



**Buffalo and Erie County Industrial Land Development Corporation
Meeting of the Membership
September 27, 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 May 31, 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 (Informational) (Page 8)
 - a) 2024 Budget Timetable (Informational) (Page 9)
 - b) Review of 2024 Proposed Budget (Informational) (Pages 10-13)
- 3.3 Governance Committee Update
- 3.4 Loan Status Report (Informational) (Page 14)

4.0 Management Team Reports:

- 4.1 2024 Board Meeting Schedule (Informational) (Page 15)

5.0 Adjournment- Next Meeting October 25, 2023

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

DATE AND PLACE: May 31, 2023, at the Center of Excellence in Bioinformatics and Life Sciences (CBLS), 701 Ellicott Street, The Event Space/Conference Room B2-205, located on the 2nd floor, Buffalo, New York 14203.

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

EXCUSED: Hon. Byron W. Brown and Hon. Howard Johnson

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; 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; Robbie Ann McPherson, Director of Marketing & Communications and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

GUESTS: Zachary Evans on behalf of Erie County; Josh Veronica on behalf of Buffalo Niagara Partnership; Mike Montante on behalf of Uniland Development; Jonathan Epstein on behalf of Buffalo News, Jacob Tierney on behalf of Business First, Quinn Bushen on behalf of Empire State Development

There being a quorum present at 12:35 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 April 26, 2023 minutes. Mr. Poloncarz called for the vote and the minutes were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the April financial reports. The balance sheet shows ILDC ended the month with total assets of \$19.2M. Grants receivable of \$10.0M represent amounts awarded by several sources, the largest being Buffalo Billion II funds from Empire State Development. Liabilities of \$11.7M is mainly deferred grant revenue and \$2.3M due to ECIDA for cash flow of construction projects while awaiting grant reimbursement. Net assets total \$7.5M. The April income statement shows \$96,000 of revenue, \$5,300 of expenses and \$98,000 of net special project grants, totaling \$95,000 of net income in April. The year-to-date income statement shows revenues of \$5,700 and expenses of \$40,000. Special project net revenue of \$24,000 leads to a net loss of \$10,000 so far in 2023. Mr. Poloncarz directed that the report be received and filed.

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

Approval of Parcel Sale Agreement. Mr. Cappellino reviewed the ILDC's proposed sale of RCP Parcel II-12 to Uniland Development Company, who contemplates purchasing the land to construct a new approximately 150,000 square foot warehousing/light manufacturing facility on spec. Mr. Cappellino noted that size of the parcel is approximately 12.02 acres, to be sold at a \$50,000 per acre price, and that construction must commence within 18 months of the closing date and complete the construction within 18 months thereafter.

Mr. Montante then spoke on behalf of the purchaser and confirmed 2 Steel Worker Way, the adjacent site, which is owned by Uniland, is about 80% complete with its foundation work and should be completed by the end of 2023.

Ms. Abbott moved and Mr. Castle seconded to approve of the sale of RCP II-12 to Uniland. Mr. Poloncarz then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE "ILDC") AUTHORIZING THE ILDC TO (i) SELL RCP PARCEL II-12 (A/K/A RCP PARCEL #4A) (AS MORE FULLY DEFINED HEREIN) TO UNILAND DEVELOPMENT COMPANY ("UDC"); (ii) NEGOTIATE, EXECUTE, AND DELIVER AN AGREEMENT OF PURCHASE AND SALE TO BE ENTERED INTO WITH UDC FOR THE PURCHASE AND SALE OF RCP PARCEL II-12; AND (iii) MAKE A DETERMINATION PURSUANT TO THE NEW YORK STATE ENVIRONMENTAL QUALITY REVIEW ACT

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 12:48 p.m.

Dated: May 31, 2023

Elizabeth A. O'Keefe, Secretary

Industrial Land Development Corp.

Financial Statements

As of August 31, 2023

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Balance Sheet

August 31, 2023

	August 2023	July 2023	December 2022
ASSETS:			
Restricted Cash *	\$ 1,747,331	\$ 1,648,951	\$ 1,255,405
Grants Receivable	9,642,702	9,642,702	10,212,072
Loans Receivable, net	580,168	589,272	559,404
Prepaid Expenses	7,295	9,118	31,500
Prepaid Acquisition Costs	694,841	694,279	692,934
Total Loan Assets	12,672,336	12,584,323	12,751,316
Capital Assets	6,358,027	6,357,895	6,174,218
Total Assets	\$ 19,030,363	\$ 18,942,218	\$ 18,925,534
 LIABILITIES & NET ASSETS:			
Accounts Payable	\$ 674	\$ 337	\$ 824,129
Due to/(from) ECIDA	2,980,565	2,986,760	179,722
Other Liabilities	8,334,957	8,337,231	10,572,025
Total Liabilities	11,316,195	11,324,327	11,575,876
Restricted Fund Balance	7,714,169	7,617,890	7,349,658
Total Liabilities & Net Assets	\$ 19,030,363	\$ 18,942,218	\$ 18,925,534

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

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	\$ 1,548	\$ 1,083	\$ 465
Grant Income - Microloan Program	-	11,667	(11,667)
Proceeds from (Cost of) Land Sales	-	25,000	(25,000)
Interest Income - Cash & Inv.	319	17	302
Total Revenues	3,066	37,767	(34,700)
EXPENSES:			
Management Fee - ECIDA	\$ 2,000	\$ 15,833	\$ (13,833)
Professional Services	118	5,417	(5,299)
General Office Expenses	211	17	194
Other Expenses	(1,067)	3,581	(4,648)
Total Expenses	1,262	24,848	(23,586)
SPECIAL PROJECT GRANTS:			
Industrial Land Park - ESD	-	217,696	(217,696)
Industrial Land Park - EDA	-	-	-
Industrial Land Park - ECIDA	84,733	5,833	78,900
Angola Ag Park - ECIDA Grant	3,269	8,333	(5,064)
Other grant revenue	2,353	23,609	(21,256)
Industrial Land Park grant reimbursement	-	(12,500)	12,500
Industrial Land Park costs	8,095	(223,529)	231,625
Angola Ag Park costs	(1,625)	(8,333)	6,709
Other grant expenses	(2,353)	(24,775)	22,423
	94,473	(13,667)	108,140
NET INCOME/(LOSS):	\$ 96,278	\$ (748)	\$ 97,026

* 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: August 31, 2023

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	\$ 13,895	\$ 8,667	\$ 5,228	\$ 13,895	\$ 6,543	\$ 7,351
Grant Income - Microloan Program	129,000	93,333	35,667	129,000	388,352	(259,352)
Proceeds from (Cost of) Land Sales	-	200,000	(200,000)	-	(181,324)	181,324
Other Income	11,200	-	11,200	11,200	178,300	(167,100)
Interest Income - Cash & Inv.	2,690	133	2,557	2,690	95	2,594
Total Revenues	156,784	302,133	(145,348)	156,784	391,967	(235,183)
EXPENSES:						
Management Fee - ECIDA	\$ 51,600	\$ 126,667	(75,067)	\$ 51,600	\$ 180,000	\$ (128,400)
Provision for Loan Losses	-	10,000	(10,000)	-	-	-
Professional Services	4,106	43,333	(39,227)	4,106	28,872	(24,765)
General Office Expenses	(0)	133	(133)	(0)	686	(686)
Other Expenses	(740)	28,650	(29,390)	(740)	(174)	(566)
Total Expenses	54,966	208,783	(153,817)	54,966	209,383	(154,417)
SPECIAL PROJECT GRANTS:						
Industrial Land Park - ESD	1,296,730	1,741,567	(444,836)	1,296,730	55,682	1,241,048
Industrial Land Park - EDA	785,034	-	785,034	785,034	-	785,034
Industrial Land Park - ECIDA	180,651	46,667	133,984	180,651	19,775	160,876
Angola Ag Park - ECIDA Grant	29,680	66,667	(36,986)	29,680	37,462	(7,782)
Other grant revenue	155,508	188,869	(33,362)	155,508	41,951	113,556
Industrial Land Park grant reimbursement	-	(100,000)	100,000	-	(103,625)	103,625
Industrial Land Park costs	(2,166,599)	(1,788,233)	(378,366)	(2,166,599)	(148,688)	(2,017,911)
Angola Ag Park costs	(12,664)	(66,667)	54,003	(12,664)	(10,287)	(2,377)
Other grant expenses	(5,648)	(198,203)	192,555	(5,648)	(41,951)	36,304
	262,692	(109,333)	372,026	262,692	(149,680)	412,372
NET INCOME/(LOSS):	\$ 364,510	\$ (15,983)	\$ 380,495	\$ 364,510	\$ 32,904	\$ 331,607

* 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.



To: ECIDA, RDC & ILDC Boards of Directors
From: Michael Szukala, Chair
Date: September 27, 2023
Re: Finance & Audit Committee Report

In accordance with its Committee Charter, the Finance & Audit Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Finance and Audit Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

A joint meeting of the ECIDA, RDC & ILDC Finance & Audit Committee was held on September 21, 2023. Committee members present were: Michael Szukala, Chair, Penny Beckwith, Allison DeHonney, and Glenn Nellis. The following items were reviewed:

- 1) Draft 2024 ECIDA Operating & Capital Budget + 3 Year Forecast
The Committee reviewed this item and recommended it be approved by the ECIDA Board of Directors.
- 2) Draft 2024 RDC Operating Budget + 3 Year Forecast
The Committee reviewed this item and recommended it be approved by the RDC Board of Directors.
- 3) Draft 2024 ILDC Operating Budget + 3 Year Forecast
The Committee reviewed this item and recommended it be approved by the ILDC Board of Directors.
- 4) The Committee discussed the overall budget process and economic factors that impact each entity’s budget. They also reviewed the 2024 budget timeline.

**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 19	Adjustments to budget based on Board feedback and Finance & Audit Committee recommendation of final budgets (<i>if necessary</i>).	
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 September 2023

ILDC Loans Approved Since Last Meeting

	<u>Municipality</u>	<u>Amount</u>
Urbanowicz Acres (farm - stand)	Evans	\$35,000
Dark Forest Chocolates (confectioner)	Lancaster	\$35,000
J.P. Mobile Detailing (auto detailer)	Lackawanna	\$35,000

ILDC Loans Closed Since Last Meeting

	<u>Municipality</u>	<u>Amount</u>
Urbanowicz Acres (farm/stand)	Evans	\$35,000
Dark Forest Chocolates (confectioner)	Lancaster	\$35,000
J.P. Mobile Detailing (auto detailer)	Lackawanna	\$35,000

Loans in Closing Process

	<u>Municipality</u>	<u>Amount</u>
Beaches Motorcycle Adventures	Grand Island	\$35,000

Loans in the Pipeline

1	<u>Municipality</u>	<u>Amount</u>
	Lancaster	\$35,000

<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 / \$1,094,947 0% Delinquency Rate (37 Loans)

ILDC Funds Available to Lend: \$160,000



**ILDC Board of Directors Monthly Meeting Schedule - 2024
4th Wednesday of the Month except for November & December
at 12:30 p.m.**

January 24

February 28

March 27

April 24 (Annual Meeting)

May 22

June 26

July 24

August 28

September 25

October 23

November 20

December 18