



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

**Joint Finance & Audit Committee Meeting
September 17, 2024 at 12:00 p.m.**

**ECIDA Offices
95 Perry Street, 4th Floor
Buffalo, New York 14203**

1. Approval of Minutes – August 20, 2024 (Action) (Pages 2-3)
2. 2025 Budget Timeline (Information) (Page 4)
3. Draft 2025 ECIDA Operating & Capital Budget + 3 Year Forecast (Recommendation) (Pages 5-13)
4. Draft 2025 RDC Operating Budget + 3 Year Forecast (Recommendation) (Pages 14-18)
5. Draft 2025 ILDC Operating Budget + 3 Year Forecast (Recommendation) (Pages 19-22)
6. New Business & General Updates (Informational)
7. Next Meeting – TBD
8. Adjournment

**MINUTES OF A JOINT MEETING OF THE
FINANCE & AUDIT COMMITTEES OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA or AGENCY)
THE BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT
CORPORATION (RDC) AND THE BUFFALO & ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION (ILDC)**

DATE AND PLACE: August 20, 2024, at the Erie County Industrial Development Agency, 95 Perry Street, Suite 403, Buffalo, New York 14203

PRESENT: Penny Beckwith, Patrick Boyle, Glenn R. Nellis, Hon. Brian Nowak and Michael Szukala .

ABSENT: Allison DeHoney, Paul Vukelic and William Witzleben

OTHERS PRESENT: Mollie Profic, Chief Financial Officer; Atiqah Abidi, Accounting Manager; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Brian Krygier, Director of Information Technology and Andrew Pawenski, Esq. General Counsel/Harris Beach PLLC

GUESTS: Yessica Vasquez on behalf of the City of Buffalo

At 10:03 a.m., Mr. Szukala called the meeting to order, noting that there was no quorum, and the members assembled would proceed with informational items on the agenda.

2025 BUDGET TIMELINE

Ms. Profic reviewed the 2025 Budget timeline. Mr. Szukala directed that the report be received and filed.

At this point in time, Ms. Beckwith joined the meeting

There being a quorum present at 10:06 a.m., the Meeting of the Members of the Joint Finance & Audit Committee of the Erie County Industrial Development Agency, Buffalo and Erie County Regional Development Corporation and the Buffalo and Erie County Industrial Land Development Corporation was called to order by Chair Szukala.

MINUTES

The March 21, 2024 minutes of the joint meeting of the Finance and Audit Committee were presented. Upon motion made by Mr. Nellis and seconded by Mr. Boyle, and after a vote was called for by Mr. Szukala, the March 21, 2024 minutes of the Finance and Audit Committee were unanimously approved.

DRAFT 2025 ECIDA OPERATING & CAPITAL BUDGET + 3 YEAR FORECAST

Ms. Profic reviewed the proposed 2025 Operating and Capital budget + 3 year forecast. General discussion ensued.

DRAFT 2025 RDC OPERATING BUDGET + 3 YEAR FORECAST

Ms. Profic reviewed and described the 2025 RDC Operating Budget + 3 Year Forecast. General discussed ensued.

DRAFT 2025 ILDC OPERATING BUDGET + 3 YEAR FORECAST

Ms. Profic reviewed and described the 2025 ILDC Operating Budget + 3 Year Forecast. General discussed ensued.

NEW BUSINESS & GENERAL UPDATES

Ms. Profic discussed the ECIDA investment in treasury bills. Mr. Szukala directed that the report be received and filed.

Upon motion made by Ms. Beckwith and seconded by Mr. Nowak, and unanimously approved, the meeting was adjourned at 10:54 a.m.

Dated: August 20, 2024

Elizabeth A. O'Keefe, Secretary

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

2025 Budget Process

<u>Date</u>	<u>Description</u>	
July-August	Review of draft 2025 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
August 20	Finance & Audit Committee meeting – initial review and discussion of proposed budgets.	✓
September 17	Finance & Audit Committee meeting to discuss any updates/recommend proposed budgets to Boards.	
September 25	Review of 2025 proposed budgets at Board meetings.	
October 3 10:30 am	Board Q&A budget session #1 <u>in person</u> (voluntary).	
October 8 10:00 am	Board Q&A budget session #2 <u>via Zoom</u> (voluntary).	
October	Adjustments to budget based on Board feedback and Finance & Audit Committee recommendation of final budgets (<i>if necessary</i>).	
October 23	Board meetings – action to approve final 2025 budgets.	
November 1	Deadline for final approved budgets to be submitted to the ABO.	

Erie County Industrial Development Agency
Proposed 2025 Budget

Erie County Industrial Development Agency (ECIDA)

2025 Budget + 3 Year Forecast

A. Overview of Changes in 2025 Budget

Presented herein is the projected operating budget for the Erie County Industrial Development Agency's ("ECIDA") year ending December 31, 2025 and a three-year forecast for 2026–2028.

The ECIDA is a not-for-profit, public benefit corporation that provides tax incentives, financing programs and economic development services in Buffalo and Erie County. In accomplishing its mission, ECIDA does not receive any operational funding from Federal, State, County or local sources. Instead, the key source of revenue for the ECIDA is the administrative fees charged to those companies that utilize its various products and services. The income that the ECIDA generates is utilized to provide salaries to its professional staff for managing various economic development programs, as well as payments for professional fees, general office expenses, public notices/marketing, building costs and other miscellaneous expenses.

For the year ending December 31, 2025, the Agency is projecting net income from operations of \$97,518. Depreciation and amortization, noncash expenses, are estimated at \$235,290 and brings the budgeted operating loss to \$137,772. There are also expenses of \$300,000 budgeted for external projects, all of which is handled with existing UDAG funds, rather than operating cash. This leads to an overall budgeted net loss of \$437,772, which is driven by noncash expenses.

The following significant risk factors may impact the 2025 results:

1. A significant portion of the ECIDA's administrative fee income is derived from a few large tax incentives and/or tax-exempt bond projects. The Agency does not collect a fee until the project (usually construction) is started, since many factors affect project timing. Depending on the timing of these projects, the Agency's fee income can fluctuate significantly from year to year.
2. Changes in the overall national and/or regional economy could result in a decrease in local investment projects that are assisted by the Agency, resulting in a corresponding decrease in administrative fee income.

The following information details the key changes in the 2025 budget compared to the 2024 projected revenues and expenses:

Erie County Industrial Development Agency (ECIDA) 2025 Budget + 3 Year Forecast

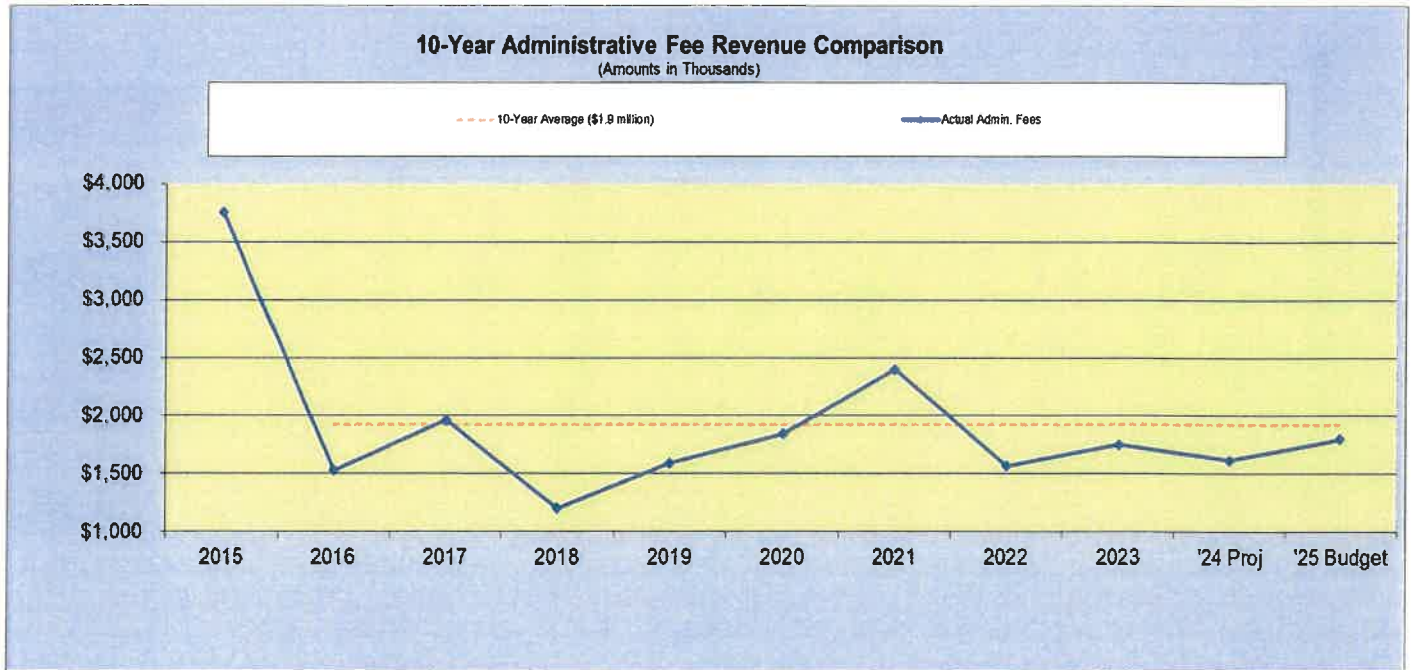
A. Overview of Changes in 2025 Budget (continued)

Revenues:

Administrative Fees (2025 Budget - \$1.8 million):

Administrative fees primarily consist of fees earned by the ECIDA through the provision of tax abatements. During 2024, administrative fees included projects such as Moog in Elma and Solar Liberty Energy Systems in Evans. Additionally, the Agency has closed on one tax-exempt bond issuance in 2024, which resulted in fees collected of \$337,000. Since some fees are recognized over multiple years (in accordance with the terms of the related fee agreements), the Agency expects to recognize approximately \$1 million of fees in 2025 related to prior year project approvals. The budgeted figure of \$1.8 million was derived using the 2015-2024 10-year average.

The following chart summarizes the actual administrative fee revenue over the past 10 years compared to the average administrative fee for the 10-year period from 2015-2024:



Erie County Industrial Development Agency (ECIDA)

2025 Budget + 3 Year Forecast

A. Overview of Changes in 2025 Budget (continued)

Affiliate Management Fees (increasing 50.4% from \$321,500 to \$483,500):

Affiliate Management Fees represent salary, benefit, and facilities costs charged to ECIDA's affiliated companies (RDC & ILDC) for office space and services that ECIDA employees provide to these organizations, since they have no employees of their own. Previously, charges to ILDC related to the Erie County Business Development Fund (BDF) microloan fund only, while time related to land development was supported by ECIDA. ILDC has operational support included in its 2025 budget which will result in additional ECIDA staff time charged to that entity.

Management Fees – BUDC (increasing 1.0% from \$102,000 to \$103,000):

Management Fees – BUDC are salaries and benefit costs charged to Buffalo Urban Development Corporation (“BUDC”) and its affiliates for services that ECIDA employees provide. ECIDA provides financial reporting, facilities management, and administrative services to BUDC as part of a shared services agreement. Management fees are expected to increase slightly in 2025 due to increased salaries and benefits costs for employees who charge hours to BUDC and its affiliates.

Rental Income (decreasing 6.4% from \$328,700 to \$307,700):

Rental Income represents rent received by ECIDA from BUDC for office space, two facilities owned by ECIDA and other smaller agreements. Rent for leased space at 143 Genesee Street is recognized as a combination of rent revenue and interest income related to the lease, with the lease agreement in place through July 2027. The decrease in the overall budget is due to rent from the Port Terminal management agreement budgeted at \$73,000 in 2025 based on projections from the management company, with \$111,000 being received in 2024.

Expenses:

Salaries & Benefits (increasing 6.2% from \$2.25 million to \$2.39 million):

The increase in the 2025 budgeted salaries and benefits compared to the projected 2024 figures is due to several factors. Salary increases and a potential performance incentive pool calculated at 4% of total salaries are included in the budget. Compensation increases are based on an independent compensation study of ECIDA employees, comparing Agency employee salaries with other individuals in the local labor market who have similar titles and responsibilities. These adjustments, if any, will also be reviewed and approved by the ECIDA Board Compensation Committee for Executive Management and by the CEO for other staff. Significant annual rate increases for health care also contribute to higher employee benefit costs. Professional development and training costs are also included in this category. As an organization of specialized professionals, salaries and benefits account for 79% of 2025 budgeted operating expenses.

General Office Expenses (increasing 6.1% from \$142,300 to \$151,000):

The increase in 2025 budgeted general office expenses compared to the projected 2024 figures is due mainly to increases in budgeted copier and postage costs, as well as membership dues and subscriptions. Other expenses included in this line item are information technology expenses, telephone and internet, and office supplies.

Erie County Industrial Development Agency (ECIDA)
2025 Budget + 3 Year Forecast

A. Overview of Changes in 2025 Budget (continued)

Building Operating Costs (increasing 48.4% from \$75,500 to \$112,000):

Building operating costs include costs related to ECIDA’s office at 95 Perry Street (rent and interest expense associated with the lease, parking) and the ECIDA-owned building at 143 Genesee Street (property taxes, maintenance, etc.). Costs associated with ECIDA’s office lease are recognized as a liability and intangible right-to-use asset in accordance with GASB Statement No. 87, *Leases*. As a result, cash outflows will differ from expense recorded. ECIDA’s office lease was renewed in 2023 and requires ECIDA to pay its proportionate percentage of property taxes and operating costs of the building, which are budgeted at \$38,000 for 2025. Under the previous sublease agreement these costs were not passed on to ECIDA.

Professional Services (increasing 48.6% from \$60,400 to \$89,800):

Professional Services consist of the following:

	2025 Budget	2024 Budget	2024 Projection
Legal	\$45,000	\$45,000	\$29,400
Consultants	\$15,000	\$25,000	\$600
Auditing	\$29,800	\$30,400	\$30,400
Total	\$89,800	\$100,400	\$60,400

In 2025, legal expenses are budgeted at \$45,000, consistent with the 2024 budget. Consultant expenses are budgeted at \$15,000. 2024 consultant costs are projected lower than budget due to ECIDA’s use of consultants specific to grant or special project funding in 2024. Audit costs are in accordance with current proposals.

Erie County Industrial Development Agency (ECIDA)
2025 Budget + 3 Year Forecast

B. External Special Projects

The ECIDA’s 2025 budget currently includes \$175,000 for external projects and \$125,000 allocated for carrying costs related to ILDC property holdings that are consistent with the restrictions on the UDAG and/or General Funds as follows:

Project	2025 Budget	2024 Budget	2024 Projection
External Special Projects	\$ 175,000	\$ 175,000	\$ 175,000
Renaissance Commerce Park Grant	100,000	100,000	100,000
Angola Ag Park Grant	25,000	50,000	50,000
Other Strategic Initiatives	-	-	40,525
Reserves for Future Projects:			
Forgivable Attraction Loan	-	1,000,000	-
Total	\$ 300,000	\$ 1,325,000	\$ 365,525

External Special Project allocations of \$175,000 include organizations that have received funding in the past, such as Downtown Initiatives spearheaded by BUDC (\$100,000) and the Agency’s annual membership expenditure with Invest Buffalo Niagara (\$75,000). These items will not require specific Board action to be expended.

\$100,000 is budgeted for Renaissance Commerce Park, representing anticipated carrying costs related in 2025, while \$25,000 is budgeted for Angola Ag Park.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")
Proposed Budget for 2025

	Proposed Budget 2025	Approved Budget 2024	Projected 2024	Actual 2023
REVENUES:				
Administrative Fees	\$ 1,800,000	\$ 1,800,000	\$ 1,616,000	\$ 1,749,882
Affiliate Management Fees	483,500	341,700	321,500	247,752
Management Fees - BUDC	103,000	130,000	102,000	112,025
Rental Income	307,730	328,200	328,724	316,002
Other Income	34,000	34,000	31,445	44,666
Interest Income - Cash & Investments	375,000	125,000	380,184	368,456
Interest Income - Leases	25,318	33,500	36,346	43,976
Total Revenues	3,128,548	2,792,400	2,816,199	2,882,759
EXPENSES:				
Salaries & Benefits	2,385,980	2,327,850	2,245,809	2,035,058
General Office Expenses	151,000	138,100	142,344	162,381
Insurance Expense	120,000	110,000	121,311	104,563
Building Operating Costs	112,000	69,400	75,480	92,749
Professional Services	89,800	100,400	60,441	82,563
Marketing, Promotion & Public Hearings	105,000	95,000	116,545	118,995
Travel, Mileage & Meeting Expenses	35,500	37,000	38,079	24,571
Website Compliance & Design	15,000	10,000	25,550	-
Other Expenses	16,750	16,750	26,059	189,753
Total Expenses	3,031,030	2,904,500	2,851,619	2,810,634
GRANT INCOME:				
Revenues	5,198,286	2,439,804	465,531	517,991
Expenses	(5,198,286)	(2,431,604)	(457,878)	(469,897)
	-	8,200	7,652	48,094
NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:	97,518	(103,900)	(27,767)	120,219
Depreciation and amortization	(235,290)	(270,000)	(265,290)	(204,228)
NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:	(137,772)	(373,900)	(293,057)	(84,009)
EXTERNAL SPECIAL PROJECTS:				
Buffalo Downtown Initiatives (BUDC)	100,000	100,000	100,000	100,000
Annual Membership (IBN)	75,000	75,000	75,000	75,000
Renaissance Commerce Park grant paid	100,000	100,000	100,000	164,061
ILDC Land Sale Proceeds (reimbursement)	-	(300,000)	(274,450)	-
Angola Ag Park grant paid	25,000	50,000	50,000	46,270
Other Strategic Initiatives	-	-	40,525	28,975
Total Special Projects	300,000	25,000	91,075	414,306
NET INCOME (LOSS) BEFORE OTHER RESERVES:	(437,772)	(398,900)	(384,132)	(498,315)
Other Reserves:				
Use of IDA reserves for operations	-	-	(118,842)	-
Forgivable Attraction Loan(s)	-	1,000,000	-	-
Total Other Reserves	-	1,000,000	(118,842)	-
NET INCOME/(LOSS):	\$ (437,772)	\$ (1,398,900)	\$ (265,290)	\$ (498,315)

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")
Proposed Budget and Three Year Forecast 2026-2028

	Proposed Budget 2025	Forecast 2026	Forecast 2027	Forecast 2028
REVENUES:				
Administrative Fees	\$ 1,800,000	\$ 1,850,000	\$ 1,900,000	\$ 1,900,000
Affiliate Management Fees	483,500	493,000	503,000	513,000
Management Fees - BUDC	103,000	105,000	107,000	109,000
Rental Income	307,730	307,730	307,730	307,730
Other Income	34,000	40,000	40,000	40,000
Interest Income - Cash & Investments	375,000	386,000	398,000	410,000
Interest Income - Leases	25,318	26,000	27,000	28,000
Total Revenues	3,128,548	3,207,730	3,282,730	3,307,730
EXPENSES:				
Salaries & Benefits	2,385,980	2,434,000	2,483,000	2,557,000
General Office Expenses	151,000	156,000	161,000	166,000
Insurance Expense	120,000	124,000	128,000	132,000
Building Operating Costs	112,000	116,000	119,000	122,000
Professional Services	89,800	92,000	95,000	98,000
Marketing, Promotion & Public Hearings	105,000	108,000	111,000	114,000
Travel, Mileage & Meeting Expenses	35,500	37,000	38,000	39,000
Website Compliance & Design	15,000	20,000	-	-
Other Expenses	16,750	17,000	18,000	19,000
Total Expenses	3,031,030	3,104,000	3,153,000	3,247,000
GRANT INCOME:				
Revenues	5,198,286	250,000	250,000	250,000
Expenses	(5,198,286)	(250,000)	(250,000)	(250,000)
	-	-	-	-
NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:				
	97,518	103,730	129,730	60,730
Depreciation and amortization	(235,290)	(235,000)	(235,000)	(235,000)
NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:				
	(137,772)	(131,270)	(105,270)	(174,270)
EXTERNAL SPECIAL PROJECTS:				
Buffalo Downtown Initiatives (BUDC)	100,000	100,000	100,000	100,000
Annual Membership (IBN)	75,000	75,000	75,000	75,000
Renaissance Commerce Park grant paid	100,000	50,000	45,000	45,000
ILDC Land Sale Proceeds (reimbursement)	-	(150,000)	(150,000)	(150,000)
Angola Ag Park grant paid	25,000	25,000	25,000	25,000
Total Special Projects	300,000	100,000	95,000	95,000
NET INCOME/(LOSS):				
	\$ (437,772)	\$ (231,270)	\$ (200,270)	\$ (269,270)

Erie County Industrial Development Agency
Proposed Five Year Capital Budget 2025-2029

	2025	2026	2027	2028	2029	Total
Facilities:						
143 Genesee Street	\$ 30,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 90,000
95 Perry Street	5,000	5,000	5,000	5,000	5,000	25,000
Total Facilities	35,000	20,000	20,000	20,000	20,000	115,000
Information Technology:						
Replace Laptops	-	25,500	-	-	-	25,500
Servers	12,000	-	-	12,000	-	24,000
Infrastructure Upgrade	-	-	-	-	-	-
Misc.	3,000	3,000	3,000	3,000	3,000	15,000
Total Information Technology	15,000	28,500	3,000	15,000	3,000	64,500
GRAND TOTAL	\$ 50,000	\$ 48,500	\$ 23,000	\$ 35,000	\$ 23,000	\$ 179,500

**Buffalo & Erie County
Regional Development Corporation
Proposed 2025 Budget**

Regional Development Corporation (RDC)

2025 Budget + 3 Year Forecast

The Buffalo and Erie County Regional Development Corporation (“RDC”) operates two revolving loan funds (“RLF”) that provide loans to eligible businesses under each RLF’s lending parameters. One, the Coronavirus Aid, Release, and Economic Security (CARES) Act RLF, has federal restrictions.

A. Key Budget Assumptions:

In 2025, the RDC expects to fund new loans of around \$1.8 million. This is expected to be offset by approximately \$1.3 million in loan repayments to the RLFs. Interest income on loans is expected to be around \$600,000 for 2025, which represents a modest 1.6% increase from the \$591,000 projected for 2024.

B. Overview of Changes in 2025 Budget:

Key changes between the 2025 budget and the projected 2024 results are:

- The ECIDA Management Fee represents a fee charged by the ECIDA for services that its employees provide to the revolving loan funds, since RDC has no employees of its own. The fee is expected to increase by \$7,000 or 2.6% in 2025 due to anticipated increases in ECIDA staff salaries and benefits.
- The budgeted amount for the provision for loan losses is \$300,000 for 2025. The provision represents approximately 2.4% of the estimated active loan portfolio balance. The mission of the RDC is to deal primarily with businesses unable to adequately finance operations through normal commercial banking channels. Historically, the loan fund has been a working capital lender, rather than a fixed asset lender, taking junior collateral positions. The CARES Act RLF operates with a higher risk tolerance than our legacy RLF, which will likely result in higher loan losses. The charge-off rate for loans issued over the past 10 years is about 4.5%, versus a historical portfolio charge-off rate of approximately 5%.

C. Summary of Risk Factors Impacting the 2025 Budget:

The following significant risk factors may influence the 2025 budget:

1. Due to the numerous uncertainties, value of collateral, guarantees, etc., RDC’s actual loan losses may vary significantly from the loan loss amount budgeted.
2. Interest income may vary from the budgeted amount as the budget is based on an estimate of active loans. Due to economic factors and the overall business climate, loans closed could vary significantly from estimates.

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")
Proposed Budget for 2025

	Proposed Budget 2025	Approved Budget 2024	Projected 2024	Actual 2023
REVENUES:				
Interest Income - Loans	\$ 600,000	\$ 720,000	\$ 590,761	\$ 652,208
Administrative Fees	17,500	13,750	3,650	21,250
Grant Income	-	-	12,509	84,596
Other Income	2,500	2,500	24	1,211
Interest Income - Cash & Investments	77,700	20,300	123,771	72,599
Total Revenues	697,700	\$ 756,550	\$ 730,714	\$ 831,864
EXPENSES:				
ECIDA Management Fee*	278,000	288,000	271,000	263,022
Provision for Loan Losses	300,000	350,000	-	(25,986)
Rent & Facilities Expenses	29,000	27,200	24,000	23,778
Professional Services	37,800	51,900	29,356	38,358
General Office Expenses	9,275	3,500	1,775	1,323
Marketing Expense	18,000	18,275	28,273	25,200
Total Expenses	672,075	738,875	354,404	325,694
NET INCOME/(LOSS):	\$ 25,625	\$ 17,675	\$ 376,311	\$ 506,170

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

	<u>2025 Budget</u>	<u>2024 Budget</u>
Provision for Loan Losses		
Estimated Loan Balance	\$ 16,380,000	\$ 20,078,000
Provision for Loan Losses	\$ 300,000	\$ 350,000
Percentage of Loans	1.8%	1.7%
	<u>Legacy Fund</u>	<u>CARES Act RLF</u>
Capital Base	\$ 18,544,268	\$ 5,013,251
Loans outstanding at 8/31/24	12,609,542	3,371,282
Balance remaining	<u>\$ 5,934,726</u>	<u>\$ 1,641,969</u>

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")
Proposed Budget and Three Year Forecast 2026-2028

	Proposed Budget 2025	Forecast 2026	Forecast 2027	Forecast 2028
REVENUES:				
Interest Income - Loans	\$ 600,000	\$ 605,000	\$ 610,000	\$ 615,000
Administrative Fees	17,500	15,000	15,000	15,000
Other Income	2,500	5,000	5,000	5,000
Interest Income - Cash & Investments	77,700	50,000	50,000	50,000
Total Revenues	697,700	675,000	680,000	685,000
EXPENSES:				
ECIDA Management Fee*	278,000	284,000	290,000	296,000
Provision for Loan Losses	300,000	300,000	300,000	300,000
Rent & Facilities Expenses	29,000	28,000	28,000	28,000
Professional Services	37,800	40,000	40,000	40,000
General Office Expenses	9,275	3,500	3,500	3,500
Marketing Expense	18,000	10,000	10,000	10,000
Total Expenses	672,075	665,500	671,500	677,500
NET INCOME/(LOSS):	\$ 25,625	\$ 9,500	\$ 8,500	\$ 7,500

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

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")
Proposed Budget for 2025
Presented by Fund

	Proposed Budget 2025	Legacy Fund	CARES Act RLF
REVENUES:			
Interest Income - Loans	\$ 600,000	\$ 560,000	\$ 40,000
Administrative Fees	17,500	12,500	5,000
Other Income	2,500	2,500	-
Interest Income - Cash & Inv.	77,700	71,500	6,200
Total Revenues	<u>697,700</u>	<u>646,500</u>	<u>51,200</u>
EXPENSES:			
ECIDA Management Fee*	278,000	238,000	40,000
Provision for Loan Losses	300,000	200,000	100,000
Rent & Facilities Expenses	29,000	16,820	12,180
Professional Services	37,800	18,410	19,390
General Office Expenses	9,275	3,100	6,175
Marketing & Other Expenses	18,000	16,775	1,225
Total Expenses	<u>672,075</u>	<u>493,105</u>	<u>178,970</u>
NET INCOME/(LOSS):	<u>\$ 25,625</u>	<u>\$ 153,395</u>	<u>\$ (127,770)</u>

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

**Buffalo & Erie County
Industrial Land Development Corp
Proposed 2025 Budget**

Industrial Land Development Corporation (ILDC)

2025 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 2025 Budget:

A summary of the key changes between the 2025 budget and the projected 2024 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.
- Grant funding for ILDC operations is budgeted for 2025, and would be used for carrying costs associated with ILDC-owned properties and ECIDA staff time.
- The ECIDA Management Fee represents fees charged by ECIDA for services that its employees provide related to projects related to ILDC-owned properties and the Erie County BDF microloan fund. This is expected to increase in 2025 due to operational grant funds.
- Professional services consist of legal, consulting, and auditing costs, and are budgeted to increase by about \$10,000 in 2025. This is due to the legal costs associated with land owned and environmental consulting costs anticipated in 2025.
- The Special Projects section of the budget relates to grants. ILDC expects to recognize \$1.6 million of grant revenue from Empire State Development in 2025 related to infrastructure and engineering work at Renaissance Commerce Park. A total of \$125,000 is budgeted to be used in 2025 for carrying costs related to owned properties, which will be granted by ECIDA’s UDAG fund if operational grant funds received are fully utilized. Other grant revenue consists of \$256,000 for infrastructure at the ILDC’s Evans property.
- There is no land sale revenue or cost of land sales budgeted for 2025, although that is subject to change. A request for proposals for land acquisition and development was issued in 2024, however no contracts or agreements were in place as of the time this budget was prepared.

B. Summary of Risk Factors impacting the 2025 Budget:

The following significant risk factors may influence the 2025 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 2025 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 2025

	Proposed Budget 2025	Approved Budget 2024	Projected 2024	Actual 2023
REVENUES:				
Interest Income - Loans	\$ 19,000	\$ 17,000	\$ 19,972	\$ 20,025
Grant Income	234,000	164,000	28,555	129,000
Operational Grant	250,000	-	-	-
Proceeds from Land Sales	-	600,000	548,900	-
Less: Cost of Land Sales	-	(849,574)	(423,900)	-
Other Income	23,667	-	344,017	11,200
Interest Income - Cash & Investments	2,000	2,000	1,740	3,695
Total Revenues	528,667	(66,574)	519,283	163,920
EXPENSES:				
ECIDA Management Fee*	174,000	24,000	361,013	(31,547)
Provision for Loan Losses	105,000	105,000	105,000	189,048
Professional Services	45,400	67,200	37,558	7,711
Development & Marketing Expenses	5,000	5,000	650	-
Other Expenses	7,375	10,075	1,580	(1,044)
Total Expenses	336,775	211,275	505,800	164,168
SPECIAL PROJECTS:				
Renaissance Commerce Park - ESD Grant	1,662,058	2,898,646	1,500,000	3,605,234
Renaissance Commerce Park - EDA Grant	-	1,590,483	32,267	2,558,217
Renaissance Commerce Park - ECIDA Grant	100,000	100,000	118,064	180,651
Angola Ag Park - ECIDA Grant	25,000	50,000	12,545	29,680
Other grant revenue	255,896	270,763	182,978	245,174
Renaissance Commerce Park grant reimb.	-	(300,000)	(274,450)	-
Renaissance Commerce Park grant costs	(1,762,058)	(4,589,130)	(1,607,669)	(6,263,520)
Angola Ag Park grant costs	(25,000)	(50,000)	(12,613)	(21,711)
Other grant expenses	(355,896)	(270,763)	(182,978)	(95,314)
Total Special Projects	(100,000)	(300,000)	(231,857)	238,411
NET INCOME/(LOSS) BEFORE DEPRECIATION:	\$ 91,892	\$ (577,849)	\$ (218,374)	\$ 238,164
Depreciation	4,500	4,500	4,500	2,267
NET INCOME/(LOSS):	\$ 87,392	\$ (582,349)	\$ (222,874)	\$ 235,897

* 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 2026-2028

	Proposed Budget 2025	Forecast 2026	Forecast 2027	Forecast 2028
REVENUES:				
Interest Income - Loans	\$ 19,000	\$ 19,000	\$ 19,950	\$ 18,953
Grant Income	234,000	-	-	-
Operational Grant	250,000	250,000	250,000	250,000
Proceeds from Land Sales	-	300,000	300,000	300,000
Less: Cost of Land Sales	-	(200,000)	(200,000)	(200,000)
Other Income	23,667	-	-	-
Interest Income - Cash & Investments	2,000	500	500	500
Total Revenues	528,667	369,500	370,450	369,453
EXPENSES:				
ECIDA Management Fee*	174,000	-	-	-
Provision for Loan Losses	105,000	-	-	-
Professional Services	45,400	50,000	50,000	50,000
Development & Marketing Expenses	5,000	5,000	5,000	5,000
Other Expenses	7,375	2,500	4,000	5,000
Total Expenses	336,775	57,500	59,000	60,000
SPECIAL PROJECTS:				
Renaissance Commerce Park - ESD Grant	1,662,058	530,000	-	-
Renaissance Commerce Park - EDA Grant	-	-	-	-
Renaissance Commerce Park - ECIDA Grant	100,000	-	-	-
Angola Ag Park - ECIDA Grant	25,000	-	-	-
Other grant revenue	255,896	-	-	-
Renaissance Commerce Park grant reimb.	-	(150,000)	(150,000)	(150,000)
Renaissance Commerce Park grant costs	(1,762,058)	(530,000)	-	-
Angola Ag Park grant costs	(25,000)	-	-	-
Other grant expenses	(355,896)	-	-	-
Total Special Projects	(100,000)	(150,000)	(150,000)	(150,000)
NET INCOME/(LOSS) BEFORE DEPRECIATION:	\$ 91,892	\$ 162,000	\$ 161,450	\$ 159,453
Depreciation	4,500	4,500	4,500	4,500
NET INCOME/(LOSS):	\$ 87,392	\$ 157,500	\$ 156,950	\$ 154,953

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