



Buffalo and Erie County Industrial Land Development Corporation  
Board of Directors  
August 24, 2016  
@ 10:45 a.m.  
95 Perry Street  
4th Floor – Vista Room  
Buffalo, New York 14203

**1.0 Call to Order**

**2.0 Approval of Minutes**

2.1 Approval of the July 27, 2016 Meeting of the Board of Directors (Pages 2-3)

**3.0 Reports / Action Items / Information Items:**

3.1 Financial Report (Pages 4-9)

3.2 Proposed Budget Timetable (Page 10)

3.3 Review 2017 Budget (Pages 11-12)

3.4 BNMC Parking Garage Local Labor Bond Action (Pages 13-16)

**4.0 Management Team Reports:**

4.1 (None)

**5.0 Adjournment - Next Meeting September 28, 2016 at 10:45 a.m.**

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

- DATE AND PLACE:** July 27, 2016, at the Erie County Industrial Development Agency, 95 Perry Street, 5<sup>th</sup> Floor ESD Conference Room, Buffalo, New York 14203
- PRESENT:** Richard Lipsitz, Jr., John Mudie, Hon. Edward A. Rath, III and Maria Whyte
- EXCUSED:** Hon. Byron W. Brown, John Mills and Hon. Mark C. Poloncarz,
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Karen M. Fiala, Assistant Treasurer; Brandley Bach, Assistant Treasurer, and Robert G. Murray, Secretary
- GUESTS:** Chris Pawenski, Erie County Department of Environmental Planning, Ken Swanakamp, Erie County Department of Environmental Planning; Andrew Federick, Erie County Senior Economic Development Specialist

There being a quorum present at 10:45 a.m., and in the absence of the presence of the Chair, Mr. Poloncarz, the Vice Chair, Mr. Lipsitz, called the meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation to order.

**MINUTES**

Upon motion made by Mr. Rath and seconded by Ms. Whyte, the June 22, 2016 minutes of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation meeting were unanimously approved.

**REPORTS / ACTION ITEMS / INFORMATION ITEMS**

Financial Report. Mr. Bach reviewed the June, 2016 financial statements noting that as of June 30, 2016, the ILDC has total assets of approximately \$259,000 and had a net loss of approximately \$480 during the month of June 2016. On a year-to-date basis, the ILDC has net income of \$1,340. There being no further discussion, Mr. Lipsitz directed that the report be received and filed.

Assistant Treasurer and Municipal Deposit Resolution. Ms. Whyte moved and Mr. Rath seconded to appoint Bradley Bach as Assistant Treasurer of the ILDC and authorized the First

Niagara Bank Municipal Deposit Resolution as attached hereto and made a component part of these minutes. The motion was then unanimously approved.

At 10:48 a.m., Mr. Lipsitz asked for a motion to enter into Executive Session to discuss a potential purchase of real property, the disclosure of which could substantially affect the value thereof. Ms. Whyte moved and Mr. Rath seconded to enter into Executive Session.

Ms. Whyte moved and Mr. Rath seconded to terminate Executive Session. The motion was then unanimously approved and Executive Session was terminated at 11:04 a.m.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 11:07 a.m.

Dated: July 27, 2016

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Robert G. Murray, Secretary

**Industrial Land Development Corp.**  
**Financial Statements**  
As of July 31, 2016

**INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**

**Balance Sheet**

July 31, 2016

	<b>July 2016</b>	June 2016	December 2015
<b>ASSETS:</b>			
Restricted Cash *	\$ 255,624	\$ 255,548	\$ 278,808
Loans Receivable, net	3,816	4,037	8,453
Less: Reserve for Loan losses	-	-	(1,359)
Loan Interest Receivable	25	25	-
Total Loan Assets	<u>3,841</u>	<u>4,062</u>	<u>7,094</u>
Total Assets	<u>\$ 259,466</u>	<u>\$ 259,610</u>	<u>\$ 285,902</u>
<b>LIABILITIES &amp; NET ASSETS:</b>			
Accounts Payable	\$ -	\$ -	\$ -
Due to/(from) ECIDA	292	250	27,862
Interest Payable - HUD	14	10	29
Other Liabilities	-	-	-
Total Liabilities	<u>305</u>	<u>260</u>	<u>27,891</u>
Restricted Fund Balance	<u>259,160</u>	<u>259,350</u>	<u>258,011</u>
Total Liabilities & Net Assets	<u>\$ 259,466</u>	<u>\$ 259,610</u>	<u>\$ 285,902</u>

	<b>July 2016</b>	June 2016	December 2015
<b>* Loan Portfolio Summary:</b>			
# of Loans	<u>1</u>	<u>1</u>	<u>3</u>

\* Cash is invested in interest bearing accounts at First Niagara 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 July 2016

	<b>Actual vs. Budget</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>REVENUES:</b>			
Interest Income - Loans	\$ 7	\$ 8	\$ (2)
Interest Income - Cash & Inv.	-	3	(3)
Administrative Fees	-	-	-
Other Income	-	-	-
Total Revenues	<u>7</u>	<u>11</u>	<u>(4)</u>
<b>EXPENSES:</b>			
Management Fee - ECIDA	\$ 42	\$ 42	0
Provision for Loan Losses	-	-	-
Professional Services	15	17	(2)
Rent & Facilities Expenses	-	-	-
General Office Expenses	-	-	-
Travel & Meeting Expenses	-	-	-
Other Expenses	140	25	115
Total Expenses	<u>196</u>	<u>83</u>	<u>113</u>
<b>NET INCOME/(LOSS):</b>	<u>\$ (190)</u>	<u>\$ (73)</u>	<u>\$ (117)</u>

**INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**

**Income Statement**

Year to Date: July 31, 2016

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
<b>REVENUES:</b>						
Interest Income - Loans	\$ 93	\$ 58	\$ 35	\$ 93	\$ 429	\$ (336)
Interest Income - Cash & Inv.	-	18	(18)	-	1	(1)
Administrative Fees	-	-	-	-	-	-
Other Income	1,322	-	1,322	1,322	940,650	(939,328)
<b>Total Revenues</b>	<b>1,415</b>	<b>76</b>	<b>1,339</b>	<b>1,415</b>	<b>941,080</b>	<b>(939,665)</b>
<b>EXPENSES:</b>						
Management Fee - ECIDA	\$ 292	\$ 292	0	\$ 292	\$ 939,167	\$ (938,875)
Provision for Loan Losses	(1,359)	-	(1,359)	(1,359)	(1,799)	440
Professional Services	309	117	192	309	160	149
Interest Expense	-	-	-	-	-	-
General Office Expenses	-	-	-	-	-	-
Other Expenses	1,024	175	849	1,024	100	924
<b>Total Expenses</b>	<b>265</b>	<b>583</b>	<b>(318)</b>	<b>265</b>	<b>937,628</b>	<b>(937,363)</b>
<b>NET INCOME/(LOSS):</b>	<b>\$ 1,150</b>	<b>\$ (508)</b>	<b>\$ 1,657</b>	<b>\$ 1,150</b>	<b>\$ 3,452</b>	<b>\$ (2,302)</b>

**INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**

**Balance Sheet**

July 31, 2016

	July 31, 2016		December 31, 2015	
	ECBDF	General	ECBDF	General
		Total		Total
<b>ASSETS:</b>				
Restricted/Unrestricted Cash	\$ 206,766	\$ 48,858	\$ 201,334	\$ 77,474
Loans Receivable, net	3,816	-	8,453	-
Less: Reserve for Loan losses	-	-	(1,359)	-
Loan Interest Receivable	25	25	-	-
Total Loan Assets	3,841	3,841	7,094	7,094
<b>Total Assets</b>	<b>\$ 210,607</b>	<b>\$ 48,858</b>	<b>\$ 208,428</b>	<b>\$ 77,474</b>
		<b>\$ 259,466</b>		<b>\$ 285,902</b>
<b>LIABILITIES &amp; NET ASSETS:</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to/(from) ECIDA	292	-	445	27,417
Interest Payable - HUD	14	-	29	-
Total Liabilities	305	-	474	27,417
Fund Balance	210,302	48,858	207,954	50,057
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 210,607</b>	<b>\$ 48,858</b>	<b>\$ 208,428</b>	<b>\$ 77,474</b>
		<b>\$ 259,466</b>		<b>\$ 285,902</b>



**INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDIC")**

**Income Statement**

Year to Date: July 31, 2016

	Year to Date: July 31, 2016			Year Ended: December 2015		
	ECBDF	General	Total	ECBDF	General	Total
<b>REVENUES:</b>						
Interest Income - Loans	\$ 93	\$ -	\$ 93	\$ 500	\$ -	\$ 500
Interest Income - Cash & Inv.	-	-	-	-	1	1
Other Income	1,322	-	1,322	4,127	1,764,488	1,768,614
Total Revenues	\$ 1,415	\$ -	\$ 1,415	\$ 4,627	\$ 1,764,489	\$ 1,769,115
<b>EXPENSES:</b>						
Management Fee - ECIDA	\$ 292	\$ -	\$ 292	\$ 445	\$ 1,764,488	\$ 1,764,933
Provision for Loan Losses	(1,359)	-	(1,359)	(6,632)	-	(6,632)
Professional Services	132	176	309	235	90	325
General Office Expenses	-	-	-	-	-	-
Other Expenses	1	1,023	1,024	1,096	27,417	28,513
Total Expenses	\$ (934)	\$ 1,199	\$ 265	\$ (4,856)	\$ 1,791,995	\$ 1,787,139
<b>NET INCOME/(LOSS) BEFORE NON-RECURRING ITEMS:</b>	\$ 2,349	(1,199)	1,150	9,483	(27,506)	(18,024)
<b>NET INCOME/(LOSS):</b>	\$ 2,349	\$ (1,199)	\$ 1,150	\$ 9,483	\$ (27,506)	\$ (18,024)

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

**Proposed Budget Review Timetable**

<b>Date</b>	<b>Description</b>	
June 1 – 17	Review of proposed 2017 budget by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
June 20th 9:00 A.M.	Audit and Finance Committee review of first draft.	✓
August 16 <sup>th</sup> 12:00 P.M.	Audit and Finance Committee review of final proposed budget. (No Quorum)	✓
August 24 <sup>th</sup> 10:45 A.M.	Audit and Finance Committee review of final proposed budget.	
August 24 <sup>th</sup> 11:00 A.M.	Board meeting to review 2017 budget.	
September 8 <sup>th</sup> 12:00 P.M.	Board Q&A budget session #1 (voluntary).	
September 12 <sup>th</sup> 12:00 P.M.	Board Q&A budget session #2 (voluntary).	
September 13 <sup>th</sup> 12:00 P.M.	Audit and Finance Committee approval of 2017 budget.	
<b>September 28<sup>th</sup> 11:00 A.M.</b>	<b>Board meeting; action to approve 2017 budget.</b>	
November 1 <sup>st</sup>	Deadline for final approved budget to be submitted to the ABO.	

**BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**  
**Proposed Budget for 2017**

	<b>Proposed Budget 2017</b>	<b>Approved Budget 2016</b>	<b>Projected 2016</b>	<b>Actual 2015</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 30	\$ 100	\$ 84	\$ 500
Interest Income - Cash & Investments	-	30	-	1
Other Income	-	-	1,322	1,768,614
<b>Total Revenues</b>	<b>30</b>	<b>130</b>	<b>1,406</b>	<b>1,769,115</b>
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 500	\$ 500	500	\$ 1,764,933
Provision for Loan Losses	-	-	-	(6,632)
Professional Services	300	400	588	325
General Office Expenses	100	100	-	-
Other Expenses	500	-	1,768	28,513
<b>Total Expenses</b>	<b>1,400</b>	<b>1,000</b>	<b>2,856</b>	<b>1,787,139</b>
<b>NET INCOME/(LOSS):</b>	<b>\$ (1,370)</b>	<b>\$ (870)</b>	<b>\$ (1,450)</b>	<b>\$ (18,024)</b>

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

**INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**  
**Proposed 3-Year Forecast 2018-2020**

	<b>Proposed Budget 2017</b>	<b>Forecast 2018</b>	<b>Forecast 2019</b>	<b>Forecast 2020</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 30	\$ -	\$ -	\$ -
Interest Income - Cash & Investments	-	40	45	45
Other Income	-	-	-	-
<b>Total Revenues</b>	<b>30</b>	<b>40</b>	<b>45</b>	<b>45</b>
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 500	\$ 100	\$ 100	\$ 100
Provision for Loan Losses	-	-	-	-
Professional Services	300	100	100	100
General Office Expenses	100	100	100	100
Other Expenses	500	-	-	-
<b>Total Expenses</b>	<b>1,400</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>NET INCOME/(LOSS):</b>	<b>\$ (1,370)</b>	<b>\$ (260)</b>	<b>\$ (255)</b>	<b>\$ (255)</b>

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

August 16, 2016

John Cappellino, Executive Vice President  
Erie County Industrial Development Agency  
95 Perry Street, Suite 403  
Buffalo, NY 14203

Dear John:

Re: Redevelopment of Parking Garage at 854 Ellicott Street, Buffalo, New York

I am writing to request a modification of the local labor policy of the Erie County Industrial Land Development Corporation ("ILDC") to conform its local labor area policy for this project only to the local labor policy of the Erie County Industrial Development Agency ("ECIDA").

The current ILDC local labor area policy requires that the workforce for any project receiving ILDC assistance to be comprised entirely of workers who reside in Erie, Chautauqua, Cattaraugus, Allegany and Niagara Counties.

The current ECIDA local labor area policy requirement is as follows:

*Local Labor is defined as individuals residing in Erie County, Niagara County, Chautauqua County, Cattaraugus County, Allegany County, Wyoming County, Genesee County, and Orleans County (collectively, the "Local Labor Area"). Local Labor Requirement At least 90% of all Project employees of the general contractor, subcontractor, or subcontractor to a subcontractor (collectively, the "Workers") working on the Project Site must reside within the Local Labor Area. Companies do not have to be local companies as defined herein, but must employ local Workers residing within the Local Labor Area to qualify under the 90% local labor criteria.*

As we all know, because of the extraordinary volume of local construction, the available workforce for contractors in our area has been challenged. We believe that conforming the ILDC policy to that of the ECIDA would be helpful in addressing workforce labor supply issues. We also believe it is advisable to conform the policies of the two organizations as both entities serve essentially the same constituency and geographic area.

It is worth noting, in the consideration of this request, that in conveying the project site to 854 Ellicott St. LLC, the City of Buffalo imposed a local workforce requirement mandating that at least 75 percent of the workers for this project reside within 100 miles of the project site (exclusive of Canada). While are not asking for the ILDC to modify its policy for this project to the slightly lower standard required

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Buffalo Medical Group, PC  
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Fruit Belt Neighborhood  
Hauptman-Woodward Medical Research Institute  
Kulaida Health  
Dimetad Center for Sight/Ross Eye Institute  
Roswell Park Cancer Institute  
University at Buffalo  
Unyte



by the City of Buffalo, the harmonization of ILDC policy to that of the ECIDA for this project would better align the local workforce requirements of the various governmental authorities having jurisdiction over this project.

If any further information is needed or the ILDC Board should have any questions, please let us know.

Respectfully,

A handwritten signature in black ink, appearing to read "Patrick J. Kilcullen". The signature is fluid and cursive, with the first name "Patrick" being more prominent.

Patrick J Kilcullen, Chief Financial Officer  
Buffalo Niagara Medical Campus, Inc., sole member of 854 Ellicott St., LLC

**BUFFALO AND ERIE COUNTY  
INDUSTRIAL LAND DEVELOPMENT CORPORATION**

**RESOLUTION**

*(Buffalo Niagara Medical Campus, Inc. Project)*

A regular meeting of the Buffalo and Erie County Industrial Land Development Corporation was convened on August 24, 2016, at 10:45 a.m.

The following resolution was duly offered and seconded, to wit:

**RESOLUTION AUTHORIZING THE USE OF LOCAL LABOR NINETY PERCENT OF WHICH MUST RESIDE IN ERIE, NIAGARA, CHAUTAUQUA, CATTARAUGUS, ALLEGHANY, WYOMING, GENESEE, AND ORLEANS COUNTIES**

WHEREAS, the BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (the "ILDC") is authorized and empowered by Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the "State"), as amended (the "NFP Law") and Resolution No. 218 of 2009 adopted by the Erie County Legislature (the "Legislature") on July 24, 2009, as amended by Resolution No. 295 of 2009, adopted by the Legislature on November 19, 2009, Resolution Intro 5-3 (2010) adopted by the Legislature on March 25, 2010, and Resolution No. 110 of 2011, adopted by the Legislature on June 30, 2011 (collectively the "County Resolutions" and with the NFP Law, the "Enabling Act"), to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities in Erie County (the "County") and lessen the burdens of government and act in the public interest; and

WHEREAS, 854 ELLICOTT ST., LLC (the "Company"), a wholly-owned subsidiary of Buffalo Niagara Medical Campus, Inc., a New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), previously submitted an application to the ILDC requesting that the ILDC issue its Tax Exempt Revenue Bonds (Buffalo Niagara Medical Campus, Inc. Project) Series 2016 (the "Bonds") in the aggregate principal amount of up to \$53,500,000 for the purpose of paying a portion of the costs of the acquisition, renovation, construction and equipping of a project (the "Project") to be undertaken by the Company on land to be ground leased by the City of Buffalo, New York ("Buffalo") to the Company located at 854 Ellicott Street, Buffalo, New York (the "Land"), consisting of: (A) the demolition of the existing improvements located on the Land, consisting principally of an existing approximately 155,100 square-foot parking garage containing approximately 900 parking spaces; (B) the acquisition, construction and equipping on the Land of an approximately 640,000 square-foot parking garage containing approximately 1,800 parking spaces to accommodate the parking needs of Oishei Children's Hospital and Jacobs School of Medical and Biomedical Sciences (the "Improvements"); (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, collectively with the Land and the

Improvements, the "Facility"); and (D) funding a debt service reserve fund, if any, and paying capitalized interest, if any and paying of certain costs and expenses incidental to the issuance of Bonds (the costs associated with items (A) through (D) above being hereinafter collectively referred to as the "Project Costs "); and

WHEREAS, on June 22, 2016, the ILDC authorized providing financial assistance to the Company with respect to the Project (collectively, the "Financial Assistance") in the form of (i) the issuance of the Bonds in an amount not to exceed the lesser of the Project Costs or \$53,500,000 and (ii) an exemption from all mortgage recording taxes with respect to any qualifying mortgage on the Land and the Improvements to secure the Bonds; and

WHEREAS, Erie County Legislature Resolution No. 110 of 2011, adopted by the Legislature on June 30, 2011, provides that, "[i]n the absence of a waiver permitting otherwise, and to the extent permitted by law, every project seeking ILDC tax exempt revenue bonds must use all local labor for the construction of new, expanded, or renovated facilities. "Local" is defined as residing in Erie, Niagara, Chautauqua, Cattaraugus and Alleghany Counties...." (the "ILDC Local Labor Policy"); and

WHEREAS, the Erie County Industrial Development Agency (The "Agency"), an affiliate of the ILDC, requires that at least 90% of all project employees of the general contractor, subcontractor, etc., working on a project that receives Agency financial assistance, reside in Erie County, Niagara County, Chautauqua County, Cattaraugus County, Allegany County, Wyoming County, Genesee County, or Orleans County; (collectively, the 90% labor requirement and the eight county labor area, being the "Agency Local Labor Policy"); and

WHEREAS, the Company has informed the ILDC that, because of the extraordinary volume of local construction within the Buffalo region, the available workforce for contractors in our area has been challenged and has requested that the ILDC amend the ILDC Local Labor Policy, as described above, to conform it, for this Project only, to the Agency Local Labor Policy.

NOW, THEREFORE, BE IT RESOLVED by the Buffalo and Erie County Industrial Land Development Corporation as follows:

Section 1. Based upon representations made by the Company to the ILDC, the ILDC hereby waives and amends the ILDC Local Labor Policy to conform to the Agency Local labor Policy and hereby requires 90% of the Company's labor force to be used for the construction of the Project to be resident of Erie County, Niagara County, Chautauqua County, Cattaraugus County, Allegany County, Wyoming County, Genesee County, or Orleans County.

Section 2. This resolution shall take effect immediately.

Dated: August 24, 2016