4,500	4,500	4,500	4,500
NET INCOME/(LOSS):	\$ (582,349)	\$(189,900)	\$(190,550)	\$(192,443)

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



Loan Status Report October 2023

<u>ILDC Loans Approved Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
Taylor'd Beauty LLC	Lancaster	\$35,000
Beauty Blends Tattoo, LLC	Boston	\$35,000

<u>ILDC Loans Closed Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
J.P. Mobile Detailing	Lackawanna	\$35,000

<u>Loans in Closing Process</u>	<u>Municipality</u>	<u>Amount</u>
Beaches Motorcycle Adventures	Grand Island	\$35,000
Taylor'd Beauty, LLC	Lancaster	\$35,000
Beauty Blends Tattoo, LLC	Boston	\$35,000

<u>Loans in the Pipeline</u>	<u>Municipality</u>	<u>Amount</u>
None		

<u>2023 - Loans Closed</u>	<u>YTD Loan Total</u>	<u>Jobs to be Created</u>	<u>Retained Jobs</u>
5	\$175,000	3	8.5

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 / \$1,086,126 0% Delinquency Rate (37 Loans)

ILDC Funds Available to Lend: \$120,000