

Industrial Land Development Corp
2020 Budget

Industrial Land Development Corporation (ILDC)

2020 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 loan 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 2020 Budget:

The following summarizes the key changes between the 2020 budget and the projected 2019 results:

- In 2019, the ILDC received \$155,000 of grant income toward the purchase of land for the Angola Ag Park. No such revenue is expected in 2020.
- The ECIDA Management Fee represents a fee charged by the ECIDA for services that its employees provide, since ILDC has no employees of its own. The fee is expected to increase by approximately \$29,000 or double in 2020 due to anticipated increases in time spent on ILDC projects by ECIDA staff.
- Professional services consist of legal, consulting, and auditing costs, and are expected to decrease by about \$77,000 or 59% in 2020. This is due to the land acquisition (legal) and environmental consulting costs incurred in 2019 that are not anticipated to continue at the same rate in 2020.
- The Special Projects section of the budget relates to grants for the Bethlehem Steel property purchase and carrying costs, along with a grant related to the Angola Ag Park carrying costs. ILDC expects to recognize \$1.75 million in 2020 to offset the cost of purchasing additional land at the former Bethlehem Steel site, which will be reimbursed to ECIDA when received. A total of \$300,000 is budgeted to be used in 2020 for carrying costs related to the two properties, which will be granted by ECIDA’s UDAG fund. Other grant revenue relates to the creation of an Opportunity Zone guide.

B. Summary of Risk Factors impacting the 2020 Budget:

The following significant risk factors may influence the 2020 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 2020 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")
Budget for 2020

	Budget 2020	Approved Budget 2019	Projected 2019	Actual 2018
REVENUES:				
Interest Income - Loans	\$ 230	\$ 350	\$ 354	\$ 450
Interest Income - Cash & Investments	10	10	12	13
Grant Income	-	-	155,000	-
Proceeds from Land Sales	250,000	-	250,000	-
Other Income	-	-	36,250	82,985
Total Revenues	250,240	360	441,616	83,448
EXPENSES:				
ECIDA Management Fee*	\$ 58,000	\$ 28,000	28,800	\$ 159,717
Professional Services	53,100	23,000	130,237	82,021
General Office Expenses	600	-	-	515
Other Expenses	875	2,625	1,961	31,535
Total Expenses	112,575	53,625	160,998	273,788
SPECIAL PROJECTS:				
Industrial Land Park - ESD grant	1,755,000	1,390,000	-	2,780,000
Industrial Land Park - ECIDA grant	200,000	200,000	200,000	120,000
Industrial Land Park grant reimbursement	(1,755,000)	(1,390,000)	-	(2,780,000)
Industrial Land Park grant costs	(200,000)	(200,000)	(200,000)	-
Angola Ag Park - ECIDA grant	100,000	-	900,000	-
Angola Ag Park grant costs	(100,000)	-	(900,000)	-
Other grant revenue	25,000	509,657	161,492	231,008
Other grant expenses	(25,000)	(509,657)	(161,492)	(231,008)
	-	-	-	120,000
NET INCOME/(LOSS):	\$ 137,665	\$ (53,265)	\$ 280,618	\$ (70,340)

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

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Three Year Forecast 2021-2023

	Budget 2020	Forecast 2021	Forecast 2022	Forecast 2023
REVENUES:				
Interest Income - Loans	\$ 230	\$ 170	\$ 101	\$ 45
Interest Income - Cash & Investments	10	25	25	25
Grant Income	-	-	-	-
Proceeds from Land Sales	250,000	250,000	250,000	200,000
Other Income	-	-	-	-
Total Revenues	250,240	250,195	250,126	200,070
EXPENSES:				
ECIDA Management Fee*	\$ 58,000	\$ 30,000	\$ 30,000	\$ 30,000
Professional Services	53,100	3,600	3,800	3,900
General Office Expenses	600	-	-	-
Other Expenses	875	2,500	4,000	5,000
Total Expenses	112,575	36,100	37,800	38,900
SPECIAL PROJECTS:				
Industrial Land Park - ESD grant	1,755,000	-	-	-
Industrial Land Park - ECIDA grant	200,000	200,000	200,000	-
Industrial Land Park grant reimbursement	(1,755,000)	-	-	-
Industrial Land Park costs	(200,000)	(200,000)	(200,000)	-
Angola Ag Park - ECIDA grant	100,000	100,000	100,000	-
Angola Ag Park grant costs	(100,000)	(100,000)	(100,000)	-
Other grant revenue	25,000	-	-	-
Other grant expenses	(25,000)	-	-	-
	-	-	-	-
NET INCOME/(LOSS):	\$ 137,665	\$ 214,095	\$ 212,326	\$ 161,170

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

Budget Report for Buffalo and Erie County Industrial Land Development Corporation
Fiscal Year Ending: 12/31/2020

Run Date: 10/28/2019
Status: CERTIFIED
Certified Date: 10/28/2019

Budget & Financial Plan **Budgeted Revenues, Expenditures, And Changes in Current Net Assets.**

	Last Year (Actual) 2018	Current Year (Estimated) 2019	Next Year (Adopted) 2020	Proposed 2021	Proposed 2022	Proposed 2023
REVENUE & FINANCIAL SOURCES						
Operating Revenues						
Charges For Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rentals & Financing Income	\$450.00	\$354.00	\$230.00	\$170.00	\$101.00	\$45.00
Other Operating Revenues	\$82,985.00	\$267,500.00	\$250,000.00	\$250,000.00	\$250,000.00	\$200,000.00
Non-Operating Revenues						
Investment Earnings	\$13.00	\$12.00	\$10.00	\$25.00	\$25.00	\$25.00
State Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Municipal Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Public Authority Subsidies	\$2,900,000.00	\$1,100,000.00	\$2,055,000.00	\$300,000.00	\$300,000.00	\$0.00
Other Non-Operating Revenues	\$231,008.00	\$335,242.00	\$25,000.00	\$0.00	\$0.00	\$0.00
Proceeds From The Issuance Of Debt	\$3,214,456.00	\$1,703,108.00	\$2,330,240.00	\$550,195.00	\$550,126.00	\$200,070.00
Total Revenues & Financing Sources						
EXPENDITURES						
Operating Expenditures						
Salaries And Wages	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Employee Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Professional Services Contracts	\$82,021.00	\$130,237.00	\$53,100.00	\$3,600.00	\$3,800.00	\$3,900.00
Supplies And Materials	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Operating Expenditures	\$191,768.00	\$30,761.00	\$59,475.00	\$32,500.00	\$34,000.00	\$35,000.00
Non-Operating Expenditures						
Payment Of Principal On Bonds And Financing Arrangements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest And Other Financing Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subsidies To Other Public Authorities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Asset Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grants And Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Non-Operating Expenditures	\$3,011,008.00	\$1,261,492.00	\$2,080,000.00	\$300,000.00	\$300,000.00	\$0.00
Total Expenditures	\$3,284,797.00	\$1,422,490.00	\$2,192,575.00	\$336,100.00	\$337,800.00	\$38,900.00
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Excess (Deficiency) Of Revenues And Capital Contributions Over Expenditures	(\$70,341.00)	\$280,618.00	\$137,665.00	\$214,095.00	\$212,326.00	\$161,170.00

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The authority's budget, as presented to the Board of Directors, is posted on the following website: <https://www.ecidany.com/about-us-corporate-reports>

Additional Comments