



**Buffalo and Erie County Industrial Land Development Corporation
Board of Directors Meeting
August 22, 2018
@ 8:45 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 25, 2018 Minutes of the Board of Directors (Pages 2-3)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Pages 4-7)

3.2 Approval of Resolution to receive UDAG Funds for Master Plan and GEIS at Bethlehem Steel (Pages 8-10)

4.0 Adjournment - Next Meeting September 26, 2018 at 8:45 a.m.

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

- DATE AND PLACE:** July 25, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Richard Lipsitz, Jr., John J. Mudie, Hon. Mark C. Poloncarz, Hon. Peter J. Savage, III and Maria Whyte
- EXCUSED:** Hon. Byron W. Brown and Hon. Patrick Burke
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Assistant Treasurer and Robert G. Murray, Secretary
- GUESTS:** Michael Szukala, Chair, Audit & Finance Committee; Andrew Federick, Erie County Senior Economic Development Specialist; Rebecca Gandour, City of Buffalo Office of Strategic Planning; and Christopher Pawenski, Coordinator, Industrial Assistance Program, of the Erie County Environment & Planning Department

At 8:46 a.m., there being a quorum present, the meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (the "Corporation") was called to order by its Chair, Mr. Poloncarz.

MINUTES

Upon motion made by Mr. Mudie, and seconded by Mr. Savage, the June 27, 2018 minutes of the Board of Directors were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the July 2018 Financial Report. Ms. Profic noted that the ILDC ended the month of June with total assets of \$7.1 million and net assets of \$6.7 million. The monthly income statement shows operating revenue of \$1,000 and expenses of \$6,000 for a net loss of \$5,000. June revenues include application fees passed through to the ECIDA. The year to date income statement shows operating revenues of \$1,200, expenses of \$61,000, plus grant income of \$40,000, for a net loss of \$19,000 so far in 2018. Mr. Poloncarz directed that the report be received and filed.

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

Global Concepts Charter School Bond Issuance. Mr. Cappellino presented this tax-exempt issuance project involving the ILDC's issuance of refunding tax-exempt bonds in an amount not to exceed \$7,700,000, approximately \$7,302,512.00 of which will be used for refinancing existing debt.

Ms. Whyte moved and Mr. Savage seconded to approve of the issuance. Mr. Poloncarz called for the vote and the following resolution was unanimously approved:

RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION TAX-EXEMPT REVENUE BONDS, (GLOBAL CONCEPTS CHARTER SCHOOL PROJECT) SERIES 2018A AND THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION TAXABLE REVENUE BONDS, (GLOBAL CONCEPTS CHARTER SCHOOL PROJECT) SERIES 2018B, EACH IN ONE OR MORE SERIES AND IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,700,000 AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS

Medaille College Bond Issuance. Mr. Cappellino presented this tax-exempt issuance project involving the ILDC's issuance of tax-exempt bonds in an approximate amount not to exceed \$10,500,000 to refund the Series 2010 A-1 Series, 2010 A-2 Series and 2010 B Bonds (the "2010 Bonds").

Mr. Lipsitz moved and Ms. Whyte seconded to approve of the issuance. Mr. Poloncarz called for the vote and the following resolution as unanimously approved:

RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION TAX-EXEMPT AND/OR TAXABLE REVENUE BONDS, (MEDAILLE COLLEGE PROJECT), EACH IN ONE OR MORE SERIES AND IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,500,000 AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 8:54 a.m.

Dated: July 25, 2018

Robert G. Murray, Secretary

Industrial Land Development Corp.
Financial Statements
As of July 31, 2018

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Balance Sheet

July 31, 2018

| | July 2018 | June 2018 | December 2017 |
|--------------------------------------|---------------------|---------------------|--------------------------|
| ASSETS: | | | |
| Restricted Cash * | \$ 227,674 | \$ 193,911 | \$ 245,815 |
| Grants Receivable | 362,500 | 362,500 | 362,500 |
| Loans Receivable, net | 22,128 | 22,690 | 26,058 |
| Loan Interest Receivable | 45 | 45 | 45 |
| Total Loan Assets | <u>22,173</u> | <u>22,735</u> | <u>26,103</u> |
| Fixed Assets | 6,530,672 | 6,530,672 | 6,530,672 |
| Total Assets | <u>\$ 7,143,018</u> | <u>\$ 7,109,818</u> | <u>\$ 7,165,090</u> |
| LIABILITIES & NET ASSETS: | | | |
| Accounts Payable | \$ 3,000 | \$ 3,000 | \$ 17,048 |
| Due to/(from) ECIDA | 1,169 | 1,002 | 22,609 |
| Other Liabilities | 390,610 | 392,512 | 392,527 |
| Total Liabilities | <u>394,779</u> | <u>396,514</u> | <u>432,184</u> |
| Restricted Fund Balance | 6,748,239 | 6,713,304 | 6,732,906 |
| Total Liabilities & Net Assets | <u>\$ 7,143,018</u> | <u>\$ 7,109,818</u> | <u>\$ 7,165,090</u> |

| | July 2018 | June 2018 | December 2017 |
|----------------------------------|------------------|------------------|--------------------------|
| * Loan Portfolio Summary: | | | |
| # of Loans | <u>1</u> | <u>1</u> | <u>1</u> |

* 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 July 2018

| | Actual vs. Budget | | |
|--|--------------------------|-------------------|------------------|
| | Actual | Budget | Variance |
| REVENUES: | | | |
| Interest Income - Loans | \$ 40 | \$ 42 | \$ (2) |
| Other Income | 1,000 | - | 1,000 |
| Total Revenues | <u>1,040</u> | <u>42</u> | <u>998</u> |
| EXPENSES: | | | |
| Management Fee - ECIDA | \$ 1,167 | \$ 2,417 | (1,250) |
| Professional Services | 4,663 | 317 | 4,346 |
| Other Expenses | 275 | 229 | 46 |
| Total Expenses | <u>6,105</u> | <u>2,963</u> | <u>3,143</u> |
| SPECIAL PROJECT GRANTS: | | | |
| Revenue | 41,907 | - | 41,907 |
| Expenses | (1,907) | - | (1,907) |
| | <u>40,000</u> | <u>-</u> | <u>40,000</u> |
| NET INCOME/(LOSS) BEFORE NON-RECURRING ITEMS: | <u>\$ 34,934</u> | <u>(2,921)</u> | <u>37,855</u> |
| NET INCOME/(LOSS): | <u>\$ 34,934</u> | <u>\$ (2,921)</u> | <u>\$ 37,855</u> |

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement
Year to Date: July 31, 2018

| | Actual vs. Budget | | | Actual vs. Prior Year | | |
|--------------------------------|-------------------|--------------------|------------------|-----------------------|---------------------|-----------------------|
| | Actual | Budget | Variance | Actual | Prior Year | Variance |
| REVENUES: | | | | | | |
| Interest Income - Loans | \$ 287 | \$ 292 | \$ (5) | \$ 287 | \$ 352 | \$ (65) |
| Interest Income - Cash & Inv. | 4 | - | 4 | 4 | - | 4 |
| Other Income | 2,000 | - | 2,000 | 2,000 | 146,885 | (144,885) |
| Total Revenues | 2,291 | 292 | 1,999 | 2,291 | 147,237 | (144,946) |
| EXPENSES: | | | | | | |
| Management Fee - ECIDA | \$ 3,169 | \$ 16,917 | (13,748) | \$ 3,169 | \$ 144,975 | \$ (141,806) |
| Professional Services | 33,689 | 2,217 | 31,472 | 33,689 | 97,796 | (64,107) |
| Other Expenses | 30,099 | 1,604 | 28,495 | 30,099 | 5,632 | 24,467 |
| Total Expenses | 66,957 | 20,738 | 46,220 | 66,957 | 248,404 | (181,446) |
| SPECIAL PROJECT GRANTS: | | | | | | |
| Revenue | 81,907 | - | 81,907 | 81,907 | 2,600,550 | (2,518,644) |
| Expenses | (1,907) | - | (1,907) | (1,907) | - | (1,907) |
| | 80,000 | - | 80,000 | 80,000 | 2,600,550 | (2,520,550) |
| NET INCOME/(LOSS): | \$ 15,333 | \$ (20,446) | \$ 35,779 | \$ 15,333 | \$ 2,499,383 | \$ (2,484,050) |



Item 3.2

MEMORANDUM

TO: ILDC Board of Directors
FROM: Mollie Profic, CFO
SUBJECT: Funding Agreement with Erie County Industrial Development Agency
DATE: August 22, 2018

In connection with the former Bethlehem Steel property acquired by the ILDC, a Master Plan and Generic Environmental Impact Statement (“GEIS”) analysis to promote and encourage job creation and new investment on that property has commenced. The ILDC has been awarded grant funding of up to \$709,657 from various sources, however only \$30,000 of the grant funds were able to be received up front. The remainder of the grant funding must be requested on a reimbursement basis.

The ILDC does not have the necessary monies in its General Fund to pay for invoices that will ultimately be reimbursed with grant funds, and has requested that the ECIDA grant up to \$500,000 on a revolving basis to the ILDC to allow for payment of these invoices. When the reimbursement is received from grantors, the ILDC will reimburse the Agency. It is expected that the Master Plan and GEIS will be completed by June 2019. This is an eligible use of UDAG funds under Section 105(a)(1) of the Housing and Community Development Act of 1974.

Action:

Staff is recommending the ILDC Board approve the attached resolution to authorize the receipt of grant funding up to \$500,000 on a revolving basis to the ILDC from the ECIDA’s UDAG Fund.

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

A meeting of the Buffalo and Erie County Industrial Land Development Corporation was convened on August 22, 2018, at 8:45 a.m.

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

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (“ILDC”) TO ENTER INTO A FUNDING AGREEMENT FOR CERTAIN MASTER PLANNING AND GENERIC ENVIRONMENTAL IMPACT STATEMENT PURPOSES WITH THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (“AGENCY”) IN AN AMOUNT NOT TO EXCEED \$500,000 ON A REVOLVING BASIS FROM THE AGENCY’S U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT URBAN DEVELOPMENT ACTION GRANT (“UDAG”) REFLOW FUND

WHEREAS, the Agency maintains an Urban Development Action Grant Reflow Fund (the “UDAG Fund”), said UDAG Fund having been established based on rental payments derived from a project funded by an Agency UDAG grant, where after UDAG Fund proceeds have been invested within the Agency’s venture capital investment program which has resulted in certain cash distributions back to the UDAG Fund thereby expanding the size of the UDAG Fund; and

WHEREAS, the ILDC, an affiliate of the Agency, is authorized and empowered by Section 1411 of the Not-for-Profit Corporation Law of the State of New York, as amended, to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities in Erie County and to lessen the burdens of government and act in the public interest; and

WHEREAS, the ILDC is the owner of approximately 150 acres of real property located on the former Bethlehem Steel site in Lackawanna, New York (the “Real Property”); and

WHEREAS, on March 21, 2018, the ILDC resolved to undertake a Master Plan and GEIS analysis on the Real Property with respect to the planned redevelopment of an Infrastructure/Utility Master Plan and Generic Environmental Impact Statement (the “Master Plan and GEIS”) for commercial and industrial purposes to promote and encourage job creation and new investment for the benefit of the residents of Erie County; and

WHEREAS, to undertake the Master Plan and GEIS process, the ILDC has been awarded grant funding in the amount of \$709,657 from various sources (the “Grant Funding Sources”) however, only \$30,000 of such grant funding is able to be received upfront, with the remainder of such grant funding to submitted to the ILDC on a reimbursement basis; and

WHEREAS, the ILDC does not have enough cash in its General Fund to pay for such Master Plan and GEIS related invoices that will then be reimbursed; and

WHEREAS, the ILDC has requested that the Agency grant up to \$500,000, on a revolving basis, to the ILDC, to allow it to pay Master Plan and GEIS project related invoices, and thereafter, the ILDC will submit for reimbursement from its Grant Funding Sources and remit same to the Agency upon receipt; and

WHEREAS, it is expected that the Master Plan and GEIS will be completed by June, 2019.

NOW, THEREFORE, BE IT RESOLVED BY THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION AS FOLLOWS:

Section 1. The grant request involves a “Type II action” as said term is defined pursuant to and in accordance with applicable provisions of the State Environmental Quality Review Act (“SEQR”), and therefore, no further action is required under SEQR.

Section 2. The ILDC hereby approves and authorizes the receipt of grant funding, in an amount not to exceed \$500,000, on a revolving basis, from the Agency’s UDAG Fund, to permit the ILDC to undertake and complete the Master Plan and GEIS activities on the Real Property.

Section 3. The Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer are hereby authorized, on behalf of the ILDC, to negotiate, execute and deliver any documents and agreements as may be related hereto and the officers, employees and agents of the ILDC are hereby authorized and directed for and in the name and on behalf of the ILDC to do all acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this resolution.

Section 4. This resolution shall take effect immediately.

Dated: August 22, 2018